Legislative Council

Tuesday, the 15th October, 1974

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

SECOND AUSTRALASIAN PARLIAMENTARY SEMINAR

Attendance of Delegates

THE PRESIDENT (the Hon. A. F. Griffith): I wish to advise the House that delegates attending the Second Australasian Parliamentary Seminar, which includes representatives of the Parliaments of the Australasian region of the Commonwealth Parliamentary Association, together with representatives of the South-East Asian region, will be present in the President's Gallery during the course of this sitting.

QUESTION ON NOTICE

ABORIGINES

Pre-natal Care

The Hon. GRACE VAUGHAN, to the Minister for Community Welfare:

What are the Government's plans for improvement of the pre-natal care of Aborigines in this State?

The Hon. N. E. BAXTER replied:

The Community Health Services Branch of Public Health Department is carrying out activities for the improvement of pre-natal care of Aborigines in this State along the following lines—

(a) Ensuring regular antenatal examinations, including attendance at clinics and blood examinations.

(b) Ensuring hospital delivery.

(c) Supplementation of the diet of adolescent girls and pregnant women with protein, vitamins and minerals.

(d) Immunisation of girls against Rubella.

(e) Immunisation of pregnant women against tetanus.

Future plans include the extension of the service to cover the Aboriginal population in all areas of the State.

COMMONWEALTH PLACES (ADMINISTRATION OF LAWS) ACT AMENDMENT BILL

Second Reading

THE HON. N. McNEILL (Minister for Justice) [4.38 p.m.]: I move—

That the Bill be now read a second time.

In introducing this measure which proposes to extend a degree of permanency to the Commonwealth Places (Administration of Laws) Act of 1970, I feel it is desirable to give a little of the background which preceded the introduction of the parent Act considered rather hopefully at the time to be a somewhat temporary measure to assert State rights in respect of places within the State occupied or being used under Commonwealth law.

The purpose of the legislation was explained to the House by yourself, Mr President, in 1970 when holding the Justice portfolio, its introduction being prompted by the High Court judgment in the case now known as the Worthing case.

Briefly, in its findings concerning the case—a claim for damages for breach of regulations under a New South Wales State Act—the High Court, by a four to three majority decision, held that the place where the alleged breach occurred was a place acquired by the Commonwealth for public purposes within the meaning of section 52 of the Constitution and that the State legislation did not extend to that place. Arising from that decision the Commonwealth and the States introduced reciprocal legislation which I believe the States regarded as being something of a stop-gap arrangement to hold the position. But the States have always considered that an amendment of the Constitution alone would provide a permanent solution.

I agree with the opinion expressed by you at the time, Mr President, that the only effective and responsible solution to the problem would be an amendment to the Commonwealth Constitution to give both the Commonwealth and the States concurrent jurisdiction in Commonwealth places.

The principal Act was initially given a life of 12 months to the 31st December, 1971, this later being extended to the 31st December, 1974.

With the principal Act now due to expire on the 31st December next, the Government is faced with two alternatives —either to seek a further extension for a nominal period or to take the action as proposed in the amending Bill now before members to remove the time limiting provision of its operation. This Bill was introduced in another place on my behalf as a tentative legislative procedure pending the discussion of this problem which is included on the agenda of the plenary session of the Constitutional Convention which is scheduled to take place in Adelaide in November. However it is not considered feasible to delay discussion to such a late part of the session.

It is still hoped that a favourable resolution of the problem will be found eventually and this to the extent that our State legislation may be repealed.

Nevertheless, the need for both Commonwealth and State authorities to continue the maintenance of law and order in Commonwealth places is of prime importance, and I commend the Bill to the House.

THE HON. R. F. CLAUGHTON (North Metropolitan) [4.40 p.m.]: The Labor Party supports this measure and does not propose to delay it at all. For the information of members I will read section 15 which this Bill is designed to delete. Section 15 reads—

> 15. (1) This Act shall continue in operation until the thirty-first day of December, 1974, and no longer.
>
> (2) The expiry of this Act shall not affect the previous operation thereof or the validity of any action taken thereunder or any penalty, forfeiture or punishment incurred in respect of any contravention of or failure to comply with this Act or any proceedings or remedy in respect of such penalty, forfeiture or punishment.

It was quite obvious when this matter was dealt with by the previous Attorney-General that he had hoped it would be resolved at an early date. I think it illustrates the difficulty of referendums. A referendum represents a virtue or a vice and provides a necessary protection; but in some respects a referendum is very difficult to deal with and should be held only after very careful consideration.

With those very few remarks I support the Bill.

THE HON. N. McNEILL (Lower West—Minister for Justice) [4.42 p.m.]: I am grateful to Mr Claughton for his immediate acceptance of the Bill. However, I wish to indicate that it is not my intention to proceed to the Committee stage at the moment because this would be inappropriate, inasmuch as I have made a reference to the consideration of this matter by the Constitutional Convention. Therefore, I consider the progress of the Bill should be delayed in order that we might obtain clarification of the position. After the discussion at the Constitutional Convention it may be considered desirable to make certain amendments. I do not anticipate this will be necessary, but I feel we should make some provision in case it is required.

If that procedure is acceptable to members I recommend that the Bill be read a second time, but that it should not proceed into Committee.

Question put and passed.

Bill read a second time.

ACTS AMENDMENT (JUDICIAL SALARIES AND PENSIONS) BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [4.43 p.m.]: I move—

> That the Bill be now read a second time.

The purpose of this Bill is to increase the salaries of judges by 20 per cent with effect from and on the 1st July, 1974. Salaries payable to judges of the Supreme and District Courts of this State were last fixed by Parliament in 1972 and became operative from the 1st January, 1973. Since that date judges' salaries in all other States have been increased and this fact, together with rapidly changing economic scenes and consequent erosion of money values, makes an early review of judicial salaries imperative.

Recent increases granted to stipendiary magistrates by the Public Service Board in this State have left the present salary of a District Court judge below that paid to a country magistrate in his third year of service and $3 560 per annum below that paid to a chief magistrate.

This is indicative of a need for a single tribunal to deal with all salaries in the upper bracket.

The Chief Justice of Western Australia at present receives $2 700 per year less than even the most junior District Court judge in New South Wales. The rates payable to judges in other States and in Western Australia as at June, 1974, were as follows—

	Supreme Court			District Court	
	Chief Justice	Puisne Judges	Operative Date	Chairman	Judges
	$	$		$	$
Western Australia	27 000	*24 000	1/1/73	20 880	19 440
New South Wales	37 000	33 850	1/1/74	30 500	27 950
Allowance	2 250	1 750		1 750	1 750
Victoria	36 875	33 375	27/11/73	27 750	27 750
Allowance	2 250	1 750		2 250	1 750
South Australia	37 000	33 000	1/1/74	28 500	26 000
Tasmania	27 000	24 000	1/10/73	....	....
Queensland	30 740	26 500	1/7/73	24 380	23 320

* Senior Puisne Judge, *24 750.

There are no District Court judges in Tasmania.

Since that date, judicial salaries in Queensland would have risen as a recent amendment to the Act in that State provides that as soon as practicable after the 30th June of each year salaries are to be adjusted and fixed by the Governor by Order-in-Council, by increasing, or, as circumstances require, decreasing the amount of the annual salary for the time being in accordance with the variation which has occurred during the year ended the 30th June in the average minimum weekly wage rates for adult males in Queensland.

Discernible elsewhere is a trend towards the appointment of tribunals to determine parliamentary, judicial, statutory, and senior public servant salaries. The regular review of such salaries by an independent authority would have considerable merit here as it would reduce the number of salary-fixing bodies, and allow greater regard to be given to relativities and, as a result, it was decided some time ago to introduce legislation to establish such a tribunal.

Meanwhile, the adjustment of judicial salaries should receive our present consideration.

It is proposed in this Bill that the rates of Supreme and District Court judges be increased by 20 per cent. This is in accord with a similar increase granted to top public servants since judges' salaries were last determined in August, 1972.

The following new scale, if approved by Parliament, will be payable on and from the 1st July, 1974. Present salaries are recorded for the information of members.

		Present Salary
	$	$
Chief Justice	32 400	27 000
Senior Puisne Judge	29 700	24 750
Puisne Judge	28 800	24 000
Chairman, District Court	25 056	20 880
District Court Judge	23 320	19 440

I commend the Bill to the House.

THE HON. R. THOMPSON (South Metropolitan—Leader of the Opposition) [4.50 p.m.]: I had an opportunity to study this legislation over the weekend and I intend to speak to the second reading of it forthwith.

It is very pleasing to note that legislation will be introduced to set up a tribunal to review the salaries of statutory, judicial, and senior Public Service officers in Western Australia. In my opinion, it is completely wrong that Parliament should fix the salary of any person. A degree of odium was attached to the fixing of our own salaries prior to the setting up of a tribunal to review parliamentary salaries in Western Australia on a three-yearly basis. We look forward to the establishment of an independent body to assess judicial salaries.

The new salaries set out in the Bill are not comparable with those in some of the other States. This is a matter which a tribunal would take into consideration. Justice must be meted out on a uniform basis throughout Australia. We know of the disadvantages suffered by certain judges. The last time we dealt with a similar Bill, Mr Medcalf mentioned the lonely life of judges and circuit magistrates who while travelling throughout country areas are unable readily to mix with the rest of the community as do other people. I entirely agree with what Mr Medcalf said on that occasion.

Whatever we may pay members of the judiciary, we receive good service from them, and I think the salaries of judges should be kept in line with those paid in other States. The trade union movement would not tolerate such inequality as it struggles for a uniform wage structure throughout Australia. I do not see why members of the judiciary should be at any disadvantage when compared with other people who can readily have their salaries reviewed.

I support the legislation and hope the tribunal will be established shortly so that we will not have to deal with this matter again in the future.

THE HON. N. McNEILL (Lower West—Minister for Justice) [4.54 p.m.]: I do no more than thank the Leader of the Opposition for his support of the Bill and his ready co-operation in proceeding with it forthwith.

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.

LIBRARY BOARD OF WESTERN AUSTRALIA ACT AMENDMENT BILL

Second Reading

THE HON. G. C. MacKINNON (South-West—Minister for Education) [4.57 p.m.]: I move—

> That the Bill be now read a second time.

The purpose of this Bill is to make statutory provision for the custody of the State archives by the Library Board.

The Bill does not make any substantial change in the arrangements which have existed for many years under administrative directions issued by successive Governments. Its purpose is to give statutory authority for the existing situation to continue. This is desirable for two reasons: firstly to remove any doubt that might

exist as to whether the legal status of certain classes of record might be affected by their transfer to the archives; and secondly, as a means of strengthening resistance against any attempt which might be made from any quarter to take over the State archives and detach them from the business and private records in the possession of the board and from the rest of the Western Australian historical and other material in the State Reference Library.

There is at both Commonwealth and State levels a growing interest in the national heritage. The archives of the State are an important part of that heritage and this Bill is intended to safeguard the archives for the benefit of the present and future citizens of Western Australia. It is desirable in principle that historical records be controlled by an authority which is not under the executive and political control of Government, so that their integrity is not only safeguarded but is clearly seen to be safeguarded.

In England, for example, the national records have always been under the jurisdiction of the Master of the Rolls, the judge next in seniority after the Lord Chief Justice of England. This has always been the situation in Western Australia.

State archives have been held in the State Reference Libary since 1903, when the late Dr Battye was authorised to collect and preserve Government records of historical value. Since 1930 the archival function has been carried out by the library under the authority of the Premier and the Public Service Commissioner, and lately, the Public Service Board.

In 1955 the Library Board became responsible for the State Reference Library and thus for the State archives. One of the changes which it introduced was the establishment of the Battye Library of Western Australian History in which all material relating to the history of the State is brought together and integrated. This policy of integration has proved to be very advantageous.

The activities of Government, business, and private persons are inextricably interrelated. Therefore the student or the scholar may need to use any type of material—archival or non-archival, printed or manuscript, or any other type. The material should all therefore be in one place and organised by one group of staff for the user's convenience. Many visiting scholars from interstate and overseas have commented on the convenience of working in the Battye Library where all types of material are available to them, in contrast to the situation elsewhere where historical material is dispersed in various locations. Knowledgeable staff are scarce. It is better to concentrate them than to disperse them; it is less costly and leads to more efficient service.

Since the Battye Library was established in 1956 it has pursued a vigorous policy of collecting material of all types concerning the history of the State. In relation to State records it has worked in close co-operation with the officers of the Public Service Board responsible for record management. A result of this activity is that seven times as many archives have been taken into custody in the last 18 years as were received in the previous 50 years.

The Battye Library is itself integrated with the rest of the State Reference Library into the State-wide service of the Library Board. The expertise of its staff and the strength of its collections can thus benefit students of local history all over the State through their local public libraries. The development of local history collections is assisted in appropriate country areas of the State in order to encourage local interest and pride in past achievements.

This does not, of course, imply that it lends archives and other irreplaceable material but that they are used by the staff to answer inquiries from country people and libraries and may, where appropriate, be copied.

It is the Government's intention that this efficient and integrated service should be maintained and safeguarded by Statute.

The term "archive" tends to be used rather loosely. It should perhaps be explained that it is properly applied only to the official records of Government, including local government.

The terms "business archives" and "non-official archives" are applied to the formal records of other organisations such as stock firms, churches, trade unions, or pastoral stations; while the terms "private records" and "local history material" are applied to a wide range of other records, written or printed, and in other media such as tape recordings of pioneers' reminiscences.

This Bill applies only to the official archives of Government, local government and statutory bodies.

Western Australia is the only State without archives legislation. We have had, therefore, the benefit of studying the archives legislation of the other States and their experience in its operation. The Bill includes the best provisions from the other States' Acts.

Parliamentary Counsel has taken the opportunity while drafting the Bill to eliminate from the Act some of the temporary and transitional provisions introduced in 1955 in order to effect the transfer of the former public library to the control of the board with a view to simplifying the Act and removing outdated material.

The Bill does not give the board the right to demand any public record from the office where it is now held. The principle underlying the Bill is that no record may be destroyed in any public office unless, either—

(a) it forms part of a class of records, the automatic destruction of which, after a period of years, has been authorised by a retention and disposal schedule. (Such schedules are agreed upon as part of the normal records management programme by consultation between the board, the organisation concerned and, where applicable, the Public Service Board); or

(b) it has been notified to the board and the board has informed the office concerned that it does not require that record or class of records to be transferred as an archive.

Thus, so long as a record is held in safe custody in a department or other organisation, the board cannot demand the record. Its transfer to the board only arises if the office which holds it wishes to destroy or otherwise dispose of it or voluntarily requests the board to take it over.

I commend the Bill to members.

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

MONEY LENDERS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 9th October.

THE HON. D. W. COOLEY (North-East Metropolitan) [5.04 p.m.]: I thank the Minister for advancing this item on the notice paper to enable me to address myself to it now, as I will be absent after the tea suspension. We on this side of the House oppose the Bill on the ground that it seeks to remove the ceiling of 12½ per cent in respect of the rate of interest a money lender may charge for a loan.

The Bill proposes to substitute for that maximum rate of interest the words, "such rate per centum per annum as may pursuant to the provisions of this Act be from time to time prescribed for the purposes of this section". I note the amendment says "may be prescribed" and the Government may make regulations prescribing the respective or the maximum rates of interest, as the case may be, for the purposes of respective sections of this Act. It does not appear to be obligatory upon the Government to set a ceiling.

The principal objection to the amendment as far as we are concerned is that it comes at a time when most sections of the community are looking for restraint in respect of money earnings. Restraint is being called for throughout the community in respect of other spheres. We have seen this year a period of rising interest rates which I believe is unprecedented in the history of our nation. This has caused a great deal of concern to members of both the Opposition and the Government, and I think we all agree that if interest rates could be reduced to some extent this would have a considerable effect in helping to quell the rampant rate of inflation. We are all working towards this end. Conferences have been held at all levels in the community in an endeavour to achieve this purpose. I fear that removing the restriction at present contained in the Act would encourage people in the money-lending field to increase their rate of interest, and I believe the present maximum rate is rather liberal.

I think the present maximum of 12½ per cent is quite sufficient when applied to the formula contained in the Act. My experience of dealing with money lenders and of speaking to people who deal with money lenders indicates to me that a rate considerably higher than 12½ per cent is being charged at present. A factor troubling my mind in respect of this amendment is whether it is intended to increase the present rate of 12½ per cent expressed as a flat rate; or whether it is completely understood that a flat rate of 12½ per cent is an effective rate of 23 to 24 per cent. I will present some figures later to indicate the rate of conversion.

I note that section 11 of the Act states—

> Where by a contract for the loan of money by a money lender the interest charged on the loan is not expressed in terms of a rate any amount paid or payable to the money lender under the contract shall be apportioned to principal and interest in the proportion that the principal bears to the total amount of the interest, and the rate per centum per annum represented by the interest charged as calculated in accordance with the provisions of the Schedule to this Act shall be deemed to be the rate of interest charged on the loan.

The schedule sets out the formula which is to be applied. I have had the formula tested. The test was in respect of interest being charged at the rate of 17 per cent per annum on a reducible basis. When the formula in the schedule was applied to this case, the rate of interest was reduced from 17 per cent effective to 8.7 per cent flat. Therefore, money lenders who charge 17 per cent interest are not breaching the Act in respect of the 12½ per cent maximum rate of interest.

As the Minister indicated in his second reading speech, it is the intention of the Government to prescribe a maximum rate in the vicinity of 20 per cent; and in that

case money lenders would be permitted to lend money at interest rates in the vicinity of 37 to 38 per cent without breaching the Act.

My concern is for those on low incomes who depend to a large extent on borrowing money from finance companies to provide themselves with some of the necessities of life. Without the facilities provided by finance companies, these people would have few comforts in their homes. They should not be obliged to pay excessive rates of interest. We have all seen this year the effect upon people, of increased interest charges, and particularly the charges in respect of loans made over a long term. We know that some people who are committed to housing loans have had their monthly repayments increased by about $32 to cover the increased rate of interest; and this is occurring when the increase in the rate of interest is only in the vicinity of 2 per cent.

I have with me some tables taken from a publication prepared by the Real Estate Institute of New South Wales. The tables indicate the conversion of flat rates of interest to effective rates of interest, based on reducing monthly balances. At the bottom end of the scale, a flat rate of interest of 4½ per cent converts to an effective rate of 8.21 per cent in the first year; and the effective rate reduces over the years to the point where in the 30th year of the loan it is 6.81 per cent. At the other end of the scale—and the table only goes to 18 per cent—we find that a flat rate of interest of 18 per cent is an effective rate of 31.72 per cent in the first year, and in the 30th year the effective rate is 21.29 per cent.

The people about whom I am speaking take short-term loans for the purpose of providing household items. Usually the term is four to six years. At a flat rate of interest of 18 per cent, based on reducing monthly balances, they would be paying an effective rate of 31.72 per cent in the first year and 28.13 per cent in the sixth year.

The Hon. I. G. Medcalf: The Money Lenders Act uses the effective rate, not the flat rate.

The Hon. D. W. COOLEY: I indicated that the schedule to the Act was applied to an effective rate of interest of 17 per cent, on a reducing scale.

The Hon. I. G. Medcalf: The schedule refers to the effective rate, not the flat rate.

The Hon. D. W. COOLEY: Section 11 of the Act provides for the situation where the interest charged on a loan is not expressed in terms of a rate, and it states that in those cases the formula in the schedule should be applied.

The Hon. I. G. Medcalf: Yes, the rate of interest is worked out by using the schedule.

The Hon. D. W. COOLEY: Yes, but these days many contracts cater for an escalating rate of interest and do not show a specific rate.

The Hon. I. G. Medcalf: But you are entitled to use the formula in the schedule. If you breach the rate set out in the schedule, you breach the Money Lenders Act.

The Hon. D. W. COOLEY: What Mr Medcalf says might be quite valid; but there are many people who are committed to loans which are on the flat interest rate on which there is no reducing scale at all.

This is the difference between the effective rate and the flat rate and it is quite alarming when it is converted, because the flat interest payments do keep within the Money Lenders Act in this respect—that is, the same rate of interest is paid in the last year as is paid in the first year.

If we take the example again we find that as it is converted 4½ per cent becomes 8.3 per cent for the first year and in the thirtieth year it becomes 8.9 per cent. So the interest rate does grow in respect of this conversion. At the end of the scale we find that 18 per cent becomes 33.23 per cent in the first year and 35.9 per cent in the thirtieth year.

I think that is sufficient to indicate that perhaps some thought should be given to this aspect. Rather than introduce legislation which would tend to increase the present limit we should at least consider holding the rate at the present level or reducing it when we can bring about a position in the economy which will give us a reducing rate of interest which, I believe is the wish of all of us.

I am sure it would be a wise move, in the circumstances to have another look at the effect this may have on small loans to see whether it would be detrimental to the interests of the people who depend to a large extent upon the finance they are able to obtain for their everyday needs.

For those few reasons we oppose the Bill.

THE HON. R. THOMPSON (South Metropolitan—Leader of the Opposition) [5.18 p.m.]: Like Mr Cooley I, too, oppose the Bill for very good reason; but before I get down to the reason I would point out that in his second reading speech the Minister said there would be a complete review of the Act and he hoped to bring a new Bill before Parliament after the review had been completed.

Like the previous speaker I am concerned that we remove from the Act the fixed and set interest rate and allow for a maximum prescribed rate. By the deletion of the clause we could leave it open, under the regulations, for a variation to be prescribed at any time.

In view of the criticism of Sir Charles Court and the members of this Chamber of the cost that farmers in particular, have to pay for money at the present time, I think this is a very ill-timed piece of legislation. We should not be trying to escalate inflation, and the Bill would certainly do just that.

Since the legislation has been introduced we have found that on the 4th October $112.5 million was released by the Reserve Bank for the purpose of easing liquidity, and the banking and money lending institutions were being given more flexibility.

I have a whole host of cuttings from the *Financial Review, The Australian, The West Australian*, and the *Daily News*, among which is an article in *The West Australian* of the 4th October which is attributed to Sir Charles Court which states—

> Credit squeeze to be eased.

The article then continues and says—

> Sir Charles Court said last night that he was glad the Federal Government had at last decided to ease the liquidity situation at the national level. It had been advised to take such action a long time ago. There had to be a a series of major calamaties before the message got across.

Since June of this year the Commonwealth Government has injected into the economy some $700 million through lending institutions and other avenues to ease the interest rate.

I will not quote the article in question but it is indicated that the Australian Government has also lowered the reserve deposits to what I believe is the lowest figure ever. I do not propose to forecast whether this will be successful or not, but at least an effort is being made at the Australian Government level to do something concrete in this direction.

It would be most hypocritical of us on the one hand to criticise the Australian Government for its actions in this direction while on the other to introduce legislation which will permit interest rates to go up—it would be 7½ per cent and 5 per cent respectively under this legislation if a maximum of 20 per cent were prescribed under the regulations.

I ask that we take time out on this Bill and that it be not proceeded with at this stage. We should wait to see how the Australian Government's policy affects the economy.

In his second reading speech the Minister said—and I agree with him—that people have been lending money from Western Australia to the Eastern States because of the high interest rates involved. But this could be cut off tomorrow and once we have a prescribed rate of interest —a maximum of, say, 20 per cent—we will then be placed in a position where this could have an adverse effect on the farming community which, of course, we all acknowledge is going through a pretty tough time at the moment—at least certain sectors of it are going through a tough time at this juncture.

Accordingly I feel we should delay this legislation. There is no hurry for it. We should wait and see whether or not the Commonwealth tactics will be successful and, in the meantime, nobody will be losing anything, because, according to the Press statements that have been made by responsible Ministers and, indeed, by Sir Charles Court himself, it would appear that some easing of the situation will take place.

I would like to quote an interesting piece of information which appeared in the *Financial Review* of the 9th October which states—

> Figures released last night by the Reserve Bank give us some indication as to how much new lending has contracted in the past 12 months. In July, 1973 new overdraft approvals were running at a weekly rate of $128 million. By June of this year the weekly rate was $63 million and in August and September it was down to $35 million.

So it can be seen there is a contraction of overdraft money and it appears that overdraft money will go out at a cheaper rate and finance will be cheaper, thus giving an incentive to lending organisations to reduce rather than increase their rates of interest.

In the light of this I would be opposed to the Bill at this stage. However, I will qualify this by saying that the whole aspect of this Act should be referred to the Law Society for its perusal. It would be of some benefit to have the opinion of that society because it is a body which deals with this sort of thing quite consistently. As I have previously stated, there is no hurry for the Bill and I would oppose it at this juncture.

Debate adjourned, on motion by the Hon. D. J. Wordsworth.

MAIN ROADS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 3rd October.

THE HON. D. K. DANS (South Metropolitan) [5.26 p.m.]: This Bill seeks to amend the Main Roads Act and to provide for grants to be made for road works in the State of Western Australia.

We agree to the general principles contained in the Bill, which is complementary legislation and which provides for the disbursement of funds which are made available to the State.

I know the Country Shire Councils' Association has not been particularly happy with the Bill, but as I understand

the position after reading what occurred in another place, the Minister has probably allayed those fears and has made a number of comments by way of giving guarantees —for the want of a better term—that certain things may take place.

One of the disturbing features of the second reading speech in this House was a continual harping on the obligations of the Australian Government and what it has not purported to do.

Over a period of time—and I have not gone back to the beginning of time—grants which have been made to the States, particularly in respect of road works, have always had certain strings attached to them.

Another factor which interests me is the amount of money that is to be made available through the increase in license fees; and it appears to me that the disbursement of this particular sum of money —the amount of which will greatly escalate; and there is no indication where it is going to be disbursed—which is to be made available for our urban roads in major cities will be increased by a minimum amount.

I do not wish to weary the House with a lot of facts and figures. I think assurances have been given in another place and I hope the Bill will reach the Committee stage. I would ask Mr Baxter, who introduced the Bill, to give some consideration to a small amendment which is sought to be made on page 5, line 37.

The PRESIDENT: Order! The honourable member may now continue.

The Hon. D. K. DANS: I suggest that the purpose will be better served if we change the word "Commissioner" in line 37 on page 5 to the word "Minister". With your indulgence, Mr President, it would then read —

> (b) Where moneys within the Inner Metropolitan Councils' Urban Road Fund or the Outer Metropolitan Councils' Urban Road Fund are not expended within the time specified in the Road Grants Act 1974 of the Parliament of the Commonwealth, the Minister may transfer those moneys to the Main Roads Trust Account.

I will not go into the reasons as these can be dealt with later.

I think that in general the Bill should be considered quickly, so that what we want to happen will transpire, and matching funds will be made available for roadworks and road maintenance, that are required to be undertaken in country and urban areas. If this is done a fair amount of employment will be provided. Any further holdup in this area would not be in the best interests of the roads of this State or of the people in general.

I support the Bill.

THE HON H. W. GAYFER (Central) [5.31 p.m.]: I have examined the Bill and the Minister's second reading speech, and I find this is a particularly sad Bill because, to me, it perpetuates the basis for the allocation to shires of basic grants all of which have not, over the years, proved to be in the best interests of many shires in the State. It also illustrates exactly where, in my opinion, the Main Roads Department seems to be heading. To me, the Bill seems to represent the clutching at the last straw in administering the road systems in Western Australia.

The Bill takes into account the allocation of moneys to shires to enable various works to be undertaken, consequent upon the amount of money that will be made available and supplemented by a 65 per cent increase in motor vehicle registration fees. Without this sort of revenue it is very obvious that the moneys available to the shires would not be anywhere near the amounts they received in previous years for roads. Certainly, the amount of money that will be available to the shires in the next three years will be based on the moneys that were received last year. There would be no room for any escalation in cost, or for coping with inflation. In my opinion, there is certainly no room for the employment of the same number of people who were employed in previous years. If one applies a set amount of money to the next three years, I do not see how Mr Dans' statement that it will mean the employment of people will prove to be correct.

The Hon. D. K. Dans: I did not say "more employment".

The Hon. H. W. GAYFER: I was saying that it would not mean the employment of people. In fact, the Bill spells out that in the country shires there will be some unemployment as far as the road workers are concerned. Of the $49 million that is being allocated from Federal sources to the State, it is insisted that some $28 million be spent on national roads. One might say this would bring about employment, and that there would be a slight increase of $1 million per annum, equivalent to a 2 per cent increase. One could say this would allow money to be spent in this field.

This does not mean that the proposals in the Bill will safeguard the interests of shires and the people who form those communities; it means in general that roadworks could be a moveable factor, and be taken entirely out of the local government area.

I view with alarm the detail contained in the Bill. First of all, there are the matching provisions that we, as a Government, insist on. As I stated before, these matching provisions—now to be one-third of the basic grant—are established on a.

formula introduced many years ago. It is a formula we will be perpetuating in the next three years.

Possibly at this stage a measure should have come forward containing a completely new method of arriving at the basic grant. I know that work is taking place in certain spheres in this regard. For example, I have heard that the number of vehicles, the length of roads, the area, and the performance in expenditure of one shire as against another will be taken into account. This might be a suitable basis for a formula, which might be applied in the future.

I would not like to quote a figure, but many shires will perpetuate the method under which a set amount of finance is made available to them, based on the basic road grants formula that was introduced many years ago. In many instances, and in one particular instance in the province represented by the Minister, the shires are complaining of the incorporation of matching provisions within the Bill, especially as it is not laid down by the Commonwealth Government that the shires should, in fact, match the moneys in order to receive allocations from the Commonwealth.

This can be explained by pointing out that under the policy of the Commonwealth Bureau of Roads, it is said that in Western Australia there is less money spent *per capita* on roads within local government resources than anywhere else in the Commonwealth. Again we get back to my original argument that the whole roadworks programme of the State is being taken over by the Commonwealth, and this is based purely and simply on a *per capita* contribution.

Years ago when the scheme was introduced I felt it was a sorry day for Western Australia that the formula, which took into account the length of roads in the State that serviced the communities, far removed from one another, was dispensed with. This was one of the first anomalies that arose in relation to the grant of money by the Commonwealth to the States

We will find the Bill will introduce many anomalies. I am not too sure how many shires have prepared their budgets, using as part of their funds for maintenance the matching money; that is, using the money on the purchase of machinery in order to keep the roads under repair and fully maintained. I am aware that the purchase of machinery for road maintenance will not now be embraced by the matching provisions, as suggested in the Bill. If, in fact, this was not known by the shires at the beginning of August or the end of July last, when they in many instances expected the matching moneys could be raised in this manner—and in fact they signed up for machinery and equipment—they will now find that they have to resort to increased rates and taxes in their districts to counter this factor. This, in itself, could create an embarrassing situation for some of the shires about which I have talked.

Another factor—and this is mentioned in the Minister's second reading speech—is that he has laid down that one-third of this money shall be spent on maintenance or construction of roads. In the last year many districts experienced very wet periods; yet we are asking shires so affected to maintain their roads on one-third of the grant money. I am aware that if a shire finds it cannot maintain the roads within its district on one-third of the money it is allowed to expend on maintenance, in all probability it will have to carry out the work in any event. In my opinion this will force some shire clerks to manipulate their books. This is not a good term to use, but we must not close our eyes to the fact that this is a danger that could arise with the need for shires to provide good roads when there is insufficient money for maintenance purposes.

I cannot read this into the Minister's second reading speech, but I sincerely hope that great latitude will be given to the shire councils so that, in fact, more than one-third of the moneys made available to them can be spent on road maintenance. The Minister can correct me if I am wrong, but I cannot read such a provision into the Bill. There does not appear to be a provision in the Bill to enable a shire to carry over unexpended matching money into the matching money for the following year. I am aware that a period of 18 months is laid down; and that, if after a period of six months the money is not used by a shire council, it is transferred to the Main Roads Trust Account. Nevertheless, as has been done in the past, some shires match their funds for two years in the one year. This was done under the previous legislation.

The Bill appears to be almost a frustrated attempt to ease the requirements that are being imposed on us by the Federal authority. Year by year the requirements of the Australian Government are becoming more and more stringent for the State to cope with.

When one finds that a certain amount of money which is allocated to a State has to be spent on specified roads, to the detriment of what the State considers should be roads on which that money should be spent, I see more and more interference gradually creeping into the State scene.

The Bill refers to the National Roads Act of 1974; it would be of interest for us to examine that Act.

Without going into the details regarding the circumstances under which a national road can be declared as such, I will quote

from clause 13 of the National Roads Bill of 1974 as follows—

(a) that the State will at all reasonable times, permit a person authorized by the Minister—

The reference is to the Federal Minister. To continue—

(i) to inspect any work involved in the carrying out of the approved project;

(ii) to carry out reasonable tests on any work that has been or is being carried out on the approved project, being tests designed to ascertain whether the work has been or is being carried out in accordance with the standards applicable to that work in accordance with section 5; and

(iii) to inspect and take copies of, or extracts from, any plans, designs, tenders, records or other documents relating to the approved project;

Sitting suspended from 5.46 to 7.30 p.m.

The Hon. H. W. GAYFER: At page 10, of the National Roads Bill the following appears—

(b) that the State will permit a person authorized by the Minister, at all reasonable times, to inspect and take copies of, or extracts from, and plans, designs, tenders, records or other documents relating to a project that has been submitted to the Minister for approval under this Act or that is included in a program that has been so submitted to the Minister;

The point I am making is that this is a complete intrusion into our departmental set-up. We will have to allow officers from the Federal authorities to come in to inspect, photograph, and examine the books of our own department. It appears to me that the Main Roads Department and our local authorities are gradually losing all the autonomous power they have had for many years.

The Hon. G. C. MacKinnon: Quite right.

The Hon. H. W. GAYFER: I am not now particularly blaming the Federal Government. I believe this leeching process commenced some little time ago. Nevertheless, it is a fact that our State departments in charge of roads, health, and education, are disappearing, and one day it will be felt it is no longer necessary to have a State Government to look after the State.

I am attempting to make the point that we are discussing a Bill which none of us really likes. The shires do not like this legislation, and I am sure the Government Ministers did not like approving it. We are forced to bring it in because of the circumstances surrounding the nationalisation taking place.

The Hon. G. C. MacKinnon: Centralism.

The Hon. H. W. GAYFER: Well, it is nationalisation to my way of thinking. As I said when I commenced my speech, I look at this Bill with a degree of sadness. I cannot see that we can knock it back. I cannot advise my shires to vote against it, although some of them have stated I should vote against it. I am being forced to support it—not by the dictates of my Government, but because of the dictates applied to my Government in the administration of the funds allocated to it by the Federal authorities. As I have said before, it is not proposed to escalate these funds over the next three years. In spite of rising costs, for the next three years the local authorities will have to exist on the same grants that were made last year.

The shire clerk of the Kellerberrin Shire Council wrote to me in the following terms—

> That this Council can see no logical justification for insisting on Local Authorities matching, in view of the increased revenue to the State from licenses, administration fees and motor drivers licenses, and in any case the information made available to the Council indicates that Local Authority expenditure is not recognised for matching for Commonwealth purposes. Council asks that the enabling legislation be strongly opposed.

This is a dilemma, because I feel sure the local authorities do not realise that the Government must introduce this legislation to apportion the moneys to satisfy future requirements of the Bureau of Roads. The bureau has stated that Western Australia is spending only 50 per cent on a *per capita* basis, as compared with other States. We are told that this State must make a greater effort. We know that in the next triennium the Bureau of Roads will be looking at this effort.

We are getting to be like the dog chasing its own tail. We have lately entered the sphere of double taxation. The tax money that we pay to the Commonwealth does not come back to us as we wish, so we must tax people again in order to keep up the standard of recompense to these shires, bodies, and instrumentalities.

I will reluctantly support the Bill. I am sure the Minister will answer some of my queries in his reply to this debate. I feel that the Bill is a forerunner to many we will see in the future. We are trying to placate our local authorities and are asking them to accept something which seems to be foisted on our State.

THE HON. G. E. MASTERS (West) [7.37 p.m.]: In rising to support this measure I would like to make one or two comments on matters which are of concern to local government authorities. We see that Federal grants this year are no more than they were last year—in fact, they are a fraction less. We see that $28 million of the $49 million is to be spent on national highways and urban arterial roads. This leaves only $18 million compared with $27 million last year for rural local roads and rural arterial roads; a drop of some 33⅓ per cent. This leaves the local authorities in an impossible position, and hence the 65 per cent—

The Hon. S. J. Dellar: Average.

The Hon. G. E. MASTERS: —average increase in motor vehicle license fees. This will enable $14 million per year for the next three years to be allocated to local authorities. This increase is no more than that in many other States, although it is higher than South Australia, as has been indicated. I believe that South Australia will raise its motor vehicle license fees in the near future.

The Federal Government said the local authorities of Western Australia have spent on their roads half the average of Australian local authorities. There must be many reasons for this, and it may be that the priorities of the local authorities in this State are different from those in the other States. Ours is a developing State with many requirements which are different from the other States. There are many members in this House with local government experience, and they will know that in the new developing areas great pressures are applied for the provision of libraries, kindergartens, halls, recreation areas, and reserves. In the Shire of Wanneroo, for example, there has been something like a 30 per cent increase in population. The shires of Kalamunda and Mundaring have experienced a 14 per cent and 12 per cent rise respectively. I have given these figures before, but I quote them again because I believe they indicate the above-average growth rate in certain areas of this State. These areas come within zone B under the provisions of this particular Bill.

Local authorities are well aware of the importance of road maintenance, but other pressures are put on them also. As elected bodies they must take notice of local groups, and they must allocate their funds to meet the greatest demand. It is quite possible that local authorities, although aware of the demand for roads in the new developing areas, cannot afford to spend all their money in this way. On a *per capita* basis, Commonwealth funds look fairly good. We get 8.8 per cent of the grant for 8.2 per cent of the population. However, it has already been mentioned that we represent one-third of Australia—one million square miles—so 8.8 per cent does not seem to be too much.

The Bill specifies that one-third of the grant may be used on road maintenance. The Minister in another place said it possibly could be increased where the demand was proved. I would like to give an example of money spent on road maintenance in Kalamunda in the months of June and July of this year. The grant for this period was $12 400 for road maintenance, but the money expended in that period was $59 903. So the shire was spending $5 for every $1 of the grant. This is a good reason for increasing the particular amount to be used on road maintenance.

The Hon. S. J. Dellar: Was that money spent just on maintenance?

The Hon. G. E. MASTERS: Yes, road maintenance, excluding kerbing or anything else of that nature. Kalamunda is certainly a difficult area because of drainage problems, road conditions, and the rocky terrain. Nevertheless, these figures indicate the requirement for more money than is provided in this legislation for road maintenance in that area.

In the three months of July, August, and September of this year, the Wanneroo Shire Council was allocated $26 526 for maintenance. However, it spent $36 298 on road maintenance. This is unusual for the area, but I believe it was brought about by the new development there. The shire spent $66 999 on road crossings, making a total of $102 997, and yet the grant for this period was $26 526. The particular Bill before us includes pavements and work of this type as road maintenance. However, in these cases, the shires have not included amounts spent on pavements. Where the growth rate is tremendous in new developing areas I believe this one-third apportionment will prove to be a great burden, and possibly a higher grant is justified.

It is suggested that the money must be spent within 18 months; that is, 12 months plus a six months overlap period. The Local Government Association and the Country Shire Councils' Association expressed some concern about this, and they hope the unexpended money will not be lost. I believe the Minister in another place indicated that he would ensure, as far as he was able, that the money would not be lost to local authorities.

I would like to put two other points. Motorists are being hit in every way; for taxation, petrol, tyres, and everything else.

The Hon. S. J. Dellar: Drivers' licenses.

The Hon. G. E. MASTERS: Yes. A suggestion was made that people using the city area should pay an extra fee. I do not think that is a good idea; in fact, I would strongly oppose it. Our State is different from many other parts of the world, and even within 20 miles of

Perth a car is absolutely essential because public transport facilities are inadequate. It would be a bad step to impose such an extra burden on motorists at this time. We should encourage better use of public transport with improved efficiency and quality. Perhaps we could attempt to re-introduce a certain amount of courtesy. With these points made, I support the Bill.

THE HON. J. HEITMAN (Upper West) [7.45 p.m.]: Like the previous speakers, I support this Bill. I am disappointed with the legislation because when we read the Bill we see that the finance to be provided is said to be in the form of a grant when, in actual fact, it represents a reimbursement of taxation paid by this State in the form of petrol tax. On top of this, the shires must go through a lamentable auditing procedure each financial year. Most people involved in running local government affairs work in a voluntary capacity, and each year they must face an audit and advance all sorts of excuses for spending money. Unless the money is spent in the right way, they could lose this so-called grant, which in reality is a reimbursement of taxation.

The Hon. S. J. Dellar: That is not new.

The Hon. J. HEITMAN: The petrol tax started off at 3c a gallon and is now close to 15c a gallon, but still it is not regarded as a road tax; it is merely a tax that is levied on the people and which is spent, perhaps, in Canberra. It certainly is not spent in this State. I am sorry the Government of Western Australia has had to turn around and introduce such a Bill—to fit in with the centralist policy of the Federal Government—which sets out the terms and conditions with which local authorities must comply.

The Hon. S. J. Dellar: It is not the first Bill of this kind, you know.

The Hon. J. HEITMAN: I will deal with Mr Dellar directly.

The Hon. S. J. Dellar: I hope you do.

The Hon. J. HEITMAN: Mr Dellar does not know much about this situation, yet. Clause 6(d) states—

> A local authority shall not be regarded, for the purposes of paragraphs (a), (b) or (c) of this subsection, as having expended any particular amounts on road works from its own resources unless such expenditure is certified to be correct by audit pursuant to Part XXVII of the Local Government Act, 1960. . .

It is pretty tough that the local authorities must submit to an audit to prove they have spent their own money before such expenditure will be recognised.

The Hon. S. J. Dellar: That is not new, either, and you know it.

The Hon. J. HEITMAN: This has come about due to the policies of a centralist Government. I will give Mr Dellar a chance to stand and make a speech later, if he wants to. On many occasions I have pointed out that although he has worked in local government, he does not know much about it. It would be nice if he would stand and explain what a wonderful Bill this is; a Bill which has been found to be necessary because of the policies of a centralist Government; it would be something new to hear him talk sense.

I agree with everything that has been said by previous speakers this evening. I do not intend to prolong the debate, but merely to say I am disappointed we have been treated in this way. I am sorry the State Government has had to introduce a Bill such as this; one which imposes so many stringencies on the operations of local government authorities. With those reservations, I support the Bill.

THE HON. R. F. CLAUGHTON (North Metropolitan) [7.48 p.m.]: It is a pity to hear Government supporters speak in such a way about the Australian Government's policy of disbursing money to the States. We have heard the Leader of the Opposition in Canberra (Mr Snedden) say that taxes should be cut back. Of course, that would mean disbursements to the States also would have to be cut back.

The Hon. N. McNeill: It means nothing of the sort; it means a reallocation of priorities.

The Hon. R. F. CLAUGHTON: I do not know where the Minister thinks the money would come from if we reduced tax collecting.

The Hon. I. G. Pratt: It should not be spent on art works, anyway.

The Hon. R. F. CLAUGHTON: In point of fact, the Australian Government has reduced by 10 per cent the amount States must match to qualify for road grants. We might very well argue about the way moneys have been allocated to different types of roads. However, we should not be too parochial about this.

The Hon. H. W. Gayfer: At the present time, Western Australians must be extremely parochial.

The Hon. R. F. CLAUGHTON: We heard Mr Gayfer mouth the same old cliches of nationalisation and centralism. I represent a metropolitan electorate and it is of concern to me that, despite the fact there has been an average increase of 65 per cent in motor vehicle registration fees, we are not able to discover where this money is to be spent. Mr Gayfer complained that no extra funds are to be allocated to country areas; yet when I asked the Government what was to be its increase in spending in metropolitan areas, I was told the increase would be of the order of

$250 000. That is not a large increase when one considers that about $22 million was spent in his area in the previous year. Just where are these funds to go?

The Hon. N. McNeill: What has been the rate of inflation since this time last year?

The Hon. R. F. CLAUGHTON: Mr Masters has just informed us that the Government will receive an extra $14 million a year on top of the average increase in registration fees of 65 per cent; in the light of such increases in revenue, the Government's proposed increase in expenditure of $250 000 on metropolitan roads is not a large amount.

However, that is just by the way. I should like to draw the Government's attention to proposals to divert Marmion Avenue from its proposed course, to West Coast Highway. I notice in this afternoon's *Daily News* that the Wanneroo shire is urging that this be done. If in fact this is one of the programmes under the scheme, I believe careful consideration should be given to the matter before that route is approved. People living in areas adjacent to the coastal route from the northern suburbs to Fremantle are concerned about this proposal; they feel that West Coast Highway in fact will become a main traffic artery.

We have already heard a lot of complaint for the proposal to route West Coast Highway across the Swanbourne rifle range. However, from the environmental point of view, a solid case could be made out for keeping traffic away from that route and not making the coastal road from the northern suburbs down to Fremantle a main traffic artery. If Marmion Avenue is extended in such a manner, in fact, that is what it will become.

If funds are to be allocated for main roads in the metropolitan region, particularly in the northern suburbs, I believe they would be better directed to the development of the Stephenson-Mitchell Freeway proposal. We really need that road. It is the only road that logically could be proceeded with at this time in order to cater for the traffic demand from the northern suburbs.

The Hon. N. McNeill: Dr Cass is not terribly keen on these freeways, is he?

The Hon. R. F. CLAUGHTON: I think the Minister should study more carefully the remarks made by Ministers of the Australian Government in relation to these matters. This applies particularly to the areas where moneys are channelled from road grants. There is a need for arteries like the Stephenson-Mitchell Freeway project to be developed. In my mind, such a development would have priority over extending Marmion Avenue, which would simply divert traffic along the coast.

As I have said, I do not intend to labour the point; I simply draw the Government's attention to the matter. There is a firm proposal by the City of Stirling and pressure from the Wanneroo shire that the route should be developed. I think it would be a tragic mistake to allocate funds to such a proposal when they could be diverted to the Mitchell Freeway, with greater benefit to the community.

Debate adjourned, on motion by the Hon. V. J. Ferry.

DONGARA-ENEABBA RAILWAY BILL

Second Reading

Debate resumed from the 3rd October.

THE HON D. K. DANS (South Metropolitan) [7.56 p.m.]: We on this side support the Bill. As I understand it, it will serve a need for the two mineral sands industries in the area. Perhaps the only criticism I could offer is in respect of the proposal to construct a 3 ft. 6 in. gauge railway, instead of a standard gauge line. I say that advisedly because the railways servicing the iron ore mining industries in other areas of the State are already standard gauge. We are all aware that there is an energy crisis; perhaps we will see the need for the resurgence of railways.

The Hon. G. C. MacKinnon: You are not suggesting that we should declare an emergency immediately, I hope.

The Hon. D. K. DANS: I am not suggesting anything of the sort! We are ready for any emergency, including the one the Minister has up his sleeve. The construction of a standard gauge line would have been a forward-thinking move. Of course, I agree that the construction of a 3 ft. 6 in. gauge line ties in with the present system used in most areas of the State and, from an efficiency point of view, this is acceptable. I do not want to say anything else; we support the proposal to construct this line.

THE HON. M. McALEER (Upper West) [7.58 p.m.]: I should like to make one or two comments in supporting the second reading of this Bill. The development of the mineral sands industry at Eneabba, of course, is important to the whole area, which focuses on Geraldton. It is particularly important to Eneabba itself, where the mining is bringing employment, population, and a consequential development which will benefit both Eneabba and the surrounding districts. It is important to both Geraldton and the Greenough shire, because Geraldton is the port and processing is taking place in the Greenough shire in the industrial area of Meru on the outskirts of Geraldton. Therefore, the new railway will be a welcome addition to the transport facilities between the two areas concerned.

The two companies involved in mining in this area have had their difficulties and it is heartening that they have now reached the stage where they can execute agreements with the Government for such substantial tonnage; the State Government can hope for even more substantial tonnage in the future. The Minister said the proposal to construct the railway was an economic one. It must be very pleasing to the railways that they are able to compete successfully in a commercial sense with road transport on such important contracts. Of course, mineral sands are a very suitable freight for the railways. It is a fact that the carrying of iron ore from Koolanooka to Geraldton was a lucrative business for the railways, but the last load was carried the other day, and the mine is now closed. Naturally, the railways has been anxious to replace that business.

It is disappointing that the Federal Government has refused to help finance the railway because although, hopefully, the money will be forthcoming from other sources, I believe that if the railway is to come, it should come as quickly as possible. The reason for this is that while one company, Jennings, is already loading its mineral sands at Dongara by rail to Narngulu, when Allied comes back into production in January or February next it will not be able to use the railway at Dongara, but will cart its mineral sands to Greenough by road. The reason is that the mineral sands are processed at Eneabba. This is a different process, and the sands cannot be handled by the plant at the Dongara railhead.

In addition there is a further problem, that of upgrading the railway between Narngulu and Geraldton. While this is not part of the proposed railway line to be constructed under the Bill, it is associated with it. It is thought it will take from two to four years before the port facilities are upgraded, the plant is installed at the port, and the railway to the port is also upgraded. In the meantime very heavy tonnages will be carted by road from Meru to Geraldton.

It is claimed that the roads will stand up to the heavy traffic, although up to date one of the roads to be used by Allied is still under construction and will not be ready when that company begins to cart its mineral sands. Even though the roads might be able to stand up to the heavy traffic, there is still the problem of traffic congestion, and in the port area it will be very heavy, especially when we take into account the fact that the traffic count may increase from one truck every three minutes to a truck every 1½ minutes. From that we are able to see what congestion will result. The local solution is the building of a new road.

I was very pleased to hear the Minister say that he would not grant the Railways Department transport rights over existing carriers serving the Eneabba community and the agricultural industry in that area. This is a matter of concern to the farmers and to the local community, because they are geared to road transport and over the years they have invested a considerable amount of money in road transport.

I note that the Minister has made reference to the words "existing" and "at this stage". While I am sure no-one would be brave enough to forecast the needs of the Eneabba community some years hence, I hope there will not be any reason to change the existing policy, to the detriment of the community at Eneabba.

The Government should bear in mind that it is Liberal policy to rationalise road transport. Already sufficient anomalies have been caused by the need to protect the railways from road transport competition. Very often when protection is given to the railways the sufferers are the very people whom the railways are supposed to serve.

The actual route of the railway has been the cause of some concern. As it was proposed originally when the surveys took place, it bisected, first of all, two small farms at the outskirts of Eneabba. Further to the north where there is little development and little good land, it ran through the little there is. Representations have been made to the Minister on the subject, and he has received them very sympathetically. He says that steps to divert the line to the north have been taken, and that inconvenience and even hardships to all the farmers concerned will be avoided.

It is of deep concern that while finance and costs have presented a problem to the railways, the interests of the farmers involved should not be disregarded, particularly if the railway is to form part of a more permanent transport system linking Perth, Geraldton, and the Pilbara.

I support the second reading.

THE HON. J. C. TOZER (North) [8.04 p.m.]: In introducing the Bill the Minister said that its purpose was to construct a railway from Eneabba to Dongara, a distance of about 87 kilometres. I feel I should make some general comment on the history of railroads in this State, because I think this subject is related to the Bill. This indicates the reason that I think the Bill ought to be supported.

Members will recall that in the period between the two World Wars railways generally throughout the world fell into disrepute. They were regarded as uneconomic and inefficient means of transporting materials. Western Australia followed the pattern that was set in the other parts of the world, and railway lines were in fact pulled up. These lines had rendered

a great service in the development of the State, but it was felt they had outlived their usefulness.

In the post-war years mineral developments both overseas and in Australia placed the value of railroads in a different perspective. We saw this happening in Siberia, and we learnt a great deal about the railroads of Canada one of which linked the Arctic coastline with the St. Lawrence River, and over which huge tonnages of iron ore were transported to an ice-free port. In Western Australia huge deposits of iron ore were known to exist in the Pilbara. Many people have asked the question as to why those deposits were not opened up before the 1960s.

It was considered in the past that the iron ore could not be moved economically to the coast to be exported. Members will recall that before the first iron ore project got off the ground, the State undertook a geological survey. Why was the geological survey undertaken on the Goldsworthy deposit, when it was known there were far greater deposits in the Hamersley Range region?

The reason is quite clear. Goldsworthy is only 70 miles from the seaport, and the length of railroad to be built would therefore be far shorter than that required for the other deposits. The State of Western Australia as late as the 1960s was still timid in respect of its approach to the building of new railroads.

Following the patterns that were set overseas, the whole concept in Western Australia changed. In moving the iron ore over long distances, the mining developers in the Pilbara proved that if the tonnage were great enough rail transport would be the most economic way to move the ore in bulk.

The Minister has referred to the comments of the Director-General of Transport, and I would like to refer briefly to the 1973 annual report of the Director-General of Transport. In it he alluded to the report prepared by the Bureau of Transport Economics. This bureau, together with the Director-General of Transport, prepared a report entitled "Freight Transport to North West Australia, 1975-1990". This report was produced in May, 1973. In the report the following appears—

> Five railway options were considered. These ranged from some renewal and upgrading of the present State system, terminating at Geraldton on the Midland Railway and Meekatharra on the Northern Railway, through new line construction to close the gap between Meekatharra and the end of the Mt. Newman ore railway, to a standard gauge link from Perth to the Pilbara via Geraldton and Mt. Newman. Within these options a range of general freight capacities was examined, from the present 160 000 net tons per annum to 750 000 net tons, more appropriate to the Pilbara Industrial Complex. Further variations were introduced by allowing for phased railway development in step with the growth of the transport task. Thus a large number of options were evaluated against the least cost criterion.

In respect of this question the Bureau of Transport Economics, after studying a wide range of options, came up with a figure of 750 000 tons as being economic for the construction of the railroad to link Meekatharra and Mt. Newman. Public statements by responsible people indicated that a round figure of one million tons per annum would make the total Standard gauge Perth-Port Hedland railroad feasible.

I recall the occasion when the Director-General of Transport recommended that the protection of the railroad to Meekatharra should be dispensed with. This worried the people of the Pilbara greatly, and in point of fact meetings were held over a long period of time. They culminated in a meeting at Meekatharra of the representatives of the mining, the transport, and the community interests in the Pilbara and Upper Murchison.

This meeting gave a clear indication that the opening of cartage of materials to the Pilbara to all modes of transport would spell disaster to the railway and the town itself. Fortunately the Government of the day did not take any notice of the decisions of that meeting. The Government did provide for free competition between the various modes of transport to the Murchison and Pilbara.

The outcome is that the Mullewa-Meekatharra segment of the line has now become a more viable financial operation than it has ever been. The reason for this is quite clear. That segment of the railway was starting to cart the freight for which it was designed; that is, a bulk commodity from its point of loading to its point of destination. Railroads are not designed to take on and to drop off freight along the route; this is freight which road transport could handle very ably. The railway was then left with this bulk cartage of the product from the point of loading to its destination.

Thus we find that explosives were carried in bulk to Meekatharra and then carted northwards. The explosives were loaded at the CSBP works at Kwinana, and without handling by anybody *en route* they were delivered and handled in bulk at Meekatharra. The same applied to the cartage of timber which was loaded at Yarloop or some other mill in the South-West and was not handled until it reached its destination at Meekatharra for transport north by road.

It has been proved that railroads can and will function economically if they are given the right task. In more recent times we have seen examples—and not only in the Pilbara—of efficiently-operated and financially-viable railroads. We have seen this in respect of the standard gauge railway between Perth and Kalgoorlie, the Jarrahdale railway in the outer metropolitan area, and more recently the Esperance-Malcolm line on which the State embarked.

To summarise, I feel that this proposal to build a railroad from Eneabba to Dongarra meets with my approval for several reasons. Firstly the project has been investigated by the Railways Department, the Director-General of Transport, the Treasury, and the Department of Industrial Development; and the indication is that it will be a profitable project if the tonnage reaches the level as stated. The Minister has said that the tonnage to be carted would commence at 600 000 tons, but the quantity would increase to one million tons. Obviously, as more mineral sand developments come into the field the tonnage to be carted will increase further.

It interests me tremendously to know what we are starting in the short 87 kilometres of railroad, which will become part of the integrated rail system linking Perth to the Pilbara. I believe this will be of tremendous benefit to Perth and the Pilbara region.

When we look at the railway link between Perth and the Pilbara we have to consider aspects other than the Eneabba-Dongara line. Mr Dans has said he would like to see the building of a standard guage line. Of course, we all would like to see that come about, but needless to say it would be foolish to construct an 87 kilometres standard gauge line and mix that up with a 3 ft. 6 in. setup. So, a compromise has been arrived at by the use of long railway sleepers, as were used in the Esperance line, preparatory to conversion to the standard gauge. Thus, it is possible economically to switch to standard gauge at a later date.

Looking further north from Geraldton we have the Weld Range and the Northern Mining Company project. I visualise a standard gauge line extending from Geraldton to the vicinity of Wiluna, which is well on the way to Meekatharra.

Those members who have read the Maunsell report on the projected development of the Pilbara will recall that a railway along the Fortescue valley is a certainty in the relatively near future, thus linking the two great railroad systems existing in the Pilbara. This will ensure a rail link with the Dampier-Cape Lambert areas as well as the Port Hedland port which is already connected with Newman.

The next mineral sands development will be in the Jurien Bay area and we will be looking at Geraldton as the most suitable port of export. This will mean a further extension of the railway to the south, and the final link between Jurien Bay and Perth will connect the two great development areas of Western Australia; the Perth metropolis and the Pilbara.

I am glad the Government of Western Australia, in 1974, is prepared not to look for the easy way out. I am delighted to see a Budget allocation of $2.5 million towards the project, and I am glad the Government is undertaking this task in a bold and imaginative fashion at this time.

I have pleasure in supporting the second reading of the Bill.

THE HON. N. E. BAXTER (Central—Minister for Health) [8.17 p.m.]: I thank Mr Dans, Miss McAleer, and Mr Tozer for their support of the Bill. I think Mr Tozer's remarks adequately answered Mr Dans' suggestion with regard to a standard gauge line.

The Hon. D. K. Dans: I did not make any suggestion; I said I knew the reason with regard to standard gauge.

The Hon. N. E. BAXTER: It was suggested we should have a standard gauge railway but I think I explained that point during my second reading speech. The construction of the new line will provide quite a lot of employment, and when it is completed it will transport large quantities of mineral sands.

The Hon. R. Thompson: It was promoted by the previous Government.

The Hon. N. E. BAXTER: And it will have to be financed by this Government and future Governments. Miss McAleer referred to the existence of the present cartage contractors and the farmers. From the information I have received from the Minister for Transport, the aspect of the interests of farmers and transport haulers will be protected. I do not think we will have much worry in that respect. As Miss McAleer said, we cannot predict the future but I believe those concerned with transport at present will be pretty well looked after.

I thank Mr Tozer for his remarks, particularly in relation to the plans put forward by the Director-General of Transport regarding the possible economic quantities of mineral sands to be carted. I commend 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.

RAILWAYS DISCONTINUANCE AND LAND REVESTMENT BILL

Second Reading

Debate resumed from the 3rd October.

THE HON. D. K. DANS (South Metropolitan) [8.22 p.m.]: We agree with the proposal contained in this Bill, which is to authorise the discontinuance of certain railways and to revest in Her Majesty certain lands comprised therein, and for incidental and other purposes. The Bill deals with five relatively short sections of track and although I am inclined to expedite the passage of this Bill through the Council I might say that if I were to speak for an hour on each closure we could be here for five hours—and I am quite capable of doing this.

This "bold and imaginative" Government now sees fit to close down the Kalgoorlie-Gnumballa Lake railway, the Boulder townsite loop railway, the Coolgardie-Kalgoorlie railway, the Coolgardie-Lake Lefroy railway, and the Tambellup-Ongerup railway.

The Hon. D. J. Wordsworth: Just as well they are not near the waterfront.

The Hon. D. K. DANS: If that were the case they would not be closing down; it is as simple as that.

The Minister said that the closure of the lines did not mean they would be ripped up. I think it would be unwise to tear up the lines even though at present they are not economic to operate. To my own knowledge, the five sections of track referred to in the Bill are not being used to any large extent at present.

As I have said previously, we owe a great debt to those far-sighted people who sat in the Legislative Council during the early days of the gold rush period. With the limited finance available to them, and supported by very small mineral royalties, they were able to construct railways on the basis of providing a service to the people.

Other forms of transport have now taken over and they probably serve the goldfields region better than did the railways. However, no-one could deny the great contribution which the railways made towards opening up various parts of our State, and the part they have played in providing some semblance of civilised living to the people in those areas. It is sad to think that the railways are to be discontinued.

It is possible that in the not too distant future we may find it necessary to reopen the lines. I recently read that in Sydney the tramway system, which was closed with a great flourish some years ago, is to be brought back into operation.

The Hon. R. F. Claughton: Melbourne retained its trams.

The Hon. D. K. DANS: Yes, but they were discontinued in Sydney. The old trams were able to travel at something like 14 miles an hour, but with the present system the buses are down to five or six miles an hour. Perhaps we should take heed of what is happening in Sydney.

We support the Bill in principle and detail.

THE HON. S. J. DELLAR (Lower North) [8.26 p.m.]: As Mr Dans has said, this Bill seeks to close five small sections of railway. I would like to quote a few comments from the speech made by the Minister when he introduced the Bill. When referring to the Boulder branch line the Minister said—

> The closures are likely to generate a little nostalgia and a sense of historical loss in some elderly citizens with memories of those events, and those dedicated to the preservation of national assets.

That sentiment does not apply only to the older residents of the area. The Minister went on to say that in the light of progress the railways were not being used because of their isolation and there was no real reason to keep them open. The Minister went on to say, and these words particularly pleased me—

> On the other hand, I am informed that interested people in the Kalgoorlie-Boulder area are already considering what action can be taken to preserve this line for posterity . . .

From those remarks I understand there is talk about using certain sections of the line as a tourist facility, and because of the development of the tourist industry in the Kalgoorlie-Boulder area that could be a possibility. The Minister went on to say that the Railways Department had agreed to suspend action with regard to the pulling up of the lines until something definite was known with regard to their future.

I trust the Railways Department will not reach a hasty decision and tear up the tracks because they could still serve a good purpose. For many years the lines now under discussion carried the bulk of the fuel and other necessary commodities to the mines on the Golden Mile. Indeed, the railways have played a major part in the history of this State.

They have served their purpose and with the construction of a standard gauge line they are now isolated and pretty well useless. However, there could be a reason in the future to reopen those lines.

The Minister said the provisions of the Bill would be received with some nostalgia by older citizens but I—as a younger member of this Chamber and perhaps not as a very old resident of Kalgoorlie—also support the Bill with reservations which are mainly of a sentimental nature.

One particular line which will come under the provisions of this Bill is one which I have crossed hundreds of times; initially when I went to school, and later when I went to work and travelled to Kalgoorlie for recreation or social events. However, not the least of my reasons for crossing the line was that I was courting my wife who lived on the other side of it, and I would be battling to count the number of times I crossed it for that purpose!

I have always had a feeling that my wife's family had the impression that I came from the wrong side of the track. Perhaps now the Government has decided to officially close these railways, to all intents and purposes, I might become more acceptable to my wife's family.

I would like to make the very good point that since the railway will cease to exist the barrier will no longer be there and perhaps my wife's relatives will now view me in a better light!

One point I would like to mention is that at Williamstown Road there is a level crossing which, as far back as I can remember—certainly for the last 30 years—has carried the stock railway crossing sign to warn motorists, pedestrians, horse carts—I can even think so far back as that—and riders of pushbikes.

For many years, when there were seven or eight trains using this line, that normal level crossing sign was the only indication to the public that a railway crossing existed at that spot. At this point I would emphasise that at one approach to the crossing vision is very limited indeed.

Now, however, when there is only one train a week using the line the authorities have seen fit to install a Stop sign on this crossing. If the railway is to be closed trains will not, of course, be using the line because it will no longer exist—at least not on paper.

This being the case, I hope somebody will take note that as this line is no longer being operated it is now not necessary to have the Stop sign in existence; because if it is allowed to remain there is always a chance of some motorist running the risk of a $30 fine if he does not stop at the appropriate spot.

THE HON. R. T. LEESON (South-East) [8.31 p.m.]: I cannot let this opportunity pass without saying a few words on the subject. I was interested in some of the remarks made by Mr Dellar. This particular loop line which runs through Boulder, Kamballie, Trafalgar, Brown Hill and then to Kalgoorlie does have considerable history attached to it.

I can well remember the first train ride I had when I was about five years of age. That is 30 years ago. There has, however, been some mention made about the old residents of this area having nostalgic memories of the line in question. When I look around the Chamber I feel that I am not the oldest member here, and I well remember this train when it ran as a suburban passenger train 30 years ago from Boulder to Kamballie, Trafalgar, Brown Hill and then to Kalgoorlie. At that time it carried a number of passengers. If we double the figure and look back 60 years we find that the train ran almost every hour and carried seven or eight coaches, and because this was one of the major means of transport it will be appreciated just how many people used it.

I know that a particular member from another place would know this line very well indeed. He has travelled over it many times and has used it as a form of public transport—he did this in the past and still continues to use public transport because he is unable to drive a car. I am sure he would be able to tell some very funny stories about what took place on this line; about the types of goods and produce that were carried, and how it was used by the workers who were, perhaps, knocking off and going home. As I have already said the use of this line brings back many pleasant memories.

I am sorry that the line is to be closed. Over the last 30 years the line has, in the main, been used to carry fuel oil to the goldmines for use in their power-generating equipment—it has also carried certain other freight. The principals of the mines, however, have now made other arrangements to transport this type of commodity by road, and I am sure this will prove successful.

With those few remarks, and with some reluctance, I support the Bill.

THE HON. N. E. BAXTER (Central—Minister for Health) [8.35 p.m.]: I thank the Hon. D. K. Dans, the Hon. S. J. Dellar and the Hon. R. T. Leeson for their very good support of the Bill

Mr Dans recognised what a bold and imaginative State Government we have, but I do not think it needed any boldness or imagination to realise that it was necessary to introduce this Bill from an economic point of view.

The Hon. D. K. Dans: You were not selling enough tickets.

The Hon. N. E. BAXTER: It is not economic to continue using these small sections of railway line which should have been closed earlier.

I sympathise and agree with Mr Dellar that when railway lines like this are closed it naturally causes some sadness and that some nostalgia and loss is felt not only among the older people but also among those who are younger and who have known the line for years. I can imagine Mr Dellar crossing the line in his school days, and I also appreciate his using the line later for the purpose of courting his

wife; even though he did say that his wife's parents felt he had come from the wrong side of the track!

The Hon. S. J. Dellar: It is a good Bill because it removes the barrier.

The Hon. N. E. BAXTER: We could say it is a good Bill because politically Mr Dellar could still be said to be on the wrong side of the track!

Mr Leeson tells us he has grown up on this line and has witnessed the type of freight and produce that was carried on it; quite apart from the number of passengers who have used it. It is possible, however, that the freight which was carried on this line in years past would not from the point of view of economics be carried on that line today.

I do, however, thank the members to whom I have referred for their support of the Bill and I commend it to the House.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

MARKETING OF POTATOES ACT AMENDMENT BILL

Second Reading

Debate resumed from the 3rd October.

THE HON. R. T. LEESON (South-East) [8.40 p.m.]: I have been entrusted with the job of speaking to the second reading of this Bill. I must admit that I do not know a great deal about the growing of potatoes, because the area from which I come contains far more in the way of stones than it does potatoes. I do feel, however, that in that area we use as many potatoes per head of population as do people anywhere else in the State.

The Hon. N. E. Baxter: You have a few good market gardeners up there.

The Hon. R. T. LEESON: But no potatoes are grown. Although this Bill is relatively small it is, nevertheless, very important, and I am sure that members will agree, as I do, that so far as potatoes are concerned they would be used by Australians to the same extent as rice is used by the Asians. As we all know no matter where we go for a meal that meal is always accompanied by a spud.

The Bill before us seeks to make seven amendments to the principal Act. Some two or three years ago a Select Committee was appointed to inquire into the potato industry and then later—last year in fact—a further inquiry was ordered by the then Minister for Agriculture and this resulted in what is known as the Lissiman report. As we all probably know a great deal of time, money, travel, and energy have been necessary to conduct the inquiry into this industry.

One of the amendments the Bill seeks to make to the Act will give those producers who are not naturalised a vote in the election of a member to the board. Previously producers who were not naturalised citizens were not permitted to vote in matters of this kind. I feel it is a good thing that this anomaly is being removed. Although we do try to encourage those who are not naturalised to become naturalised, there are occasions when people do not wish to become naturalised for one reason or another; but if we remove all these barriers I feel sure that citizens in all walks of life who are not naturalised would not find much advantage in becoming naturalised. I agree with this amendment.

The other amendments in the Bill refer to the illegal growing of potatoes and the increase of penalties. As members know the Potato Board has a very hard job in determining the necessary acreage that may be required from time to time for potato growing in Western Australia. If the board comes up with a figure and produces too few potatoes it would result in a flood of potatoes from the Eastern States and our prices here would remain fairly low.

On the other hand if we overproduce we would have a glut of potatoes on the market and we would have trouble trying to sell the surplus potatoes and the price would again be particularly low.

It is not an easy job to try to estimate—when dealing with a population of something over a million people—just how many acres we should set aside to supply the potatoes necessary for the Western Australian market for a 12-month period; particularly when we take into consideration such things as seasonal conditions, and so on. However the board has done a fairly good job in this direction.

The other amendment in the Bill refers to alterations to the accounting procedure within the board itself and is self explanatory. On the whole I think the amendments contained in the Bill are necessary to help the potato industry in years to come.

I support the Bill.

THE HON. V. J. FERRY (South-West) [8.45 p.m.]: It has been a long time!

The Hon. R. Thompson: We knew you would get up on this.

The Hon. V. J. FERRY: Nevertheless, it is satisfying to have Parliament consider the amendments contained in this Bill, even at this late stage.

The Hon. R. Thompson: The Lissiman report did it.

The Hon. V. J. FERRY: It is some years since the Act was amended; the last amendments to be debated in this Parliament were presented in 1966, some eight years ago. In the intervening years since 1966 the potato industry in Western Australia has been examined by two bodies. As has been mentioned, a Select Committee was appointed by this House to review the industry, and it presented a report on the 2nd May, 1972. Further to that, a few months subsequently, the then Labor Government engaged the consultant firm of King Lissiman & Company further to examine the industry.

With regard to the Select Committee, I was indeed grateful to the House for supporting the motion for its appointment. I wish to thank in particular the Hon. D. K. Dans, and the Hon. J. M. Thomson who has since retired. Those gentlemen made my task as chairman a great deal easier as a result of their sincere application to the job of examining the industry.

Although the appointment of the Select Committee was strongly opposed at the time by the then Government, I believe its examination of the industry served a good and useful purpose. It may be worth noting in passing that, contrary to some expressions of view at the time that the work of the committee would disrupt the industry and would perhaps destroy the marketing board and the organised marketing system, no disruption occurred. I am grateful for this because it was not the intention of anyone in this House to harm a very good industry.

It is worth mentioning that during its examination of the potato industry the Select Committee took evidence from some 89 witnesses from both the metropolitan area and several country districts. I believe its examinations and findings strengthened the industry. The examination and recommendations of the Select Committee reinforced the system of orderly marketing of potatoes in this State. During the course of the inquiries of the committee it was stressed repeatedly that it could only draw conclusions from the evidence submitted to it, particularly from people associated with the industry at all levels.

Before touching on the provisions contained in the Bill, I would like briefly to refer to some of the stalwarts who have supported the potato industry in this State over so many years. I am aware it is dangerous at times to mention names, for fear of offending others one may not mention. However, I believe I can mention without harm such stalwarts as the late Jim Mitchell of Donnybook, Peter Carter of Marybrook, and the Rose family of Burekup, and so many others of their kind who have contributed their knowledge, dedication, and energy to the promotion of the industry in this State.

The Select Committee presented a fairly compact and what I could describe as a pithy report. I think it would be fair comment if I were to quote from page 3 of the report as follows—

> It would seem to the Committee that the industry is capable of getting more out of itself. Heavy emphasis is placed on sales promotion and education of the consumers in buying habits and a better understanding and appreciation of potatoes as a food commodity. The Committee cannot accept the attitude that the ultimate has been reached in these fields of promotion.

This comment was in fact emphasised and reinforced at a recent conference of potato growers held at Busselton. The conference was organised by the Potato Growers' Association; and in particular by some of its younger members. I was delighted to see so many growers actively participating in an examination of their own industry at their own level.

The discussions and findings of that conference—it took the form more of a seminar—certainly reinforced the view that more can be obtained from the industry itself. It confirmed the findings of the Select Committee. The conference was chaired by a very capable gentleman, Mr Herb Ende, and it prospered under his guidance for almost two days. As a result of the discussions, despite the adverse economic climate presently prevailing throughout so many rural industries in this country, it is my firm opinion that provided there is goodwill the potato industry in Western Australia has an excellent future. Those participating in the conference also came to that conclusion.

The industry is, as has always been the case, concerned with the cost of production, and the conference paid particular attention to the matters of improving returns to growers, more efficient handling of the commodity—with particular emphasis on bulk handling—and transportation. We must bear in mind that the cost of transportation is a major factor in any industry today. It always has been, but the cost seems to be increasing more and more. Another feature given some prominence at the conference—and again this reinforces the findings of the Select Committee—was the matter of public relations, and also education, not only of the growers in the industry but of the public at large. Attention was paid to public relations with the theme that further and more complete information should be available to all concerned, particularly from the Potato Marketing Board; and the Potato Growers' Association should continue to make information available to the growers.

I think the mere fact that so many people came together at Busselton only a few weeks ago—I think I am correct in stating that there were 150 to 160 in

attendance—to discuss the problems of the potato industry at their own level did a great deal of good for the industry. This is a case of liaison.

One of the great disadvantages and problems of the local industry is, of course, the competition from Eastern States producers who at times market their product in this State.

A major recommendation of the Select Committee was that the Potato Marketing Board should endeavour to monitor more closely the scene in the Eastern States and that it should set up an early warning system to enable it to recognise trends in the market over there and apply that knowledge in respect of the trends in Western Australia. It was recommended that when price factors in the Eastern States were such that they required some adjustment to the price being allowed by the Western Australian Potato Marketing Board, such action should be taken promptly.

I believe I am correct in saying this was also referred to in the report prepared by King Lissiman & Company. Therefore, the board has a responsibility in this regard. This is not an easy matter; it is a matter of commercial practice and judgment, and it is one which is vital to the potato growers of Western Australia because only recently it was emphasised that prices in the Eastern States have been very high and many local growers naturally have been rather restive, thinking that perhaps they could take advantage of the prices in the Eastern States rather than sell their product through the marketing board in this State. This has caused a deal of dissention amongst certain growers in some areas.

Therefore, the board has a particular responsibility to ensure that variations in prices are reasonable in all the circumstances, even at the risk of increasing the price paid by Western Australian consumers to a point a little above that which it might otherwise be in order to maintain stability within our own industry. If this is not done what is commonly known as black marketing will be encouraged. "Black marketing" in this context means selling outside the ambit of the operations of the board, bearing in mind that in Western Australia it is obligatory under the Marketing of Potatoes Act that all commercially-grown potatoes be marketed through the Western Australian Potato Marketing Board. Of course, if the prices in the Eastern States are very much higher than the ruling prices in this State, the temptation is there; and some growers will either attempt to take, or in fact take, advantage of the market in the Eastern States. This, of course, would defeat the orderly marketing system in Western Australia.

An aspect which has received a little prominence over the last few years is that of processing potatoes. I will not quote the figures now because they are well known to those who are interested in the industry; however, they show that an increasing quantity of processed potato products is entering this State from not only Eastern States manufacturers but also overseas manufacturers. Here again, I would refer to the report of the Select Committee which was compiled over two years ago and presented to this Parliament in May, 1972. It placed particular emphasis on this very feature: that unless the Western Australian industry took advantage of the local market and encouraged greater quantities of manufactured potato products, the market would be a decreasing one.

The market for fresh potatoes is an increasing market; it increases with the natural growth in the population. However, there is a wastage of this fresh product market because of the inroads being made by manufactured products. We are all aware that so many housewives today prefer to buy instant foods because they are easier to prepare. Although they may cost a little more, many housewives have come to accept them because of their convenience and ready availability. The industry must be aware of this trend, and it must endeavour to produce an article which will encourage further processing. When I speak of articles to encourage further processing, I refer to varieties of potatoes more acceptable for this purpose.

The Department of Agriculture in this State has played a major and vital role in the production of potatoes which can be accepted in the commercial sense. There are problems in marketing different varieties of potatoes because of the very nature of our orderly marketing system. I do not propose to weary the House by giving the reasons for this, because one could speak for a long time on this feature alone. Suffice it to say that the role of the Department of Agriculture in helping those engaged in the industry is well known and it is certainly appreciated by all associated with the industry.

However, unless the Potato Marketing Board—and this is another vital responsibility it must recognise—makes available opportunities for those engaged in the industry to exploit and develop the use of new potato varieties, I believe the industry will die on its feet. It must continue to expand production and the opportunities to produce more varieties and whereas it is good enough to produce—as we have done in the main—one variety of potato—the Delaware, because it suits our climate and marketing procedure—in some respects it is not good enough for those engaged in the industry to say to the public, "If you want potatoes you can get only one variety." I do not believe the marketing authority can take this prerogative unto itself. It certainly has the prerogative to ensure that potatoes are produced at a reasonable price and that they are of reasonable quality. I believe the

board also has a duty to the consumers to make available to the public—particularly to housewives—several varieties of potatoes with different qualities suitable for many methods of cooking.

However, in recent years potato growers have experienced difficulty in obtaining good quality seed potatoes. This difficulty is continuing because of the prevalence of some diseases. The problem is being tackled in a very realistic way and I wish the industry well in its efforts to seek a solution to this vexed problem.

The industry in this State does have a system of control and, in fact, Western Australia is the only State in the Commonwealth where the production of potatoes is wholly controlled. Therefore it is prudent to refer to the Bill at this stage and to some of the amendments contained in it.

The first amendment which comes to my mind is that which seeks to allow the right of appeal to a grower who may have been unfortunate enough to have his license to grow potatoes either cancelled or his acreage reduced. This has been a contentious issue for many years. Some years ago now a number of growers in this State were, in my view, disadvantaged by having their licenses revoked by the Potato Marketing Board—as was the board's right. The board took this action, I suppose, to punish those growers who grew potatoes under license to the board but who then took advantage of the high prices offering in the Eastern States by selling their produce on the black market.

The Hon. R. Thompson: The board was quite justified in its action.

The Hon. V. J. FERRY: I am not disputing the action of the board at that time. However, that is not the point I am trying to make. I understand there were some growers who had their licenses cancelled who, even up until now, have never been allowed to grow potatoes for commercial purposes.

The Hon. R. Thompson: Most of them have been blackmarketing ever since, though.

The Hon. V. J. FERRY: I dispute that, because some growers, unable to regain their licenses, went right out of potato production altogether and diversified by engaging in whole milk and beef production, or something of that order. I welcome the interjection by the Leader of the Opposition, because I would like to point out that all the growers were natural and extremely efficient potato growers. They liked potato growing, but they have now been lost to the industry because they have entered some other form of agriculture. Once they become involved in another type of agricultural production it is unlikely they will return to potato growing. Many of these men grew potatoes as a family unit, but the members of their families have since grown up and have now entered other occupations.

Therefore, in my opinion, the potato industry has been the loser as a result of some of these growers departing from the scene. If a grower loses his license for some valid reason or other, that is fair enough, but I do not believe he should be discouraged from resuming his place in the industry. If a grower commits an offence against the Act and his license is cancelled for a period of 12 months or two years, he has been justly punished, but he should not be forced out of the industry and discouraged from resuming potato growing. If a person is unfortunate enough to be prosecuted for a breach of the traffic regulations, and has his license suspended, that license is usually returned to him after he has paid the penalty.

The Hon. R. Thompson: Potato growing is a closed industry and we must appreciate the ethics that go with a closed industry.

The Hon. V. J. FERRY: There, of course, we have a difference of opinion on philosophy. I believe that if a potato grower commits a breach of the Marketing of Potatoes Act and is penalised, after he has paid his penalty he should be given a chance, in reasonable circumstances, to resume the production of potatoes at some future time. Therefore it is important for a grower to be granted the right of appeal, because at the time of which I am speaking the growers concerned had no right of appeal whatsoever under the Act. It is most important that we should be considering that aspect as one of the amendments in the Bill before the House today. This amendment was, in fact, recommended by the Select Committee and by the King Lissiman report; namely, that a right of appeal should be granted to a potato grower under the Marketing of Potatoes Act.

It is one of the tenets of British justice that a right of appeal should be available and I am particularly glad that this provision is now contained in the measure.

Another feature contained in the Bill is the manner in which penalties shall be imposed. Under the existing provisions of the Act a person may be fined for growing potatoes contrary to the license issued by the board and he can be fined $400. That would be the maximum penalty. What has happened, of course, is that many growers have grown a considerable acreage of potatoes and so have been able to produce sufficient to pay the fine and still make a profit out of the balance.

The proposals in this Bill indicate that the penalty shall be on a sliding scale so it will be unprofitable for a grower to grow any number of acres of potatoes. A first offender may not be fined. There is provision for a first offender to be

dealt with at the discretion of the court, and that is fair enough. As Mr Leeson has mentioned, the Bill also contains provision granting a right to commercial growers of potatoes to vote on matters that concern their own industry. I think there are only a few growers who would be in this category now; that is, those who, hitherto, have been precluded from voting on matters pertaining to their industry. I am referring to unnaturalised growers.

It seems that in this day and age a person engaged in any industry should have the right to vote on matters affecting that industry.

Recently the Potato Marketing Board gained a new chairman. He is Mr Alf Humphries and I am sure many of us know him personally. I extend to Mr Humphries the very best in his endeavours to assist the industry over the years that lie ahead. In my view the Chairman of the Potato Marketing Board is in a somewhat unenviable position. I have no doubt that Mr Humphries has already experienced troubled waters, as board chairmen in the past have experienced from time to time, but I believe that he is a man of such ability that he will give of his best and lend his experience and goodwill to ensure, as far as possible, that the industry will prosper under his chairmanship and guidance. I wish the members of the board, under him, well in their endeavours to assist the industry.

I do not wish to say much more except to make the final comment that the Marketing of Potatoes Act of Western Australia is a very stringent piece of legislation. It is drawn in such a way that, in my view, it can only work in the situation in which Western Australia finds itself; that is, its geographical situation. As I mentioned earlier, this State is the only one in the Commonwealth with a marketing organisation that has such complete powers. Of course, with those powers go very grave responsibilities; responsibilities of the board itself, the Potato Growers' Association, the Department of Agriculture, and all associated with the industry. The more power one has the greater the responsibility.

We must acknowledge that this is a responsibility, and I believe it is recognised by all concerned. I have pleasure in supporting the Bill, because I believe some of the amendments in the measure are long overdue and I feel those engaged in the industry will welcome them.

THE HON. R. THOMPSON (South Metropolitan—Leader of the Opposition) [9.12 p.m.]: I support the Bill, but I was intrigued by some of the comments made by the previous speaker. The Marketing of Potatoes Act was introduced some years ago to protect the rights and interests of potato growers and to provide to the public of Western Australia potatoes at a reasonable price with a continuity of supplies.

We found that when there were high prices for potatoes offering in the Eastern States, growers who were well aware of the provisions of the Act chose to sell their potatoes at that time outside the State for a greater return than that offering by the board in Western Australia. By their action they virtually dissociated themselves from the industry, because they knew full well that they must lose their licenses under the provisions of the legislaton. They were also aware that they were in a closed industry. There have not been many people in Western Australia who have voluntarily relinquished a license after it has been granted.

The Hon. N. McNeill: I did.

The Hon. R. THOMPSON: Yes, but the Minister for Justice relinquished his license for a different reason, because, at the time he did so he had to be a full-time grower in the industry. Therefore, in all probability, it was for that reason that he relinquished his license. The only other alternative is that he may not have been a good potato grower. However, I will not argue the pros and cons of that.

I think, generally speaking, most growers value the licenses they hold to grow potatoes on the acreage that is granted to them. In the areas that produce fresh, newly-dug potatoes at present—that is, in the Spearwood, South Coogee, and Wanneroo areas—we find that growers strive most zealously to obtain licenses to grow potatoes. The stage was finally reached where it became a privilege to be granted and maintain a license to grow potatoes. Therefore I have no objection to that particular part of the Bill which seeks to grant the right of appeal to a grower.

Then we come to the part which has always been a bone of contention with me; that is, that there should be no taxation without representation. It will be recalled that many lengthy discussions took place on the marketing of onions legislation during which I always defended the contention that there should be no taxation without representation. I consider it is incorrect that people with a stake in the industry are denied a right to exercise a vote on the election of members to the Potato Marketing Board.

The Hon. I. G. Medcalf: That is what started the American War of Independence, was it not—no taxation without representation?

The Hon. D. K. Dans: That is a popular theory.

The Hon. R. THOMPSON: That is right. I am pleased Mr Medcalf interjected because the point I was intending to make was that I hope this amendment becomes a forerunner to other amendments and I refer particularly to the Local Government

Act because for years I strenuously resisted the provision that excluded unnaturalised property owners from voting at local government elections. If the amendment in this Bill is accepted, I hope we will see a similar amendment made to the Local Government Act to enable those who pay rates—which represent taxation—to exercise a vote at local government elections. I am sure that, in view of his interjection, Mr Medcalf would support such an amendment to that Act.

Another point Mr Ferry made which interested me greatly concerned the work of the Department of Agriculture in Western Australia in connection with new varieties of potatoes. Over the years the department has attempted to introduce new varieties. Some four or five years ago it stepped up its interest in this regard. When I was a child, which is a fair while ago, only two varieties were available; that is, Delawares and Bismarks. These latter were white-skinned potatoes with red eyes. They have quite a few more eyes than the Delawares.

Four or five years ago several varieties from various parts of the world were introduced in Western Australia, but probably the most successful and readily accepted was the Norland which is an excellent potato of much better quality than the Delaware for baking and making potato chips inasmuch as it tends to have a higher sugar content than has the Delaware. Consequently the Norland is readily accepted for processing. Nearly every time my family goes to the greengrocers it looks for the Norland, but it is just not available.

I was interested in Mr Ferry's remark because under the Act at the present time the Potato Marketing Board is not responsible for stipulating that a grower must produce a certain variety of potatoes. If Mr Ferry is sincere in his remarks, he will agree that the Act should be amended in order to give the authority the right to issue a license to a grower to produce a certain potato if he resides in an area which is conducive to the growing of that particular variety and would consequently be successful in the growing of a profitable crop. This would give the public a choice of varieties.

The Hon. V. J. Ferry: The board has liaised with growers and they are producing more varieties without compulsion.

The Hon. R. THOMPSON: I know what the board has done. It has even made seed available free of charge to growers in order to encourage the production of certain types. But growers tend to become a little lazy. Because they are able to obtain 16 to 18 tons of Delawares to the acre they will not grow another variety which will return only 10 or 11 tons to the acre. It is well known that the tonnage of Norlands per acre is not as high as is the case with other varieties. Nevertheless I am quite sure that the public would pay more for the better potato.

The Hon. V. J. Ferry: I think the Norland is a good potato.

The Hon. R. THOMPSON: It is excellent. However, in view of the work done by the department in the introduction of new varieties, it is sad and disappointing that growers are not prepared to cultivate them. I would hope that the next time the legislation is reviewed we will consider a provision to arm the board with such powers as are necessary to ensure that the public of Western Australia have a choice of varieties in regard to potatoes. It is no good our merely psalm singing and indicating that we believe the varieties should be available if the growers do not produce them.

As I said earlier those in the industry are in a privileged position as are the whole-milk producers or persons in a closed union. They have a privilege and we all know that any privilege carries with it some responsibility and therefore potato growers should make some effort to provide a variety which is acceptable to the public. I support the legislation.

THE HON. N. McNEILL (Lower West —Minister for Justice) [9.22 p.m.]: I am grateful to Mr Leeson, Mr Ferry, and the Leader of the Opposition for their comments and support of the Bill. I feel I should also acknowledge Mr Ferry's contribution to a greater understanding by the House of the potato industry. I am sure we are all aware not only of his interest and knowledge, but also of his actions, and the enthusiasm with which he approached the Select Committee to which he made reference.

I am pleased to note that no exception has been taken by any member to the provisions in the Bill and I acknowledge, as others also would acknowledge, that some of those provisions are quite stringent. However, in appreciating the general position referred to as a closed situation and the responsibilities incumbent upon those engaged in the industry I believe these amendments, severe as they may be, have been accepted in what is I consider a very good spirit.

The Leader of the Opposition (Mr Thompson) has made some reference to the Local Government Act, but I will not make any comment on his remarks because I do not think they were quite relevant. I merely wish to say that if this is a principle he espouses then he should acknowledge that we have at least made a move in this respect under the Bill.

The Hon. R. Thompson: I espoused this 12 years ago.

The Hon. N. McNEILL: I am pleased that this Government is at least including in this Act a provision on which the Leader of the Opposition is so keen.

The Hon. R. Thompson: I am not very often wrong, you know.

The Hon. N. McNEILL: The Leader of the Opposition and Mr Ferry made some useful comments concerning the opportunities available for the commercial processor. This section of the industry has potential for growers and the industry generally in Western Australia so I can assure members that their remarks will be passed on to the board and the Minister for consideration.

When Mr Thompson was referring to the departure of certain growers from the industry, I could not help but comment. He mentioned those who had contravened the requirements in relation to the sale of potatoes. I will not elaborate on my reasons for departing from the industry, but they do not include any of those to which the Leader of the Opposition referred. In fact, I suppose I was regarded as one of the big growers of the time, but I do not feel it is appropriate for me to give any explanation concerning the circumstances of my departure.

In view of the fact that I have some knowledge of the numbers of growers whose licenses were not renewed or who suffered some penalties, I feel I must emphasise that because the growing of potatoes by many of these people was virtually their sole source of income, the penalty of delicensing or not renewing a license was very severe. Therefore on those grounds alone, if for no other reason, certain justification exists for at least granting a right of appeal in order that the circumstances under which the action was taken can be reconsidered.

The Hon. R. Thompson: The same can be said about the penalties under the Fisheries Act and in regard to which there is no right of appeal.

The Hon. N. McNEILL: Yes; and it is a severe penalty. The mere fact that a person's livelihood can be placed in jeopardy is enough reason for some consideration to be given to a right of appeal. I would agree with the Leader of the Opposition that when a person grows potatoes —and the situation is the same with regard to a fisherman under the Fisheries Act—he should enter the industry with his eyes wide open and should be fully aware of the penalties which can be inflicted if certain action is taken which is contrary to the Act.

Nevertheless need does exist for flexibility. On numerous occasions in this House it has been said that in order to be effective a law must be observed in general terms and must be accepted if not by the whole population, at least by a fairly wide cross-section of it. Therefore even in a closed industry such as this one, and in which many rights and privileges are available to the growers, a degree of flexibility should be allowed so that action in connection with licenses can be reassessed in an appeal to the Minister.

I do not think there is any necessity for me to embark any further on a reply, as members have not really raised any queries which necessitate my doing so. Once again I thank them for their support of the Bill which I commend to the House.

Question put and passed.

Bill read a second time.

In Committee

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

Clauses 1 to 4 put and passed.

Clause 5: New section 19A added—

The Hon. V. J. FERRY: This clause provides a right of appeal for a grower who is refused a license or whose license is cancelled or reduced. The report of the Select Committee which inquired into the industry recommended that the right be given to appeal to a magistrate. At that time the industry felt the matter of appeal was so serious that it should be determined by a magistrate.

Clause 5 provides a right of appeal to a Minister of the Crown. I do not wish to go back on anything the Select Committee determined but I am happy to find that the Bill contains a right of appeal to a Minister. I believe the provision is acceptable to the industry at large and that it is an indication of good faith on the part of the Government. In many respects, it is perhaps more practical and expedient to have a right of appeal to a Minister rather than to a magistrate in a court of law. If with the passing of time it is found this avenue of appeal is not satisfactory for one reason or another, the industry might consider recommending a change to the Government of the day. At the moment, I am quite content with this clause but I take the opportunity to clarify the situation in view of the recommendation of the Select Committee in 1972.

Clause put and passed.

Clauses 6 to 8 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

MINISTERS OF THE CROWN (STATUTORY DESIGNATIONS) AND ACTS AMENDMENT BILL

Second Reading

Debate resumed from the 3rd October.

THE HON. R. THOMPSON (South Metropolitan—Leader of the Opposition) [9.34 p.m.]: This is an interesting piece of legislation and I think it will clarify many of the Acts and the responsibilities of Ministers without causing any embarassment to future Governments.

It will be recalled that when the Ministry of the present Government was sworn in earlier this year no Minister for Railways was sworn in, which it was obligatory to do under the Act. This was discovered some weeks later. A Minister for Transport had been sworn in, and in normal circumstances I would agree he would be the Minister responsible for all forms of transport.

When we look at the Acts etc. relating to Parliament, we find the Public Works Act states that every railway shall be the subject of an Act of Parliament and that the responsible Minister will table a map, and so on. The definition of "Minister" in the Public Works Act states—

> "Minister" as regards all public works other than railways, and also as regards the provisions of this Act relating to the taking or acquisition of land required for railways, and the making of claims for compensation in respect of land taken for railways and the settlement or enforcement of such claims and relating to all matters incidental to the taking or acquisition of such land as aforesaid and to claims for compensation and the settlement and enforcement thereof means the Minister for Works appointed under this Act and also any member of the Executive Council acting as Minister for Works; but as regards railways, save and except as aforesaid, "Minister" means the Minister for Railways and any Minister of the Crown for the time being administering the Government Railways Act, 1904.

We find under the Public Works Act a responsible Minister must be appointed, but the verbiage I have just read does not make much sense in any case because the acquisition of land comes under the Public Works Act, and one Minister deals with the acquisition of land for the construction of a railway but another Minister administers railway operation. I hope in time that section of the Public Works Act will be tidied up.

I do not know whether all the Acts which specify Ministers at the present time have been covered in the Bill now before us, and I am certainly not going to the trouble to look through all the Acts of Parliament to find out whether they contain such a provision.

I think the general provisions of the Bill will be acceptable to everybody. When Ministers are sworn in in the future, they will be given the portfolios allocated by the Premier and will act responsibly in those positions. I think that is a far better arrangement than having a specific Minister who may resign or die, or whose portfolios may be changed, necessitating swearing in other Ministers. This is a departure from what we have been accustomed to. I raise no objection to it whatsoever, but I hope the Government has been careful to cover all the Acts, otherwise a few more Bills might come forward. I support the legislation.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

House adjourned at 9.46 p.m.

Legislative Assembly

Tuesday, the 15th October, 1974

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

SECOND AUSTRALASIAN PARLIAMENTARY SEMINAR

Attendance of Delegates

THE SPEAKER (Mr Hutchinson): I wish to advise the House that delegates to the Second Australasian Parliamentary Seminar have virtually completed the Western Australian portion of their programme, and will be our guests this evening at dinner. Some rearrangement of table seating may have to be made to ensure that, as far as possible, one delegate is seated at each table.

After dinner it is expected that most of the delegates, from time to time, will be watching our proceedings from the Speaker's Gallery.

I propose, with the concurrence of members, to leave the Chair at 6.00 p.m. until 7.30 p.m. to enable those members who wish to mingle with the delegates in the general vicinity of the corridor and the bar to do so.

QUESTIONS (15): ON NOTICE

1. CITY FIRE STATION

Erection

Mr HARMAN, to the Chief Secretary:

(1) Are funds available this financial year for the erection of the new No. 1 City Fire Station?

(2) If not, why not?