

hand it may be asked in what manner may a passive advertisement be encompassed by the Bill? This becomes, I suggest, a question of law in the interpretation of such wording as "as the case requires", "in any other manner", and "directly or indirectly", as appearing in relative clauses. To endeavour to anticipate the nature or approach of all conceivable types of advertisements is not a practical feasibility.

In commending the Bill to members I believe we have tightened up considerably on the relative provisions in the principal Act. The effect of the legislation will be watched closely, and we will continue to try to prevent loopholes which might still permit abuses and to try to prevent them in due course.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Bertram.

House adjourned at 10.52 p.m.

Legislative Council

Wednesday, the 16th October, 1974

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

BILLS (6): ASSENT

Message from the Lieutenant-Governor and Administrator received and read notifying assent to the following Bills—

1. Town Planning and Development Act Amendment Bill.
2. Explosives and Dangerous Goods Act Amendment Bill.
3. Nickel Refinery (Western Mining Corporation Limited) Agreement Act Amendment Bill.
4. Registration of Deeds Ordinance Amendment Bill.
5. Evidence Act Amendment Bill.
6. Junior Farmers' Movement Act Amendment Bill.

QUESTIONS (3): ON NOTICE

1. HOUSING

Pilbara and Kimberley

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

- (1) Is the Minister aware that his own replies to my questions on the subject of housing in the North reveals that—

(a) 25 houses will be built in the Kimberley in 1974-75, and that there were 204 outstanding applications for tenancy on the 30th September, 1974;

(b) 20 houses will be built in the Pilbara to satisfy the requirements of 341 outstanding applications on the same date; and

(c) there are 162 outstanding applications in Port/South Hedland alone, but only 10 homes are being provided in 1974-75?

(2) Is the Minister aware that there are approximately 950 families living in caravans on a permanent or semi-permanent basis in North Province?

(3) Is the Minister satisfied with his programme to meet the needs of the expanding communities in the North?

(4) With the recent announcement of increased availability of funds for housing, will the Minister reassess his northern programme in an endeavour to ameliorate the housing crisis?

The Hon. N. McNEILL replied:

(1) No, since the figures quoted compare all applications with non-Aboriginal construction programme only. The correct position is—

(a) Kimberley—204 applications and 53 programmed.

(b) Pilbara—301 applications and 77 programmed.

(c) Port/South Hedland—162 applications and 22 programmed.

(2) I am not aware of the precise number of families living in caravans in the North. It is known that many of these families are not seeking alternate housing through the State Housing Commission.

(3) Yes, when one has regard for the wastage in applications, the tenancy turnover in existing housing stock, and the fact that programmes are periodically reviewed in the light of available funds, relative needs in the various towns in the State, and a broad aim to keep waiting times not more than twelve months anywhere in the State. Based on estimated wastage and turnover rates from recent experience, the situation in the areas referred to in the question is—

	Kimberley	Pilbara	Port/South Hedland
Applications Outstanding	204	301	162
LESS—			
Under construction	10	20	13
New construction	53	77	22
Turnover	90	191	150
Wastage	51	85	41
Net outstanding at end of a year	Nil	—72	—84

- (4) The recently announced increase in funds available to the Housing Commission under the Commonwealth and State Housing Agreement is just sufficient to maintain existing commitments, and does not mean a capacity to increase programmes.

2.

CHICKENS*False Advertising*

The Hon. D. J. WORDSWORTH, to the Minister for Education:

- (1) Is the Minister aware that a purveyor of chickens is advertising on television that chicken has a higher protein value than red meats?
- (2) Are the contents of this advertisement accurate?
- (3) If not, would such an advertisement contravene legislation concerning false advertising and consumer protection, or the Federal Trade Practices Act?

The Hon. G. C. MacKINNON replied:

- (1) Yes.
- (2) and (3) The details of the advertisement are already being studied for accuracy. If the advertisement is false or misleading, it would contravene the Trade Description and False Advertisements Act. As soon as the answer is known, I will advise the Hon. Member.

3.

DRUG RUNNING*North-West*

The Hon. W. R. WITHERS, to the Minister for Health:

- (1) Was the Western Australian Government advised of the details leading up to the arrest of a drug running syndicate which was planning to smuggle \$1 million worth of heroin, liquid hashish and marihuana, by the use of light aircraft, from Indonesia into a northern airstrip near the Western Australian border as reported in *The Independent* newspaper on the 25th March, 1973?
- (2) With relation to the airstrip referred to in the article—
 - (a) where is it located; and
 - (b) which Western Australian town is closest to the airstrip?
- (3) Because of previous official statements which indicated there are several northern airstrips suitable for landing light aircraft from Indonesia, has the Federal Government, in co-operation with the State Government, increased surveillance on isolated airstrips in the North?

- (4) In relation to the Australians arrested for suspected drug trafficking in Don Pasar, Indonesia, during March, 1973—

- (a) what charges were laid;
 - (b) were they extradited or charged in Indonesia;
 - (c) were they convicted, and if so, what were the fines or terms of imprisonment?
- (5) (a) Has the Federal Government considered setting up an early warning system as part of a defence project in the North which could be used to detect light aircraft flying from Pulau Roti which is only 300 air miles north-west of Truscott and Mitchell Plateau airstrips;
- (b) if not, have they found the major entry point of drugs now being smuggled into Australia?

The Hon. N. E. BAXTER replied:

- (1) The Officer in Charge of the Drug Squad of the Criminal Investigation Branch was advised by the Federal Narcotics Bureau, of plans to smuggle cannabis and cannabis oil (not heroin) into Australia.
- (2) (a) Derby.
- (b) Derby.
- (3) State Police stationed in northern areas have been alerted, but no advice has been received from the Australian Government of their activity in this regard.
- (4) (a) Two Australian men were arrested and charged with possession of cannabis with intent to deal.
- (b) They were charged in Indonesia by Indonesian authorities.
- (c) They were convicted and it is believed that each was sentenced to 18 months' imprisonment.
- (5) (a) No advice has been received of such defence measures.
- (b) There are many entry points of drugs into Australia and several seaports and airports are suspect.

BILLS (5): RECEIPT AND FIRST READING

1. Constitution Acts Amendment Bill.
2. Distressed Persons Relief Trust Act Amendment Bill.

Bills received from the Assembly; and, on motions by the Hon. N. McNeill (Minister for Justice), read a first time.

3. Indecent Publications Act Amendment Bill.

Bill received from the Assembly; and on motion by the Hon. G. C. MacKinnon (Minister for Education), read a first time.

4. Soil Conservation Act Amendment Bill.

Bill received from the Assembly; and, on motion by the Hon. N. McNeill (Minister for Justice), read a first time.

5. Western Australian Institute of Technology Act Amendment Bill.

Bill received from the Assembly; and, on motion by the Hon. G. C. MacKinnon (Minister for Education), read a first time.

BILLS (5): THIRD READING

1. Acts Amendment (Judicial Salaries and Pensions) Bill.

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

2. Dongara-Eneabba Railway Bill.

3. Railways Discontinuance and Land Revestment Bill.

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

4. Marketing of Potatoes Act Amendment Bill.

5. Ministers of the Crown (Statutory Designations) and Acts Amendment Bill.

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

MONEY LENDERS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 15th October.

THE HON. D. J. WORDSWORTH

(South) [4.52 p.m.]: I do not wish to delay the House very long on this Bill because I feel the Opposition has been extending the debate into a field which it does not really cover and it has been importing into the debate many sentimental issues which have no bearing at all on the matter before us.

The purpose of the original legislation was to provide that those engaged in the business of money lending must register annually. Needless to say this gave an indication of who and where they were so they could be kept track of. Section 8 (1) reads—

No person shall be registered as a money lender under any name including the word "bank" or under any

name implying that he carries on banking business.

In other words it gets down to the fundamentals of the business and it seems today the people concerned would almost come under the false advertising legislation.

The Act dates back to 1912 and makes it compulsory for those charging a rate higher than 12½ per cent to be registered. It prohibits money lenders charging more than 15 per cent and also prohibits people offering to pay an interest rate in excess of 12½ per cent.

However, a variety of organisations and bodies are exempt from the provisions of the Act, and when we read the Act to ascertain who is exempt, we find that indeed the legislation has application to very few people. Amongst those exempt are pawnbrokers, registered friendly societies, building societies, body corporates, those carrying on the business of banking and insurance, executors, trustees, and body corporates as published in the *Government Gazette*. Therefore when we try to work out to whom the legislation does apply we realise it is mainly those concerned in the short-term money market and a few of the credit societies.

The Bill is not designed to lift the interest rate, but to make it possible for the Government, by regulations, to increase the limits. Consequently Parliament will still be able to influence, by the regulations, the rates of interest charged.

It is rather interesting to look back at the rates of interest when the Act was last amended in 1941. We can look back almost with nostalgia because the long-term bond rate at that time was 3½ per cent while today it is 9½ per cent. The interest rate on a bank overdraft in those days was 5½ per cent. I suppose many of us would like to be back in those days because today the interest rate is nearer 11½ per cent. As the Minister indicated, for general finance the rate of interest has increased from 12 per cent to 19 per cent. This is another indication of the terrific rate of inflation which has occurred. This is something which most people in business are endeavouring to fight. However, at this stage we really wonder whether the Government in Canberra is doing very much about the problem.

The Hon. S. J. Dellar: Here we go again.

The Hon. D. J. WORDSWORTH: In fact those in Canberra seem to have a vested interest in encouraging inflation.

The Hon. S. J. Dellar: The same old story.

The Hon. D. J. WORDSWORTH: For instance, inflation under the capital gains tax will benefit the Federal Government very much.

The Hon. R. Thompson: Why compound it by supporting a measure like this?

The Hon. D. J. WORDSWORTH: Obviously one section of our community desires the rate of inflation to increase.

The Hon. I. G. Medcalf: It is the best way to socialism.

The Hon. D. J. WORDSWORTH: That is the point I am trying to make. Obviously the Federal Government is trying to destroy those who have some savings by trying to rob them of what they have managed to put to one side. What amazes me about the Opposition's argument is that it is assuming the lower wage earner does not have any savings; but this is far from the truth. Many small wage earners have set aside money for harder times.

The Hon. R. Thompson: Who said that?

The Hon. D. J. WORDSWORTH: Most of the Opposition's debate has centred around the high interest rates people must pay.

The Hon. R. Thompson: Who said the low wage earner did not have any savings?

The Hon. D. J. WORDSWORTH: Members opposite are not looking very much towards the low wage earner.

The Hon. R. Thompson: You want to be more responsible in what you say.

The Hon. D. J. WORDSWORTH: No doubt these people are losing a great deal of the value of their original savings because of inflation and therefore due regard must be paid to what is built into an interest rate.

The Hon. D. K. Dans: This will help inflation to slow down?

The Hon. D. J. WORDSWORTH: Those lending money must receive a little back to cover the inflation factor.

The Hon. R. Thompson: By charging 20 per cent flat?

The Hon. D. J. WORDSWORTH: In Australia the inflation rate is anything between 14 and 20 per cent depending on the exact period covered. While perhaps money might not lose as much as 20 per cent of its value, obviously when a person repays a loan, he does not repay it with money which has the same value as the money he borrowed, and vice versa. The person who lends money will not recover that money at the same value at which it was lent. It would not have the same purchasing power as the money he lent. So he must receive some compensation for the loss he incurs. This is one of the reasons the interest rates have increased.

The Hon. R. Thompson: This will be a good speech to quote back to you when you are attacking the Federal Government.

The Hon. D. J. WORDSWORTH: The Leader of the Opposition has mentioned the difficulty that farmers experience in

paying high interest rates. I do not think we can deny that we do not like paying high interest rates. I think very few farmers would have enough business sense to realise that inflation must increase the interest rate, and in theory it should be much easier for them to repay their loans.

One of the greatest problems is that the price of farmers' produce does not seem to be inflating at the same rate as their costs; but another of the great problems which farmers experience today is that they are just not able to borrow the money. At the Royal Show I asked a large primary producer from the great south how he was getting on. He said, "Four years ago we were in difficulties with low prices but we never got to the stage where we just could not get any money; at least there were people who were able and willing to lend us money to get us through, but today there is difficulty in even being able to raise money." It is for this reason that some of our bigger businesses have gone broke—not because they are unsuccessful but because they have lost their liquidity.

The point has been made that if we did not lift the interest rates in this State, particularly on the short-term money market, the money would go interstate. I think this is one of the main reasons that the Act is now being amended—to make it possible for this State to keep up with the other States and to enable money to circulate. One of the main difficulties is lack of money for circulation.

The Hon. R. Thompson: What bearing has that on the short-term money market?

The Hon. D. J. WORDSWORTH: If someone else is paying a higher interest rate, it is quite obvious the money will go to him. This State must be able to compete with the other States. I repeat that perhaps the shortage of money in Western Australia will have more disastrous results than the high interest rates. This House will have every opportunity to review the higher rates as and when they eventuate.

I therefore support the Bill.

The Hon. R. Thompson: An amazing speech!

THE HON. N. McNEILL (Lower West—Minister for Justice) [5.03 p.m.]: Not surprisingly, the Bill has attracted a good deal of discussion, and I am grateful to members for their contributions to the debate. In particular, I would like to express my appreciation to the Hon. Ian Medcalf for his support of the Bill together with his explanation and added justification for its introduction. Members of the Opposition might well have taken a little more time to study the speech made by Mr Medcalf, as well as my second reading speech. It is clear that members of the

Opposition have put a wrong construction on the purposes of the Bill. They claim it is inflationary—

The Hon. R. Thompson: Of course it is.

The Hon. N. McNEILL: —and that the necessity for it is in doubt in view of the Commonwealth Government's present intentions in relation to the economy. The Leader of the Opposition suggested the Bill should be deferred until we have had an opportunity to see the effect of the Commonwealth Government's policies. I do not know about that because—

The Hon. R. Thompson: I qualified that. I said I did not know whether they would work but at least we should allow time to see whether they do work.

The Hon. N. McNEILL: I believe the people of Australia, generally, have been waiting a long time for some good policies or the good effects of the policies of the Commonwealth Government in relation to the economy. This Bill is before us at the present time as a consequence of the policies the Commonwealth Government has been pursuing; there is no question about that. It was not our intention to seek an opportunity to introduce a Bill of this nature but the circumstances are such that it was inescapable.

The Hon. R. Thompson: You are jumping on the bandwagon, though.

The Hon. N. McNEILL: As I have previously indicated, a tremendous number of representations have been made to me seeking amendments to this Act in order that it may be brought up to date with the current situation. Neither the Bill nor the Act regulates interest.

The Hon. R. Thompson: It sets a maximum, though.

The Hon. N. McNEILL: As I explained when I introduced the Bill, the purpose of it is to provide control over those who would otherwise be inclined to charge usurious and harsh rates of interest by prescribing limits. If members read the Act again, as Mr Wordsworth has suggested, they will see that a great number of institutions and organisations are outside the scope of the Money Lenders Act, and I venture the opinion that a great many of those organisations and institutions might well provide the greatest source of finance for the borrowing public of Western Australia. So in fact the provisions of the Bill may well be restricted to the short-term money market.

My real concern in introducing the Bill was to provide an opportunity for the people of Western Australia to take advantage of funds available in Western Australia; funds which might otherwise be directed into the Eastern States where the limits are in no way comparable with those applying under our Money Lenders Act. There is no question that those funds are being directed to the Eastern States.

It has been suggested that the finance institutions are Australia-wide and wherever they obtain their funds they will distribute them in the places where they will obtain the best return; but the important point surely is that many of the people of Western Australia are being let down and greatly inconvenienced as well as being denied access to funds simply because of the restrictions in the Act.

I have indicated the rates of interest which are prescribed in other States. They have not been prescribed as a consequence of the current situation. The fact is that Western Australia has been left behind. I find it remarkable that the Opposition should attack this Bill as being inflationary and talk about reviewing the economic circumstances, when it knows what has happened in the last couple of years in terms of interest rates. In my second reading speech I referred to the bond rate. What is it in Australia which sets the interest market going? It is the bond rate, in the first instance. And who controls the bond rate?

The Hon. D. K. Dans: Who does?

The Hon. N. McNEILL: That is a good question.

The Hon. D. K. Dans: People very often misrepresent the way the bond rate is set. You tell us.

The Hon. N. McNEILL: I should imagine the Commonwealth Government has some influence on it.

The Hon. D. K. Dans: In consultation with the State Treasuries.

The Hon. I. G. Medcalf: Rubbish!

The Hon. D. K. Dans: You had better do your homework again.

The Hon. N. McNEILL: It would be the first time we could ever claim there had been consultation between Federal and State authorities on matters of great importance to this State. Any consultation in this matter would be simply for the purpose of ascertaining the economic position at the present time. I cannot imagine any State authorities applauding or promoting increased interest rates in Australia. The Government of this State certainly would not promote a move of that nature.

The Bill is necessary to face up to the current situation. The Leader of the Opposition has suggested the Law Society should be given time to look at the Bill and offer its comments. I am not sure about the relevance of the Law Society. It is certainly a good body of people but the matter we are discussing is essentially one of policy, not of law.

The Hon. R. Thompson: There are many illegalities in this Act.

The Hon. N. McNEILL: Certainly there are, and it brings me to the point that it is the Government's intention to review the entire Money Lenders Act. I have made

a commitment in that respect on behalf of the Government. I believe the Act is quite out of keeping with present-day circumstances. But it must be borne in mind that the people who would be adversely affected if the Act were not amended are such bodies as finance institutions, which virtually have a responsibility to make funds available for short-term lending and other purposes; those who desire to lodge funds for a return, including ordinary people; and the people who, because they are lending at interest rates in excess of those prescribed in this Act, are contravening the law. There is no specific statutory exemption for credit unions, so they are also limited. Credit unions must operate competitively, and the Leader of the Opposition must be aware that they have been placed at a considerable disadvantage under the Act as it stands at the present time. The Bill will certainly relieve their situation; they will be able to gain some advantage from an increased interest rate.

I suppose the alternative would be to hold up the Bill and prolong the agony for all the people to whom I have referred.

The Hon. R. Thompson: Is there any shortage of money in credit unions?

The Hon. N. McNEILL: From representations which have been made to me by credit unions, I understand there is.

The Hon. R. Thompson: Large ones?

The Hon. N. McNEILL: Yes.

The Hon. R. Thompson: I thought they had more money than they knew what to do with at the present time.

The Hon. N. McNEILL: Another alternative was not to introduce the Bill at all, but in my opinion that would be quite unthinkable and would not be a responsible act in the particular economic circumstances of today.

I commend the Bill to the House and thank the members who have indicated their support of it.

Question put and a division taken with the following result—

Ayes—17

Hon. C. R. Abbey	Hon. I. G. Medcalf
Hon. N. E. Baxter	Hon. T. O. Perry
Hon. Clive Griffiths	Hon. I. G. Pratt
Hon. J. Heltman	Hon. J. C. Tozer
Hon. T. Knight	Hon. R. J. L. Williams
Hon. G. C. MacKinnon	Hon. W. R. Withers
Hon. G. E. Masters	Hon. D. J. Wordsworth
Hon. M. McAleer	Hon. V. J. Perry
Hon. N. McNeill	(Teller)

Noes—7

Hon. R. F. Cloughton	Hon. R. Thompson
Hon. S. J. Dellar	Hon. Grace Vaughan
Hon. R. T. Leeson	Hon. D. K. Dans
Hon. R. H. C. Stubbs	(Teller)

Aye	Pair	No
Hon. A. A. Lewis		Hon. D. W. Cooley

Question thus passed.

Bill read a second time.

In Committee

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

Clauses 1 to 5 put and passed.

Clause 6: Section 22 added—

The Hon. R. THOMPSON: The division we have just had proves how ridiculous it is for us to divide the Committee on every clause. I sincerely hope, however, that the regulations containing the prescribed maximum rate of interest will be tabled very soon to enable us to know where we are going. If they are not tabled soon we will be in limbo.

The tabling of the regulations should be carried out prior to Parliament being prorogued, otherwise we will not get an opportunity to discuss the prescribed rate before July. In his second reading speech the Minister said the maximum could be 20 per cent, which is an awful lot of interest to pay on money borrowed.

I am amazed and surprised to see the support which has been given to this Bill. Nor can I understand the silence of those members who have continually criticised the Federal Government for the inflationary pressures for which they consider that Government has been responsible. They are quite prepared, however, to support legislation that must be inflationary, particularly when it refers to interest rates which are above those which the Australian Government has tried to maintain by injecting some \$700 million into the economy since June of this year.

On the one hand we find the members concerned criticising the Australian Government in this connection, and yet on the other they are prepared to pass legislation which seeks to do exactly that for which the members are criticising the Australian Government.

The Hon. I. G. MEDCALF: This clause provides that all the interest rates will be prescribed. I also believe the rates should be prescribed as soon as possible.

I suppose my reason for saying this is much the same as that expressed by Mr Thompson, except that I approach the matter from exactly the opposite direction; because while Mr Thompson seems to think it is possible to control interest rates by an Act of Parliament, I do not believe this to be the case.

In the present situation the interest rates have gone haywire, and I do not think anyone on either side of the House will applaud the situation of high interest rates in which we find ourselves; indeed, I believe we are all in favour of interest being as low as possible.

I have always advocated that interest rates should be kept as low as possible, and with the small degree of influence that I have had I have endeavoured to keep interest rates down.

These rates, however, are governed by supply and demand; they have very little to do with Acts of Parliament. It is true that when this Act was originally passed there was a ceiling above which interest rates were to be illegal; they were not supposed to rise beyond the figure prescribed—indeed, the figure chosen was particularly high in those days; it was approximately three times higher than the bank rate, which at the time was 5 per cent.

At the moment we find the demand for money has completely outrun the supply. This may seem strange when every hotel in the State—at least so I am told by the Government Tourist Bureau—was virtually booked out last weekend. So there must be a lot of money about, though this does not alter the fact that the demand for money is greater than the supply—I am now referring to money which is available not for spending on one's pleasure but for purposes of investment.

The money is just not there and I beg to say the reason for this is that the Commonwealth Government put up the bond rate in July of last year; but in doing so it did not consult the State Government, because had it done so Mr Thompson would have known about it as he would have been in Cabinet at the time. I venture to say that Mr Thompson was never consulted when the bond rate was put up in July of 1973. Had he been consulted, and knowing his views, I am sure he would have refused to agree to the decision taken by Mr Whitlam.

It is for this reason that we should try to meet the market and this is what the Act seeks to do; to get permission to prescribe a rate which will make money available to Western Australian borrowers.

As we all know, money is going to the Eastern States and other places, simply because our Money Lenders Act—which was passed in good faith in days gone by—places a limit on interest rates.

I wish it were possible to restrict interest rates by Acts of Parliament, but this can no longer be done. We are the only State which has set a limit as low as 15 per cent. The people who would like to lend money in Western Australia would be losing interest and, in fact, there are some people who are lending money in excess of the current rate in the Bill and who, as a result, are breaking the law.

For that reason I would be glad if the Minister could give some indication as to when the rates which are to be prescribed will be prescribed. This is a matter of great urgency, particularly in view of the

fact that at the moment people are breaking the law by lending money above the rate of 12½ per cent, the penalty for which is a minimum fine of \$100.

On the other hand we have people who cannot borrow money because of the fact that the current market interest rate will exceed the limitation of 15 per cent prescribed in the Money Lenders Act.

At present a person is required to register as a money lender if he lends at above 12½ per cent, and for that reason it is necessary for a statement to be made, as soon as possible, as to the rate to be prescribed at which a person is required to register as a money lender.

A statement should be made by the Minister or some other appropriate authority as to the new rate, to permit the release of those who are lending, and who can lend, above the figure quoted; those who are prepared to make their money available instead of spending it on themselves, as is being done by a great number of people these days because of the high rate of inflation.

I said earlier that inflation does tend to favour a socialistic situation because it erodes the value of savings which have been made by people over the years; those who have placed their money in savings banks, building societies, or something else.

The Hon. R. Thompson: You say that inflation tends to favour a socialistic State, yet it is a product of a capitalistic State.

The Hon. I. G. MEDCALF: No, I believe the inflation which we have today is contributed to by a number of factors, which it would not be appropriate for me to enumerate, even if I did know what they were. If I knew the answers I would be the Governor of the Reserve Bank.

I do believe, however, that we should attempt to meet the market and that we should have prescribed as soon as possible rates of interest which are realistic. This is an important safeguard in the Bill because being prescribed they will not be fixed and the Government will be able to bring them down at the appropriate time.

If the interest rates do come down, as I trust they will, the Government could bring down the prescribed rates. I support the Bill and I hope the Minister can indicate when we will know what the new rates are to be, and when they are likely to operate.

The Hon. N. McNEILL: I appreciate the remarks of the Leader of the Opposition and Mr Medcalf; bearing in mind that I have previously indicated that the maximum rate that the Government has in mind at the moment is 20 per cent. This is possibly the figure which may be prescribed.

The more important point, however, as to the rate of interest at which a person will be required to register as a money lender, has not been finally determined, though my officers have been endeavouring to assess what might be considered to be an appropriate figure.

I am at liberty to give an indication of this. From the information we have, it seems that the bulk of funds attracts a rate of interest of between 12 per cent and 14 per cent. Needless to say, if a rate of interest is in excess of 12½ per cent, unless the lender is registered he is in contravention of the Act. This leads us to an indication that the possible rate for registration will be 15 per cent. I can say no more than that, and I hope that satisfies members for the moment. I am not able to specify the date on which these regulations will be gazetted and tabled in the House. I realise the urgency of the situation and, hopefully, we will prepare the regulations and proclaim the Bill before the end of this session of Parliament. The matter is urgent; we want the legislation to be operative as soon as possible. I previously indicated that the reason we have a proclamation clause in the Bill is to enable the proclamation to virtually coincide with the gazetting of the prescribed regulations. I certainly will take steps to expedite action, following the proclamation of the legislation.

The Hon. I. G. MEDCALF: I appreciate the comments of the Minister and his obviously earnest endeavour to do the right thing in connection with this Bill; and to satisfy the queries which have been raised. I appreciate that his advisers must act very carefully in making their decision. They must weigh up the pros and cons and, bearing in mind that the requirement of the earlier legislation was to register at 12½ per cent, with a maximum limitation of 15 per cent, they might well feel now that because the maximum rate is to be increased to 20 per cent, perhaps the requirement for registration should be proportionately lower at, say, 17 or 17½ per cent. They will have to weigh this very carefully and make proper inquiries as I am quite sure they will. Personally, I agree with the Minister's tentative suggestion that 15 per cent probably would be a reasonable thing. I appreciate that the Minister's advisers must make this decision with due consideration, and make it properly. However, it will not be an all-time decision because it is a rate which will be prescribed and which can be varied by a further prescription.

Speed is the essence of the contract in this case; it is very necessary that this be prescribed as soon as possible. I realise the Bill must go to the Legislative Assembly and it may be some time before it is ultimately passed; assuming that it is passed, and becomes law. The Government cannot prescribe a rate until the

Bill has become law. However, I sincerely hope action will be taken to fix the limits so that the moment the Bill becomes law, the rate can be prescribed and gazetted as suggested by the Minister.

The Hon. GRACE VAUGHAN: I was going to raise with the Minister the lack of a ceiling, but as he has assured the Chamber that he has in mind a ceiling of 20 per cent and, as we know, interest rates may either rise or fall—I hope they fall—I will let that matter rest.

I should like assurance from the Minister on two other points. The Minister promised that the Money Lenders Act would be the subject of a major review; I hope he will be able to carry out that review. As the Minister said in his second reading speech, the Act was originally introduced in 1912—

The DEPUTY CHAIRMAN (the Hon. R. J. L. Williams): Order! I remind the honourable member that we are dealing with clause 6 which relates to the making of regulations. The remarks of the honourable member are not appropriate to that clause.

The Hon. GRACE VAUGHAN: I refer to the type of regulations that will be made as a result of clause 6 being passed. I hope the Minister will see fit to expedite a review of this Act and that some attempt is made to achieve co-ordination between the States. It seems to me that, as Mr Medcalf so wisely said, the provision of money and the law of supply and demand have a lot to do with this subject. The law of supply and demand is certainly made quite irregular by the differing laws applying in the States concerning the ceiling which can be placed on interest rates. It is quite ridiculous to have different ceilings in different States. As the Minister said, Victoria has a ceiling of some 48 per cent. If we are to satisfy the unbridled appetite of borrowers, remembering that a policy falls without respect to whether somebody is trying to get a house together or whether he is buying his third power boat for the family, serious co-operation between the States is required.

Surely this points to the merit of a Federal system, rather than have one State disadvantaged by the laws of another. A Federal system would be of benefit to the people in our society. I bring those matters to the attention of the Minister. At the moment, we are thinking about the satisfaction of short-term needs of the people in our society, rather than about the long-term goals necessary to overcome the problem of inflation, which is affecting us all.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

LIBRARY BOARD OF WESTERN AUSTRALIA ACT AMENDMENT BILL

Second Reading

Debate resumed from the 15th October.

THE HON. R. F. CLAUGHTON (North Metropolitan) [5.39 p.m.]: This Bill has two purposes. One relates to a rearrangement of the provisions of the parent Act, chiefly in respect of the Library Board; the other seeks to include within its provisions arrangements for the care of archives. In his second reading speech the Minister said quite a bit about archives but very little about the changes which are to be made to the board. It may be that he feels these changes are unimportant; however, I believe we should note the changes that are to be made.

The Bill provides for five ministerial nominees. In other words, the Minister is to be provided with an opportunity to choose from the community those whom he feels are best suited to carry out the functions of the Library Board. The existing Act provides for 13 members, three of whom are specified as the Director-General of Education, the Director of Adult Education and the Chairman of the Trustees of the Public Library, Museum, and Art Gallery. Of course, the Chairman of Trustees in that context is outdated, because each of those bodies now is a separate entity. The remaining 10 members are selected from particular groups of people, mainly from local government. Both the Cities of Perth and Fremantle are specified in the parent Act and will continue to be specified under this legislation. Persons are selected to represent the country shires, the country towns and the Local Government Association. Members can see there is fairly heavy representation from local government. Three persons are nominated by the Library Association of Western Australia and two persons not holding qualifications outlined in the Bill are nominated by the Minister. We see then that the increase in ministerial nominees comes largely from persons who formerly were nominated by the Library Association. I do not know how the Library Association feels about that; we have had no objections, so I must assume it has agreed.

It perhaps is worth while to comment on the local government appointments because it is noticeable that the largest metropolitan local authority, the City of Stirling, has been excluded. As I said, the Cities of Perth and Fremantle will continue to be represented under this amending Bill. The City of Stirling has shown itself to be extremely active in providing public libraries for its ratepayers and, in this light, the Minister could have given a little more thought to having selected as a representative someone from that local

authority. I do not know just how that may have been done; it could have been done, for instance, by arrangement, where two people were to be appointed from the three authorities of Perth, Fremantle and Stirling, so that over a period of time each local authority would have a chance to be represented. The Minister may like to give some consideration to that suggestion.

The Hon. G. C. MacKinnon: I will explain this matter to you later in the debate.

The Hon. R. F. CLAUGHTON: The membership of the board is to be reduced from 13 to 12, and of this number six members from the local authorities are to be appointed. It would not be wise to include another ministerial nominee. Many groups within the community are vitally interested in the services which the Library Board provides, and they should be given the opportunity to participate in its management.

The number of members constituting a quorum is to be reduced from seven to five. This will mean that as few as three members will be able to make decisions affecting the management and conduct of the Library Board. Some query has been raised as to whether this is a reasonable quorum. Obviously if a wrong decision is made by three members at a meeting, the other members would become aware of it and be able to correct the position subsequently.

The bringing forward of an amendment to reduce the number of members to constitute a quorum, indicates that difficulties have been experienced. The composition of the board might be affected by that sort of problem. The present representation of groups has not proved to be satisfactory, so changes are to be made.

I do not see anything sinister in the proposals in the Bill. The Minister stated in his second reading speech that changes were being made, and he mentioned the legal status of certain classes of records. He went on to say—

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.

I find it difficult to determine from what source such attempt might be made, unless we are given an indication of what the Government has in mind.

Further on the Minister said in his speech—

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 the Bill is intended to

safeguard the archives for the benefit of the present and future citizens of Western Australia.

It may be that the Government sees some threat from the Australian Government. If it does then it demonstrates a fortress attitude on the part of the Minister. In my view that is not a desirable attitude for him to adopt. It is inconceivable that the Commonwealth Government can lay claim to the records belonging to the State Government, the local authorities, or the semi-Government bodies.

The Hon. W. R. Withers: It is also inconceivable that the Commonwealth Government should have done many of the things which it has.

The Hon. R. F. CLAUGHTON: Perhaps the honourable member will get up and tell us how that sort of circumstance would come about; that the Commonwealth would lay claim to these things. That would be quite impossible. Archives are places where public records are kept, so when we talk about the archives of this State we are talking about the records belonging to the State Government, local government, and statutory bodies.

In his speech the Minister made reference to a wider group of records than public records. He mentioned business records and nonofficial archives coming from bodies such as churches, trade unions, or pastoral stations. He also made reference to private records and local history material.

All that the legislation before us can affect are the records of the State Government, local government, and statutory bodies. The board cannot lay claim over the possessions of private citizens. If any concern is held for such materials, it may be because of the competition that could arise in the purchase of materials in private hands. It will be necessary to have continuous consultation at the State and Commonwealth levels so that when articles and items are put up for sale, these Governments will not bid against each other and make the price ridiculous. That is the only area of concern; that the price of materials and articles might be increased as a result of such competition.

This morning I took the opportunity to visit the Battye Library. I have not done this for a long time, but on this occasion I found it to be a busy place. However, it is not the place as described by the Library Board. There were more than two or three vacant tiers. In its report the Library Board complained of a shortage of space. It must be quite difficult for the board to maintain its stock, and the Minister has told us the stock is increasing at an inflationary rate—seven times over the last 18 years, as compared with what transpired in the previous 50 years.

My visit to the Battye Library has highlighted the need for a new building, just as there is such a need for a new building for the Art Gallery. *In toto* it emphasises the need for decisions to be arrived at in respect of the whole cultural complex. However, on this occasion I shall not develop that theme.

The only other comment I wish to make is in reference to the Government's policy speech. I refer to it, because it is mentioned at page 24 of the annual report of the Library Board. The board says it has been encouraged by the specific reference to this topic in the Government's policy statement, and it hopes to expand the collection of oral history recorded from the memories of people all over the State.

The Governor's Speech does not mention this, but in relation to the proposed heritage commission it is difficult to see how the committee will operate. However, this piece of legislation does not appear to be related to the heritage commission. I feel sure that when the Government brings in the legislation to establish a heritage commission all members will support it. It is not easy to determine how it will work.

With those remarks I support the second reading. I think it is essential that these records are preserved. I delved into them while they were in the possession of this Chamber. They were retained just outside the Chamber until not so long ago. A few minutes spent in browsing over those records revealed a tremendous amount of the early history of the State. We find that in the 1870s the records contained full reports issued by Government departments, and outlined fully the journeys of the Forrest brothers. If new members have not seen those records, I assure them it is worth while to examine them to find out some of the history of this State.

Like the Minister, I also commend the Bill to members.

THE HON. G. C. MacKINNON (South-West—Minister for Cultural Affairs) [5.57 p.m.]: I thank Mr Claughton for the comments he has made. The items which he has mentioned are tidying up matters. His specific query related to the City of Stirling. I agree with him that no representative of the City of Stirling is appointed to the Library Board.

Serious thought was given to this aspect by the Government, but it was considered that there was sufficient representation of the local authorities. Irrespective of the number of representatives of the local authorities who are appointed, some local authorities would not be represented directly. It was felt that the present representation was sufficient to meet the aims and aspirations of local authorities.

The comments raised by Mr Claughton in regard to space are noted. In this respect he has only touched the tip of the

iceberg in respect of the activities of the board. There is a great need for space, and it is hoped that more will be provided in the next couple of years.

It was also felt there was a need to provide safeguards against the aspirations if not of the Commonwealth Government, then at least of some of its members. This has been evidenced by what the Commonwealth Government has tried to do with the *Flinders Stream* anchor. I hope all members will take a particular interest in these items. If they want to know more about them they could refer to either the Museum or to Mr Wordsworth. I am sure that the latter would be able to fill in the details. It looks as though some difficulty will be experienced in retaining that anchor in Western Australia. I am not sanguine about the efforts on the part of the Commonwealth Government to grab some of the records belonging to the State.

There is a relationship between the Bill and the proposed heritage commission, because the articles and items represent an interesting part of our heritage. I am glad of the support that is forthcoming, either voluntarily, by gift, or by routine acquisition being passed over, in the collection of information. I do not think there are any other points raised by Mr Cloughton.

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.

Sitting suspended from 6.02 to 7.30 p.m.

MAIN ROADS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 15th October.

THE HON. S. J. DELLAR (Lower North) [7.30 p.m.]: I rise to support this Bill to amend the Main Roads Act. It will ensure the continuation of the procedure for annual road grants to be made by the State Government to local authorities. The previous five-year agreement expired on the 30th June, and naturally it is necessary to reintroduce legislation to provide for the grants to continue over the next period. It is necessary to pass this legislation to enable the States to receive the grants from the Australian Government in order that they may continue to distribute the money amongst local authorities. Certain procedures have been laid down by the Australian Government in the Road Grants Act of 1974.

It is interesting to note that this Bill provides for a three-year period whereas in the past we have worked on a five-year period for these funds. It is necessary to pass this legislation as speedily as possible

so that the funds can be distributed to local authorities to permit them to carry on with their road works programmes. The State Government has made certain advances to local authorities in accordance with section 3 of the Act. A similar provision is contained in the amending Bill before us to enable the Government to make grants in advance of the necessary legislation being passed.

During his second reading speech the Minister criticised the attitude of the Australian Government in respect of road grants to the States. Other Government members who have spoken to this measure did likewise. They criticised the new arrangements, and it is their right to do so.

It is interesting to note that for many years the States have been required to accept the conditions laid down by the Federal Government in Canberra, whether it be Liberal or Labor. The States have been forced to accept the provisions laid down and negotiated between the Government in Canberra and the States. In fact, Mr President, you will recall that when the last arrangements were discussed in this Chamber in 1969, the then Opposition moved for a Select Committee to study the set-up at that time.

Members also probably recall that the legislation was held over for some time until the local authorities, the State, and other organisations could get together to look at the arrangements which had been virtually agreed to by the Premier while in Canberra. Some amendments were made as a result of that negotiation, and the legislation was referred back to Parliament after some amendments had been made to the agreement.

The legislation was for a five-year period, from 1969 to the 30th June of this year, and it was passed by the Parliament at that time. As I said earlier, the Opposition moved for a Select Committee and it also moved a further amendment to defer the legislation for a further 12 months. Another alternative was that the life of the legislation could be limited to a period of 12 months so that it could be brought back and the agreement renegotiated. You will recall, Sir, that both these moves were defeated in this Chamber.

At that time Government members in this Chamber supported the arrangements which had been made after the period of negotiation and further discussion with local authorities; they accepted the agreement written at that time. We then saw the introduction of this five-year period and the arrangement of the distribution of the funds from the Commonwealth to the local authorities via the States was agreed upon.

Looking back on the debates at that time, it is interesting to note the comments made. I will not quote the passages from *Hansard* because it would only delay the Bill unnecessarily. The Hon. C. R. Abbey

supported the measure after certain provisions had been amended; the provisions I have just spoken about. The Hon. F. D. Willmott, now retired, supported the Bill without equivocation. The Hon. V. J. Ferry said he had pleasure in supporting the Bill. He went on to say that this was a fresh look at the provision of road funds throughout the States of Australia.

My good friend, the Hon. J. Heitman, said that he supported the measure and although I will not quote the page in *Hansard*, he said that he hoped the House would give it a good run right through and allow it to become law immediately.

The Hon. J. Heitman: What was the percentage in that five-year period and the percentage of the total that we are getting now? These are the figures that count.

The Hon. S. J. DELLAR: I have not completed my remarks, and I do not know whether I will touch on that point. There has been some disappointment amongst local authorities—and I share this disappointment with other honourable members—about the amount they may or may not receive. When a Liberal coalition Government was in power in Canberra we saw a different attitude on the part of the then Government members. The agreement was made between the State and the Federal Government at that time, and after certain amendments it was acceptable to Government members in this Chamber. Of course we have a different situation now with a Labor Government in power in Canberra and a Liberal-Country Party coalition Government in Western Australia.

The Hon. J. Heitman: And a much lower percentage of the total.

The Hon. S. J. DELLAR: Perhaps the attitude of members has changed because of that. Last evening Mr Heitman made some comments about the Bill. Because I interjected to remind him that some of the provisions in the Bill were not new, he launched his usual attack on me and told me I did not know anything about local authorities. I do not know whether he got into this habit as far back as 1964, or whether his attitude changed from 1971 onwards. In 1964, when the House was debating some amendments to the Local Government Act to provide for a variation in respect of the manner in which funds were distributed, he had a different attitude. I happened to pick out this passage on page 2891 of the *Hansard* debates of 1964. On Tuesday, the 24th November, 1964, Mr Heitman said this—

Perhaps I can answer some of the points raised by the honourable Mr Dellar.

We all know that he was not talking to this Mr Dellar. At that stage he was speaking to my father who was having a

little difficulty in understanding some of the provisions in the Bill before the House.

The Hon. J. Heitman: At that time we were getting 16.5 per cent of the total. What are we getting today?—about 13 per cent.

The Hon. S. J. DELLAR: I am referring to the honourable member's change of attitude from the time when he was talking to Mr Dellar in 1964. From 1971 I have been constantly told that I know nothing about anything.

The Hon. J. Heitman: You are not telling us much, are you?

The Hon. S. J. DELLAR: The honourable member has not told us much since he has been here. On that occasion he told the House he was disappointed in the amount of money made available and the manner in which it was made available to local government. Last evening he had this to say—

On top of this, the shires must go through a lamentable auditing procedure each financial year.

And a little further on he said—

I am sorry the Government of Western Australia has had to turn around to introduce such a Bill to fit in with centralist policy of the Federal Government—

The Hon. G. C. MacKinnon: Hear, hear! Good stuff.

The Hon. S. J. DELLAR: To continue—
—setting out the terms and conditions with which local authorities must comply.

If we had a Federal Government of a different political colour, Mr Heitman would probably be prepared to accept the provisions of this Bill if they were presented in the same manner.

The Hon. J. Heitman: If our percentage had been up around 16.5 per cent, I would have been much happier.

The Hon. S. J. DELLAR: I do not know what the percentage is. I interjected and said—

It is not the first Bill of this kind, you know.

And Mr Heitman said—

I will deal with Mr Dellar directly. Then the honourable member said—

Mr Dellar does not know much about this situation, yet.

The Hon. G. C. MacKinnon: Which Mr Dellar was that?

The Hon. S. J. DELLAR: We are talking about the debate last night, so it must be me. Mr Heitman then said—

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.

I interjected again and I said—

That is not new, either, and you know it.

Mr Heitman then said—

I will give Mr Dellar a chance to stand and make a speech later.

That is what I am doing now. He then went on to say—

Many times I have pointed out that although he has worked in local government—

And he is referring to me—

—he does not know much about it. It would be nice if he would stand up and explain what a wonderful Bill this is which has been caused by the policies of a centralist Government;

This Bill is no different from the legislation introduced in 1969. In fact, many clauses are the same. The honourable member was not satisfied with saying I did not know what I was talking about. He said—

—it would be something new to hear him talk sense.

If it is Mr Heitman's opinion that in the last three years I have never talked sense, then I have never heard him talk better than half sense. The point he made last night was that local authorities have to submit to an audit to get back their funds. This is not a new provision; it has always been the case.

The Hon. J. Heitman: Of course it has always been subject to audit, but not to the Federal Government.

The Hon. S. J. DELLAR: I would have thought, with the experience Mr Heitman has had on the elected membership side of local government, that he would have been aware of this requirement. The only point he really made last night in respect of the Bill was that proposed paragraph (d) of new subsection (6) requires a local authority, under part XXVII of the Local Government Act, 1960, to prove to the local government audit staff—who in turn would prove to the State Treasurer, who in turn under these arrangements would prove to the Federal Government—that the money had actually been spent in accordance with the Act.

The wording of the provision in the Bill varies by only three words from the wording of the provision in the existing Act; a provision which was written into the Act in 1969 with Mr Heitman's support. In about 20 lines there is a variation of three words, those words being, "but not repaid". This makes the new provision no different from that in the existing Act; the new words simply allow for the fact that if local authorities do not spend their road grant moneys before the 30th June—and they are still allowed a further six months to

dispose of them in the correct manner under the Bill—the remaining funds shall be paid to the State Treasury.

The point that hurt Mr Heitman is that the Australian Government in 1974 had the audacity to require local authorities to prove they had spent the money. But, of course, this is exactly the same requirement as was insisted upon by the Canberra Government in 1969. If Mr Heitman really wished to contribute to the debate without trying to have a shot at me, as is his custom, then with his knowledge of local government he could have made a far better contribution than he did.

But we know what the difference is. There is now a Federal Government of a political colour different from that to which he has been accustomed for 23 years. In the past when similar arrangements were made he was quite happy with them.

I think the fact that the new arrangement is to apply for three years instead of five is an indication that we must be prepared to accept changes.

The Hon. J. Heitman: What is the increase per annum over the three-year period?

The Hon. S. J. DELLAR: There is no increase in the Bill.

The Hon. J. Heitman: It escalated each year in the last arrangement.

The Hon. S. J. DELLAR: I agree; I am aware of that because I was operating under that arrangement.

The Hon. J. Heitman: Why have you not included an increase in this one?

The Hon. S. J. DELLAR: It is not up to me to provide for an increase. I am a member of the Legislative Council of Western Australia, which is a House of Review with the task of reviewing legislation. Does Mr Heitman honestly expect me to be able to tell people in Canberra what to do?

The Hon. J. Heitman: No.

The Hon. S. J. DELLAR: Although Mr Heitman's comments did not annoy me, I felt they were worthy of an answer.

The Hon. J. Heitman: I didn't get under your skin?

The Hon. S. J. DELLAR: No, even if Mr Heitman were to sit here for another 40 years he would not get under my skin.

The Hon. J. Heitman: Well, you are talking enough about my speech.

The Hon. S. J. DELLAR: I will not be told by Mr Heitman that I know nothing about local government and that he knows everything about it. I might add that for the last nine years of the 14-odd years I was in local government I was in a senior administrative position. I was a town treasurer, assistant treasurer, shire clerk,

or assistant shire clerk during that period. I was required to submit to audits under the Local Government Act, and not once did I receive an adverse audit report. I feel that if the local government audit staff were happy with what I was doing, then perhaps I knew a little about it. I can recall the first audit I experienced in Exmouth. The audit report commenced by saying that the appointment of the new shire clerk on the 5th December, 1965, marked a turning point in the condition of the accounts and the method of accounting of the local authority. Of course, at the time the report was presented to the annual meeting of ratepayers the person controlling the meeting tried to play it down because, like Mr Heitman, he felt he knew everything and that I knew nothing.

I rose merely to make those points; I had no wish to enter the debate. This is an important measure which must be passed by this Parliament in order that the arrangements which have been agreed upon may be brought into effect so that the local authorities of this State will continue to receive grants for road works.

As Mr Masters mentioned, motor vehicle license fees have been increased to provide some additional funds. I only hope those additional funds will be available to local authorities so that they will be able to continue the excellent job they have always performed. Perhaps in the future we may see an increase in the grants made available to local authorities.

It has been pointed out that on a *per capita* basis the performance of local government in Western Australia in respect of raising funds for road works fell far below the national average. I believe any responsible Government—whether it be a State or a Federal Government—must consider all the facts presented to it, and that is what the Federal Government has done. After its consideration of the facts it presented this new arrangement to the States. The arrangement was agreed to by the States. Perhaps it was accepted reluctantly, but it was accepted because as has always been the case in the past, the States have no alternative but to accept the conditions laid down by the Federal Government. In that respect the situation has not changed for a long time. It has always applied, no matter what the political complexion of the Federal Government.

I support the Bill and hope it receives a speedy passage through the House.

THE HON. N. E. BAXTER (Central—Minister for Health) [7.52 p.m.]: I thank Mr Dans, Mr Gayfer, Mr Masters, Mr Heitman, Mr Claughton, and Mr Dellar for their support of the measure.

When speaking a few minutes ago Mr Dellar implied that when I introduced the Bill I criticised the Federal Government. However, I have glanced through my speech

and I find very little criticism of that Government. Perhaps there was some implied criticism in the words I used.

The Hon. S. J. Dellar: Let us say it was implied.

The Hon. N. E. BAXTER: Perhaps there was some implied criticism in the following words—

There is also little upward trend proposed for the next two years.

Furthermore there is a serious imbalance in the allocations contained in the Federal legislation for specified classes of roads in Western Australia . . .

If Mr Dellar likes to read on from there he could perhaps infer that my remarks contained implied criticism. License fees had to be increased to cover the cutback from about \$27 million in 1973-74 to \$18 million for the current year—a deficit in the vicinity of 33½ per cent.

During his speech Mr Dans asked that consideration be given to an amendment to substitute the word "Minister" for the word "Commissioner" in proposed new subsection (5) (b) of section 32, at page 5 of the Bill. This new paragraph has been included simply to avoid the possibility of this State losing much-needed Federal road funds, because the local authority in the metropolitan area may not have spent the funds available to it within the period of 18 months specified in the Federal Roads Grant Act.

The Hon. D. K. Dans: I received your note.

The Hon. N. E. BAXTER: I have explained to Mr Dans that in the principal Act the commissioner has power to transfer such moneys to the Main Roads Trust Account. If we made his suggested amendment the situation would not be altered because the provision would have to read that the Minister may, on the recommendation of the Minister, transfer the funds. That boils down to practically the same thing.

Mr Gayfer raised the point of whether the Bill provides for the carrying forward of excess expenditure by a local authority for matching purposes from one year to the following year. This is expressly provided for in the Bill in proposed new subsection (6) (c) of section 32 on page 7, which provides that excess expenditure may be carried forward to the following year.

A further point raised by Mr Gayfer in relation to country local authorities was that some councils, because of the wet winter, may have a need to allocate more than one-third of the statutory grant to road maintenance. This contingency is provided for in proposed new subsection (3) (d) of section 32, contained on page 3

of the Bill, wherein the Minister is provided with the power to allocate a higher proportion of the grant for maintenance purposes where special circumstances exist.

Another point raised by Mr Gayfer was that some councils had asked why the purchase of plant had not been included in the definition of road expenditure for local authority matching purposes. The reason that plant purchase has not been included is that practically every local authority in the State has now adopted an accounting practice whereby depreciation on road plant is included in the plant hire charge, and is charged as road works expenditure.

Therefore, to include also the purchase of plant as road works expenditure would mean that the costing of the use of plant would be duplicated against road works. Also, to arrive at the expenditure quota for matching purposes, which for rural local authorities is \$1 expenditure from a council's own resources for each \$1 of the base grant, the purchase of plant was excluded in calculating the expenditure quota. If the purchase of plant had been included, the expenditure quota for rural councils would have been more in the order of \$2 expenditure from a council's own resources for each \$1 of the base grant. So it can be seen that councils have not been penalised by excluding plant purchase from road expenditure.

Mr Claughton referred to members of this House being parochial. He said he did not believe they should be parochial. After all is said and done, whether we sit on the side of the Government or on the side of the Opposition we are all Western Australians. From time to time during my long experience in this Chamber I have heard criticism levelled at Federal Governments of all colours by members from both sides of the Chamber. That criticism has been directed not only at road grant moneys, but also at many other payments to the States. I remember the Hon. Frank Wise debating this matter on many occasions and severely criticising Federal Governments of both colours. The late Sir Keith Watson did the same, and so did I. As Western Australians, we have the right to be parochial and to condemn any Government which does not give us a fair deal in respect of finance.

Let us refer back to the petrol tax. When that tax was first introduced a formula was used under which the States were reimbursed on a reasonable basis. However, over the years instead of the term "reimbursement" being used—and this applies to all sorts of finance from the Commonwealth Government—the term "grant" gradually came to be used, as though Commonwealth Governments of both colours were big brothers, handing out a few pennies to the States. So members on both sides of the House may well be parochial in this respect. I do not think we should

bow and scrape to any Commonwealth Government to obtain money which rightly belongs to us.

Mr Claughton also asked: Where will the funds from the increase in vehicle license fees go? These funds are needed to overcome the serious deficiencies in the Federal allocations—which have been cut back by about \$9 million this year—for rural arterial and rural local roads. There are also urgent demands for better roads in areas such as the Pilbara and other parts of the State, and there is a need to allocate \$5.4 million of State funds in the Main Roads Department programme of works to local authority roads and to continue statutory grants amounting to about \$14 million per annum to local authorities, as provided for in the Bill.

I believe the Bill will assist local authorities to quite some degree. Actually it is a complementary measure, or one that is necessary to provide ways and means to distribute funds to local authorities and the terms under which they will be distributed, to which we are more or less bound by the conditions laid down by the Commonwealth Government. I commend the Bill 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.

House adjourned at 8.04 p.m.

Legislative Assembly

Wednesday, the 16th October, 1974

The SPEAKER (Mr Hutchinson) took the Chair at 2.15 p.m., and read prayers.

QUESTIONS (37): ON NOTICE

1. PUBLIC SERVICE BOARD AND GOVERNMENT DEPARTMENTS

Employees

Dr DADOUR, to the Premier:

- (1) What was the number of staff employed in the Public Service Commissioner's Office, now the Public Service Board for the years 1944, 1954, 1964, and 1974?
- (2) What was the total number of Government employees for each of those years?
- (3) What was the population of Western Australia for each of those years?