

Mr TAYLOR: If I had to give an answer I would say, "Yes, without making a contribution." I have indicated that although pensioners make no contribution in taxes, they have a vote; and that students of 18 years of age make no such contribution but they also have a vote; yet those who make the greatest contribution to the revenues of the State and the Commonwealth—the large industries—have no voice. The Premier has said that if a person resides in an area of the State or the Commonwealth he should have a vote, so why not at local government level?

Mr Old: Besides the pensioners will anyone else be affected by this?

Mr TAYLOR: The Minister was previously the chairman of a local authority, and he knows the answer.

Mr Old: Why did you mention them?

Mr TAYLOR: I made mention of the pensioner, because invariably he is the third person in the household. I used the illustration of the pensioners and students, because in most instances they are the ones who now do not have a vote and who would gain the vote under this measure.

The final quote of the Minister was—

It takes away the rights of the small person to maintain his vote and to dominate the individual.

The Bill contains three propositions. The third one as to whether the electoral system shall be based on first-past-the-post or preferential voting is not as important as the other two. It is not one which we on this side would necessarily contest at this time.

However, the other two propositions are fundamentally important. The first is the principle of full adult suffrage, and the second is the nonplurality of votes. Those are the two issues on which the House should make a decision.

Question put and a division taken with the following result—

Ayes—17

Mr Bateman	Mr Jamieson
Mr Bertram	Mr T. H. Jones
Mr Bryce	Mr May
Mr T. J. Burke	Mr Skidmore
Mr Carr	Mr Taylor
Mr H. D. Evans	Mr A. R. Tonkin
Mr Fletcher	Mr J. T. Tonkin
Mr Harman	Mr McIver
Mr Hartrey	

(Teller)

Noes—23

Mr Blaikie	Mr Nanovich
Mr Charles Court	Mr Old
Mr Cowan	Mr O'Neill
Mr Coyne	Mr Ridge
Mrs Craig	Mr Shalders
Mr Crane	Mr Sison
Dr Dadour	Mr Thompson
Mr Grayden	Mr Tubby
Mr Grewar	Mr Watt
Mr P. V. Jones	Mr Young
Mr Laurence	Mr Clarko
Mr McPharlin	

(Teller)

Pairs

Ayes	Noes
Mr Davies	Mr Mensaros
Mr T. D. Evans	Mr Rushton
Mr B. T. Burke	Mr O'Connor
Mr Moller	Mr Stephens
Mr Barnett	Mr Sodeman

Question thus negatived.

Bill defeated.

House adjourned at 10.16 p.m.

Legislative Council

Thursday, the 19th August, 1976

The PRESIDENT (the Hon. A. F. Griffith) took the Chair at 2.30 p.m., and read prayers.

SUPPLY BILL

Assent

Message from the Governor received and read notifying assent to the Bill.

QUESTIONS (2): WITHOUT NOTICE

1. WATER SUPPLIES

York: Dislocation of Traffic

The Hon. H. W. GAYFER, to the Minister for Justice representing the Minister for Works:

- (1) Is he aware that yesterday the main street of York, Avon Terrace, was barricaded off by the Public Works Department and a trench was dug across the roadway to effect water main connections?
- (2) Is he aware that yesterday was York race day and the busy visiting traffic as well as local traffic was denied vehicular access to the shopping area, causing tradespeople to lose anticipated custom especially catered for?
- (3) Is he aware that neither the York Shire Council nor the Main Roads Department, Northam, were notified that this exercise was to take place?
- (4) Is he aware that the Main Roads Department is proposing a lowering of the crown of Avon Terrace and is conducting a survey within the next fortnight of the particular section referred to and that future MRD proposals could well have a bearing on the depth of any pipes already laid or proposed to be laid?
- (5) Why does not the PWD liaise with other departments to ascertain convenience of operation to all concerned?

The Hon. N. McNEILL replied:

I am grateful to the honourable member for the indication he gave of his intention to ask his question.

The reply is—

- (1) I am advised that through-traffic in Avon Terrace was prevented between Macartney Street and South Street by the erection of detour signs at the intersections of these two streets with Avon Terrace. These signs were erected so that a defective steel main crossing Avon Terrace about half way between Macartney and South Streets could be replaced. Vehicular access was possible from either end.
- (2) The work was carried out by a gang from Northam and the fact that there were races at York was overlooked.
- (3) It is regretted that the York Shire and the Main Roads Department were not notified.
- (4) No.
- (5) It is normal practice to liaise with other departments.

2.

QUESTIONS

New Procedure

The Hon. LYLA ELLIOTT to the President:

From which date will the new Standing Orders which we adopted last night apply? In other words, when will questions on notice be taken before questions without notice?

The PRESIDENT replied:

When the Governor has approved of them.

QUESTIONS (13): ON NOTICE

1.

MIDLAND JUNCTION ABATTOIR

Slaughtering Charges

The Hon. J. HEITMAN, to the Minister for Justice representing the Minister for Agriculture:

For the years 1970 to 1976, what were the prices charged at the Midland Abattoir for slaughtering—

- (a) a 40 lb. sheep; and
- (b) a 400 lb. steer?

The Hon. N. McNEILL replied:

At and From	(a) 40 lb (18 kg) Sheep		(b) 400 lb (181.5 kg) Cattle	
	Local	Export	Local	Export
	\$	\$	\$	\$
Jan. 1, 1970	1.04	1.03	8.53	8.57
Oct. 10, 1970	1.05	1.04	8.53	8.57
Feb. 1, 1971	1.06	1.04	8.66	8.70
Sept. 6, 1971	1.26	1.04	9.06	8.70
Jan. 1, 1972	1.29	1.04	9.14	8.70
July 1, 1972	1.49	1.10	11.42	10.98
July 1, 1973	1.82	1.44	13.92	13.41
March 1, 1974	1.92	1.44	15.68	13.41
May 6, 1974	1.88	1.44	14.06	13.41
July 22, 1974	2.38	1.86	16.03	15.35
Feb. 1, 1975	3.16	2.23	18.52	16.20
Aug. 15, 1975	3.60	2.45	21.06	18.52
July 1, 1976	3.60	2.45	22.06	19.52

The slaughtering fee includes the meat inspection charge imposed by the Public Health Department for cattle and sheep for local use as well as the slaughter levy charge under Commonwealth legislation.

The decrease in the slaughtering fee for local cattle and sheep on May 6, 1974 was due to the adjustment by P.H.D. to the meat inspection charge from a per kilogram basis to a per head basis.

2. This question was postponed.

3.

MINING Lake Dundas

The Hon. R. H. C. STUBBS, to the Minister for Education representing the Minister for Mines:

- (1) How many mining claims or leases are there pegged on Lake Dundas south of Norseman?
- (2) What are they to be prospected for?
- (3) How many companies and prospectors are there?
- (4) What acreage is held by each interested party, and who are they?

The Hon. G. C. MacKINNON replied:

- (1) 87 including one temporary reserve.
- (2) Gold and base metals.
- (3) Four companies and four prospectors.
- (4) (a) Esso Exploration and Production Australia Inc.
1 338 hectares (applied for)
- (b) Magnet Metals Ltd. and Cladium Mining Pty. Ltd.
7 264 hectares (applied for)
- (c) Leonora Gold Development Pty. Ltd.
77 hectares
- (d) Esso Exploration and Production Australia Inc. and Magnet Metals Ltd.
200 km²
- (e) Messrs L. K. Jenkins, R. G. Whitfield, A. C. Morton and N. R. Morton.
2.43 hectares.

4. TRAFFIC

Radar Detector

The Hon. CLIVE GRIFFITHS, to the Minister for Health representing the Minister for Traffic and Police:

- (1) Is the Minister aware of an advertisement that has appeared in a recent newspaper, and again in today's *Daily News*, offering for sale a radar detector?
- (2) If so, has his department examined this equipment?
- (3) If the answer to (2) is "Yes" what were the results of the examination in regard to its accuracy and suitability for the purpose advertised?
- (4) If the answer to (2) is "No" would the Minister have an examination carried out?
- (5) Is it legal to use this type of equipment in vehicles in Western Australia?

The Hon. N. E. BAXTER replied:

- (1) Yes.
- (2) No.
- (3) Answered by (2).
- (4) No. These have been on sale for some time and we feel have little effect.
- (5) Yes.

5. FREMANTLE PORT AUTHORITY

Pilot Boat Maintenance

The Hon. D. K. DANS, to the Minister for Justice representing the Minister for Works:

- (1) Does the new Fremantle Pilot Boat *Sir Frederick Samson* require to be slipped for repairs?
- (2) If so—
 - (a) when was the *Sir Frederick Samson* put into service;
 - (b) is it a fact that the crew of this vessel require to wear wet weather gear in the cabin of the vessel because of the prevalence of leaks;
 - (c) who is responsible for the cost of slipping; and
 - (d) who is responsible for the cost of repairs?

The Hon. N. McNEILL replied:

- (1) As usual with small craft, the vessel will be slipped for checking of propeller shaft and rudder alignment. At that time opportunity will be taken to rectify any leaks in the superstructure which have been detected in service. Such leaks are common in new small craft.

- (2) (a) 10th June, 1976.

(b) No. It should be noted that all small craft crews are issued with heavy weather protective gear.

(c) Fremantle Port Authority.

(d) Negotiated between the builder and the Fremantle Port Authority in the terms of the building contract.

6.

DROUGHT

Declared Areas

The Hon. R. H. C. STUBBS, to the Minister for Justice representing the Minister for Agriculture:

In the drought recently experienced in Western Australia, what shire councils applied to have the whole or part of their area declared a "drought area"?

The Hon. N. McNEILL replied:

WHOLE OF SHIRE

Chapman Valley
Mullewa
Greenough
Irwin
Mingenew
Morawa
Three Springs
Perenjori
Dalwallinu
Koorda
Mount Marshall
Mukinbudin
Yilgarn
Westonia
Trayning
Nungarin
Northampton
Merredin

PARTS OF SHIRE

Carnamah
Narembreen
Kellerberrin
Coorow
Wyalkatchem
Dundas

7. "POLICY AND PERFORMANCE" PUBLICATION

Child Care Institutions

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

- (1) Would the Minister name the nine church-run child care institutions referred to in item (24), page 45, of "Policy and Performance"?
- (2) What were the amounts granted to each organisation?
- (3) Did these funds derive from an Australian Government grant?

- (4) Who are the members of the committee of inquiry into these institutions?
- (5) When was the committee appointed?
- (6) Has the committee reported to the Government?
- (7) If so, will the Minister table the report?
- (8) If the answer to (6) is "No" when is the committee required to report?

The Hon. N. E. BAXTER replied:

(1) and (2)—

(a) Castledare Boys Home	.....	\$12 000
(b) Clontarf Boys Home	.....	\$25 000
(c) Catherine McAuley Centre	.....	\$30 000
(d) Good Shepherd Teen Centre	.....	\$15 000
(e) Parkerville Childrens' Home	.....	\$15 000
(f) Methodist Homes for Children	.....	\$20 000
(g) Sister Kate's Childrens Home	.....	\$20 000
(h) and (i) Salvation Army (Cottesloe House, Hollywood Childrens Village)	.....	\$10 000
Total		<u>\$147 000</u>

- (3) No.
- (4) Miss Beryl Grant, O.B.E., Chairman.
Mr C. G. Adams
Father B. Hickey
Mr L. E. Smith.
- (5) 6th April, 1976.
- (6) No.
- (7) Not applicable.
- (8) The Chairman intends to report in September, 1976.

8. BRIDGE

Canning River: Construction

The Hon. CLIVE GRIFFITHS, to the Minister for Justice representing the Minister for Works:

Would the Minister advise the time-table for the construction of the bridge over the Canning River, which will link Leach Highway in Riverton and Wilson?

The Hon. N. McNEILL replied:

Preliminary work has just commenced. The contract provides for completion within eighteen months.

9. NUCLEAR-POWERED VESSELS

Cockburn Sound

The Hon. D. K. DANS, to the Minister for Justice representing the Minister for Works:

- (1) Is it a fact that during the visit of the nuclear-powered submarine *Snook* to *HMAS Stirling* in Cockburn Sound, all shipping movements in the Port of Fremantle were suspended for three hours?
- (2) If so—
 - (a) how many ships' movements were affected;
 - (b) what was the cost; and
 - (c) who is to reimburse the cost to the Fremantle Port Authority and tug boat companies?
- (3) (a) How many personnel have been engaged in ensuring that no radioactive leaks from the nuclear-powered submarine *Snook* go undetected;
- (b) what is the cost; and
- (c) who is responsible for the cost?

The Hon. N. McNEILL replied:

- (1) The port was closed for two hours from 0600 hours to 0800 hours on August 14.
- (2) (a) One ship.
- (b) Not known.
- (c) Delay was at no cost to the Fremantle Port Authority or tug companies.
- (3) (a) Nine Commonwealth and three State Government Officers were involved in routine radiation checks.
- (b) Not known at this stage.
- (c) Present understanding is that each Government will be liable for costs incurred by its own officers.

10. DROUGHT

Statistics

The Hon. R. H. C. STUBBS, to the Minister for Justice representing the Minister for Agriculture:

- (1) How many droughts have there been in Western Australia since records have been kept?
- (2) In what years did they commence?
- (3) What was the duration of each of them?
- (4) What—
 - (a) stock losses;
 - (b) crop losses; and/or
 - (c) any other known losses in the agricultural field;
 were recorded?

The Hon. N. McNEILL replied:

- (1) to (4) An extract from Bulletin No. 48 Bureau of Meteorology—"Rainfall Deciles as Drought Indicators"—which provides a summary of the principal droughts experienced in Western Australia from 1864 to 1966, follows this reply.

Severe drought occurred during 1969-72 in the eastern and north-eastern Goldfields districts—and resulted in estimated stock reductions of 450 000 sheep.

Most of the agricultural areas east of the 500 mm isohyet were declared drought areas during 1969/70. About 50 shires were affected embracing approximately 8 000 farms. No published estimates of stock or crop losses are available.

DROUGHT IN WESTERN AUSTRALIA

Early Years

42. Western Australia was first settled in 1829 and the first rainfall records for the State were started in Perth in 1876. However, even in the early years there were reports of drought and 1838, 1856, 1858 and 1860 are mentioned in old records as drought years.

Since 1864

43. The principal droughts since 1864 are listed below:

1864-1866—Rather severe drought.

1888—Drought in central agricultural areas.

1890-1892—Severe drought in the Fortescue, De Grey and Gascoyne districts and northern agricultural areas.

1895-1903—Drought over practically the whole of Australia, but less persistent in Western Australia.

1904-1906—Severe drought in the Kimberley and Fortescue, De Grey and Gascoyne districts.

1910-1914—A severe drought which lasted for 4 years 3 months in the coastal districts between Northampton and Walebing and for shorter periods elsewhere. In 1914 the average wheat yield was less than two bushels per acre, the lowest ever obtained in Western Australia.

1918-1921—Drought mainly in the Fortescue and Murchison district. Drought in the Murchison area, which had persisted since February 1918, was broken in May 1921.

1924—Drought conditions existed in most of the pastoral country from the Gascoyne district northward. At many places in the tropics it was the driest year on record and took a heavy toll of sheep and cattle.

1934-1942—A long run of dry years commenced in May 1934 and was not relieved until 1942 in some parts of the State. It was a period when a major drought relief was necessary and in 1940 a Royal Commission was appointed to enquire into the history of the pastoral industry. Sheep losses in 1937 were estimated at 30%.

1943-1945—Severe drought in the Murchison district and to a lesser extent in agricultural areas. In 1944 the wool clip was about half that of a good year.

1946-1954—A lengthy period of insufficient rains in various parts of the pastoral area and also in the agricultural areas to a lesser extent. In 1946 there was a severe drought in the Murchison district. In 1951, rains broke a severe drought in the Gascoyne division and the Gascoyne River reached the sea for the first time in two years. There were heavy stock losses in the Kimberley in 1952 and in 1953 it was estimated that losses of cattle in the East and West Kimberley were about 50 per cent. In this year, spinifex and native trees died and parts of the Kimberley were "bare as bitumen". Good rains fell in the Kimberley in January and April 1954. Heavy losses were also reported from the Meekatharra district, where by June 1954 sheep numbers had been reduced by two-thirds on some stations. There were useful rains in this area in May and June of 1954, but real relief was not obtained until January 1955.

1955-1966—The outstanding feature of this period was the persistent dryness in the eastern section of the State particularly in the area bordering the southern section of the Northern Territory. This was very persistent from 1960 to 1966. Other areas which experienced drought conditions were Fortescue in 1956-1957, the West Kimberleys in

1958-1959, West Gascoyne in 1959 and the Eucla district in 1965.

11. ROYAL VISIT

Dates

The Hon. D. K. DANS, to the Minister for Justice representing the Premier:

What are the dates of the Queen's visit next year to—

- (a) Australia; and
- (b) Western Australia?

The Hon. N. McNEILL replied:

Tentative dates of The Queen's proposed visit are—

- (a) 7th to 30th March, 1977.
- (b) 26th to 30th March, 1977.

12. HEALTH

Alcoholism: Treatment

The Hon. R. H. C. STUBBS, to the Minister for Health:

- (1) With reference to the problem of alcoholism in Western Australia, what has the cost been to the Government in each of the previous five years in the treatment and counselling of people?

- (2) How many—

- (a) females; and
- (b) males;

are known to have this problem?

The Hon. N. E. BAXTER replied:

- (1) No meaningful statistics are available. Treatment and counselling is carried out in a variety of ways, e.g. Private Doctors, Mental Health Services, General Hospitals, Alcohol and Drug Authority, Community Health, Private Hospitals, Department of Corrections, etc. Services are also provided by organisations such as Health Education and there are numerous voluntary agencies operating in this area.
- (2) (a) and (b) It has been estimated that 5% of the male and 1% of the female population in Australia suffers from alcoholism. This would give Western Australia 21 000 males and 4 000 females with the disease. Evidence was given to the Royal Commission in 1973 that the figure could be as high as 50 000 alcohol dependent persons.

13. MIDLAND TECHNICAL SCHOOL

Advisory Committee

The Hon. LYLA ELLIOTT, to the Minister for Education:

Further to my question of the 18th August, 1976, concerning the membership of the Midland Technical School Advisory Committee—

- (a) did the Director of Technical Education approve the nominations for the committee submitted by the Principal of the Midland Technical School; and
- (b) if not, to which names did he object?

The Hon. G. C. MacKINNON replied:

I am unaware of the nature of any discussion which may have taken place between the Director and the Principal on this matter.

BILLS (2): THIRD READING

1. Hospitals Act Amendment Bill.

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

2. Prevention of Cruelty to Animals Act Amendment Bill.

Bill read a third time, on motion by the Hon. Lyla Elliott, and transmitted to the Assembly.

MEDICAL ACT AMENDMENT BILL

Second Reading

THE HON. N. E. BAXTER (Central—Minister for Health) [2.52 p.m.]: I move—

That the Bill be now read a second time.

The Bill seeks to amend the Medical Act in several respects. Members will be aware that the Medical Act is the Statute under which the practice of medicine is regulated in this State.

The principal amendment is to impose a time limit on foreign doctors who register in Western Australia so that they will take up practice here within a reasonable period.

Of recent months the board has been deluged with applications from doctors in countries where political conditions are threatening to become unstable. It is known that these doctors have applied to other States and countries.

It is unlikely that many of these applicants will ever take up practice in this State. The result is that the board has been inundated with such a volume of work that its operations are disrupted, and about one name in three on the medical register is a doctor who has never, and probably will never, practise in Western Australia.

The Bill also makes provision for the board to raise its fees for initial registration and for the annual practise fee.

Doctors admitted to the register as regional or auxiliary service entrants are required to serve for three months in a major Perth hospital. There are cases where interstate or overseas experience is adequate. The Bill proposes to give the board a discretion to accept experience outside the State where it is satisfied with an applicant's background.

Where a doctor has been struck off the register or suspended from practice for a period the board is not always satisfied that full rights of practice should be restored immediately the period expires. In some cases an extension of suspension is considered justified. In other cases the board feels that resumption of practice should be allowed only if appropriate conditions are met.

The planning of medical services requires knowledge of the number and distribution of doctors, and particulars of the kind of practice operated by those who are specialists. There is provision in the Bill for the registrar to gather this information at the time that licences to practise are renewed.

Debate adjourned, on motion by the Hon. Grace Vaughan.

NURSES ACT AMENDMENT BILL

Second Reading

THE HON. N. E. BAXTER (Central—Minister for Health) [2.55 p.m.]: I move—

That the Bill be now read a second time.

The Nurses Act which came into force in 1968 created a board to carry out the administration of the Act. There are 15 members, 10 of whom are registered nurses. Both graduate nurses and nursing aides are registered under the Act. The respective numbers are approximately 12 000 graduate nurses and 2 500 nursing aides.

Nursing aides have no representation on the board. The Government believes that it would be advantageous to the board and the nursing aides collectively if representation were granted.

The Bill proposes that the membership of the board be increased to 17 by the addition of two nursing aides. This is achieved by adding a new paragraph (1) to subsection (1) of section 9 of the Act. It also proposes that the quorum, presently set at eight by section 11 of the Act be raised to nine to reflect the increase in board membership.

Debate adjourned, on motion by the Hon. Grace Vaughan.

CRIMINAL CODE AMENDMENT BILL (No. 2)

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [2.57 p.m.]: I move—

That the Bill be now read a second time.

A ruling necessitating this amendment to the Criminal Code occurred in a case heard before the Court of Criminal Appeal last month when it was acknowledged that the right of appeal against sentence which it had always been thought was available to those sentenced in a superior court after committal for sentence on complaint from a court of summary jurisdiction was nonexistent.

This is so because the relevant section of the Criminal Code—section 688—limits the right of appeal against sentence to those "convicted on indictment" and those committed for sentence after conviction in courts of summary jurisdiction, are convicted on complaint, not on indictment.

The prisoner in whose appeal this defect was revealed has not been able to proceed and his appeal has remained unheard. This may also apply to others who, at the relevant time, had appeals against sentence waiting to be heard or might have been about to institute such appeals.

It now appears that where the Court of Criminal Appeal has dealt with such cases in the past, it has proceeded without jurisdiction, and where, on the hearing of such appeals, it has ordered any variation in the sentence appealed against, its orders were invalid and of no legal effect.

The purpose of this Bill therefore is to—

- (1) create the right of appeal which was always thought to exist;
- (2) enable the prisoner mentioned and any others who had instituted appeals at the time of the court's ruling to proceed and to have their appeals heard without further leave of the court;
- (3) enable those who were contemplating appeal at the time of the prisoner's decision to proceed with their appeals subject to the leave of the court—section 688 (1) (d)—and the grant by it of any necessary extension of time, as contained in section 695 (1); and,
- (4) validate all proceedings hitherto conducted by the Court of Criminal Appeal in the mistaken belief that it had jurisdiction, so as to ensure that any orders made in the course of those proceedings are given effect to and that their invalidity is not made the cause of further application to the court.

I commend the Bill to members.

Debate adjourned, on motion by the Hon. Grace Vaughan.

STOCK DISEASES (REGULATIONS) ACT AMENDMENT BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [3.00 p.m.]: I move—

That the Bill be now read a second time.

Although the Stock Diseases (Regulations) Act has as its basic objectives the control and eradication of diseases of livestock, attention has recently been drawn to the fact that it does not authorise the initiation of measures to prevent animal disease.

As members will appreciate, the control and eradication of animal disease, either enzootic—that is, already present in the State—or exotic—that is, existing in an overseas country, but potentially constituting a risk to livestock here—is of great economic importance to the producer in Western Australia.

This clearly is a deficiency in the Act, and it is the purpose of this Bill to endeavour to correct that situation.

The Bill enables food intended to be provided to livestock to be treated prior to being fed—the intention of such treatment being, where considered necessary, to render it innocuous in terms of its ability to cause disease. Persons carrying out such treatment are also required to be licensed. Members will appreciate, however, that this proviso will apply only to waste foodstuffs.

The Bill enables regulations to be made to prevent the introduction of disease into Western Australia; and it validates regulations which have been utilised in the past to require the treatment of material which has been used for the purpose of feed for stock and the licensing of persons carrying out such treatment.

I commend the Bill to members.

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

CATTLE INDUSTRY COMPENSATION ACT AMENDMENT BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [3.02 p.m.]: I move—

That the Bill be now read a second time.

Section 18(2) of the Cattle Industry Compensation Act requires applications for compensation to be made within 30 days after the destruction of an animal, but also allows ministerial discretion for late applications if reasonable grounds exist for the delay.

In some remote meatworks, it is almost impossible to have claims submitted within the statutory period, and the number of claims required to be referred for ministerial consideration is increasing.

As a consequence, the administration of this provision is becoming a rather heavy burden, and the purpose of this Bill is to extend the period for making an application for compensation from 30 days to 90 days.

This extension of time should reduce the administrative cost to a minimal amount, and I commend the Bill to the House.

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

INDUSTRIAL AND COMMERCIAL EMPLOYEES' HOUSING ACT AMENDMENT BILL

Second Reading

THE HON. G. C. MacKINNON (South-West—Minister for Education) [3.03 p.m.]: I move—

That the Bill be now read a second time.

The Industrial and Commercial Employees' Housing Act was passed in 1973 to establish an authority with power to raise funds to provide housing for essential industrial or commercial employees outside the metropolitan area. The measures contained in the Bill at that time were well supported, although it was recognised that some problems could well be experienced in the early stages of their operation.

Experience has now shown that in the aim to assist by the use of Government guarantees, the Act is not sufficient.

It has always been intended that the Industrial and Commercial Employees' Housing Authority would work in two main streams to achieve the purpose for which the authority was created.

On the one hand, the authority is intended to assist, as far as possible from the limited funds available, the small businessman in country areas by way of providing housing constructed and financed by the authority, and rented to the employer.

On the other hand, it was the intention that the authority would also be able to provide some assistance to the medium and larger sized business concerns, but not through the direct provision of housing funded from the authority's own resources.

It was envisaged that the authority would assist by using the provisions of the Act for the issue of Government guarantees as security for borrowing by an organisation of the funds necessary for the provision of housing required by its employees.

As presently drafted, the Act allows the issue of a guarantee as security for loans raised only for the acquisition of land. There is no specific authority for a guarantee to be issued in respect of funds raised for the construction of houses, and there is also some doubt as to whether

the Act would allow a guarantee in respect of funds raised for the necessary development of land to bring it to subdivided residential use.

The purpose of this amending Bill is to ensure there is, in the Act, a full and adequate provision to allow the issue of a Treasurer's guarantee in respect of funds raised for the acquisition of land; the necessary expenditure for the development of such land for residential use; and for the construction thereon of houses.

This Bill also makes provision for any claims which may arise under a guarantee to be paid out of the Public Account, and for any sums recovered by the Treasurer within the terms of a guarantee to be repaid to the Public Account. Without this latter provision, should there be any claim under a guarantee issued by the Treasurer, it would have to be met from the funds of the authority. There would be no certainty that at any particular point of time the authority would be holding unspent funds which could be diverted to meet a claim under a guarantee.

There are other Statutes which permit the issue of guarantees and, in particular, the Housing Loan Guarantee Act, and the Industry (Advances) Act, would probably provide authority for the issue of guarantees in respect to housing by employers within the general intent of the Industrial and Commercial Employees' Housing Act. However, there are certain particular features of each of those Statutes which could, at times, provide difficulty and therefore it is thought expedient to introduce this amending legislation.

There have not yet been a large number of approaches to the authority for the issue of guarantees as security for loans raised to provide housing. This, in part, would be due to the fact that the authority has been in operation only since March, 1974; but would also have been affected by the fairly stringent financial conditions which have been experienced in Australia for some time. Nevertheless, I am able to inform the House that some approaches have been made to the authority in regard to guarantees. One, in particular, had almost been finalised when the fact was discovered of the legal doubts leading to the introduction of this Bill. At that point it was found possible, although not quite so convenient, to cover the situation by use of the Housing Loan Guarantee Act.

The authority presently has before it two other applications which may lead to a request for the issue of a guarantee, and there are some other organisations known to be examining the possibility of seeking assistance.

I commend the Bill to the House.

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

ALSATIAN DOG ACT REPEAL BILL

Second Reading

THE HON. V. J. FERRY (South-West) [3.08 p.m.]: On behalf of the Attorney-General I move—

That the Bill be now read a second time.

As foreshadowed in the second reading speech of the Attorney-General on the Dog Act Amendment Bill, it is proposed to repeal the Alsatian Dog Act, should the new Dog Act legislation be passed.

It will be recalled that there are provisions in the Dog Bill to bring the control of all dogs, whatever their breed, into one piece of legislation, and for regulations to be made in respect of a specific breed, or mixed breed of dog, which is considered to be a potential danger.

The extent of regulatory control required, if any, would be the subject of careful examination and consultation with all municipal councils.

This Bill seeks the repeal of the Alsatian Dog Act, and I commend it to the House.

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

VETERINARY PREPARATIONS AND ANIMAL FEEDING STUFFS BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [3.10 p.m.]: I move—

That the Bill be now read a second time.

At present, all veterinary medicines available for open sale to the general public are required to be registered under the provisions of the Veterinary Medicines Act. This Act lays down conditions governing the registration of such products in respect of labelling, conformation to stated formulation, sale, description, and storage. It also provides for an advisory committee to consider the acceptability of products for which registration is sought.

Similarly, the Feeding Stuffs Act provides for the registration of feeding stuffs for sale as stock food. This Act enables standards to be set in relation to the composition of stock foods offered for sale, and lays down requirements for chemical analyses, registration, labelling, and sale of feeding stuffs. It also provides for inspectors to enforce the requirements of the Act.

These two Acts have, in the main, operated independently, although interactions have become increasingly frequent in recent years; and as some veterinary medicines are also used as feed additives, primary dealers have had no option but to register such products under both Acts.

This changing situation was the basis of the initial impetus that led to the proposal to amalgamate the two Acts.

The Bill provides for—

the repeal of the Veterinary Medicines Act, 1953-1963, and the Feeding Stuffs Act, 1928-1951, and the up-dating of the legislation in these Acts in relation to veterinary medicines and animal feeding stuffs;

the inclusion in the registration process of all veterinary preparations whether these are for open sale or sale only by veterinarians, or by prescription through chemists;

the valuation of each veterinary medicine or feeding stuff in respect of possible harmful effects, particularly in relation to adulterants, additives, impurities, and pesticides that may be present as contaminants;

the registration of premises where registrable products are produced as a means of safeguarding against the contamination of these products and of ensuring that a product is as effective, potent, and as safe as it is claimed to be;

the establishment of an advisory committee, with industry representation, to advise the Minister on all matters relating to the control, registration, sale, and production of veterinary preparations and feeding stuffs;

the appointment of a registrar, responsible to the Director of Agriculture, for implementing the detailed requirements of the legislation;

the appointment of inspectors; and the setting of standards for packaging, labelling, advertising, and warranty in respect of veterinary preparations and feeding stuffs.

I commend the Bill to the House.

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

COUNTRY TOWNS SEWERAGE ACT AMENDMENT BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [3.13 p.m.]: I move—

That the Bill be now read a second time.

The Country Towns Sewerage Act currently provides, under section 11 (3), for the acquisition of sewerage works constructed by local authorities.

The restrictive nature of this provision is now evident, in that it does not permit the acquisition of a company-owned sewerage scheme, such as that at Wickham, the town which was developed by Cleveland Cliffs to house its port work force.

In its proposals to the Government, the company indicated that it did not want the port township to be restricted to its own personnel. Company management saw advantages in having an "open" town,

and this decision moved the Government of the day to agree to acquire the sewerage works and to undertake to operate and maintain the system in the future out of revenue obtained from rating.

This Bill will enable the Government to honour the obligation which has been entered into, and I commend it to members.

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

FIREARMS ACT AMENDMENT BILL

Second Reading

THE HON. N. E. BAXTER (Central—Minister for Health) [3.15 p.m.]: I move—

That the Bill be now read a second time.

It is proposed in the Bill to make three changes to the Firearms Act to cover situations which currently pose problems in respect of enforcing those relative provisions of the Act.

Firstly, as the law stands at the present time, when a person resident in another State visits Western Australia and brings his firearms with him, he must obtain a licence or a temporary permit for such firearms, notwithstanding that he has already had them licensed or registered in his home State.

A person living in Western Australia near the border with South Australia must register such firearms in South Australia before he can carry his firearms into that State—even for the purpose of a lawful short hunting trip. This would involve a lengthy trip to the nearest police station. This applies also to people living in South Australia near the Western Australian border.

It has been suggested that holders of current firearm licences and shooters' permits under State law issued in their respective home States be relieved of the obligation to license or register their licensed firearms when visiting interstate for the purpose of competitive shooting or a private hunting trip. Northern Territory legislation has this situation covered adequately, and Victorian legislation provides for pistol clubs only.

To retain some measure of control of the movement in and out of this State of persons carrying firearms, while relieving them of the onerous necessity to apply for a licence or permit, it is believed that an amendment to our Firearms Act, on lines similar to that of Victoria, but including any organisation of shooting bodies, would be most desirable.

This Bill provides for a new section to be established in the Act which will enable the Commissioner of Police, on receipt of a written application from a bona fide shooting club or similar body, to grant a permit to the organisation which would allow specified members to bring

their firearms into Western Australia for participation in shooting or sporting activity. Members will note that it is my intention to move an amendment to the Bill in the Committee stage to provide that the permit will be valid for a maximum period of 28 days and will be issued free of charge.

It is expected that all States will enact similar legislation, and by doing so put an end to the present situation whereby a sportsman is required to obtain a licence each time he travels interstate with his firearm. It is considered that many of these people are at present breaking the law in this regard.

The second area of change in the Bill relates to penalties for failure to renew a firearm licence.

At present, offenders under section 19 of the Act are charged in the Court of Petty Sessions with being in possession of an unlicensed firearm, and have received penalties ranging from \$1 to \$150. Some have received a three months' gaol sentence and, at times, the firearms have been forfeited to the Crown.

A survey of fines paid during the past six months shows that the average fine is just over \$24. During that six-month period, 857 fines were imposed, totalling \$20 581.

The present procedure causes a great deal of concern to many persons who have otherwise unblemished records, and it is certainly not good for public relations. Professional shooters and persons who claim they need firearms to destroy vermin may be deprived also of the use of their firearms.

From the Police Department point of view the present procedure creates an enormous amount of work within the branch.

The proposed amendments to the Act allow for infringement notices where renewals are not affected within three months of the date of expiry of the firearm licence. The defaulter will have one month to pay the penalty of \$20 and obtain the renewal of his firearm licence.

A defaulter may, alternatively, by his own choice elect to have the matter decided by the Court of Petty Sessions should he feel the infringement penalty is unjustified.

Finally, an amendment to section 24 (6) (b) of the Act has been included to overcome the restriction which has become evident in applying this law.

Prosecutors have declined to commence proceedings under this section due to the necessity to prove the police have been actually misled. To overcome this shortcoming it is proposed to insert the words "or attempts to wilfully mislead".

I did not mention any detail about the amendment of which I gave notice. It is to deal, for instance, with a person who

comes over for a competition and stays for more than the seven days originally proposed in the legislation. It was thought better to extend the number of days to 28 where a person wished to stay in the State for more than seven days and have in his possession his firearm whether or not he uses it.

Debate adjourned, on motion by the Hon. D. K. Dans (Leader of the Opposition).

BUILDING SOCIETIES BILL

Second Reading

Debate resumed from the 17th August.

THE HON. R. F. CLAUGHTON (North Metropolitan) [3.20 p.m.]: This is one of the most important pieces of legislation to come before this House for some time and I think members should recognise that fact. It is a complete rewriting of the Statutes governing the operations of building societies and as far as I can ascertain it stems in large part from the recommendations of the Brotherson committee which inquired into the operations of building societies and appears to include most of the important recommendations of that committee. The Brotherson committee, as I understand it, was chartered by the Tonkin Government and its report would have a great deal of support from the Labor Party.

One important recommendation of the Brotherson committee has not been included in the Bill before the House and I am hoping the Minister will postpone the Committee stage of the Bill so that I may place on the notice paper for a later sitting of the House a proposed amendment covering that matter.

As I commenced by saying, this is one of the most important pieces of legislation to come before this Chamber; and I think members should be given adequate time to consider the matters it contains.

The Hon. G. C. MacKinnon: You have had a fairly good adjournment.

The Hon. R. F. CLAUGHTON: I suggest that is not so.

The Hon. G. C. MacKinnon: About a week.

The Hon. R. F. CLAUGHTON: The Minister may not be aware that I am not a member of the committee of my party which considers housing.

The Hon. G. C. MacKinnon: Why should I be aware of that?

The Hon. R. F. CLAUGHTON: I am saying the Minister would not be aware of that. For that reason it was only this week that it became part of my task to examine this legislation. The member who would have been responsible for it (Mr Stan Dellar) had to go into hospital. I therefore feel I have not had sufficient time to study carefully all the aspects of

the Bill, particularly in view of the fact that it covers not only the organisation of building societies but all the other related matters—the place building societies fill in the financial system, provisions for statutory reserves and for a proportion of the funds of building societies to be set aside, and other complex matters.

The Hon. G. C. MacKinnon: The Bill was made public on the 19th May. That is a rather long period of time for everyone to have a look at it. I think we have been rather generous.

The Hon. R. F. CLAUGHTON: I am not complaining—

The Hon. G. C. MacKinnon: I thought you were being critical of the time which has been available. If your party is so inefficient that it gives you the job at a day's notice, you cannot place the blame on me.

The Hon. R. F. CLAUGHTON: The Minister is not listening carefully to what I am saying.

The Hon. G. C. MacKinnon: I have been hanging on your every word.

The Hon. R. F. CLAUGHTON: In that case, the Minister has not quite understood the import of what I have been saying.

The Hon. G. C. MacKinnon: You had better start all over again.

The Hon. R. F. CLAUGHTON: This is a very important Bill—

The Hon. G. C. MacKinnon: I appreciate that.

The Hon. R. F. CLAUGHTON: —which affects to a very great extent the finances of thousands of ordinary citizens, and we have an obligation to ensure the legislation receives proper examination in this Chamber.

The Hon. G. C. MacKinnon: Even counting on my fingers, it is three months.

The Hon. R. F. CLAUGHTON: I am not talking about any examination which may have been made of the legislation outside the membership of this Chamber. What we are carrying out here is an examination of it by the members of this particular House. I am not asking that the second reading be delayed. I asked the Minister for Justice yesterday to delay the second reading to give me a little more time, and in a spirit of co-operation I agreed to proceed with the second reading today although I would have preferred to have more time to study the implications of the Bill more carefully and proceed with the second reading next week. In a spirit of co-operation, I am asking that the Committee stage be deferred to a later sitting day. I do not think there is any important reason that the Minister cannot accede to that request in the interests of achieving the best possible legislation. Many questions arose in my mind

as I was reading the Bill and a number of them were satisfied as I continued to study it.

The Hon. G. C. MacKinnon: Good.

The Hon. R. F. CLAUGHTON: I am sure other questions I have can be satisfied by answers provided by the Minister in debate. So it is not in any spirit of obstruction that I make this request but simply in the interests of ensuring that the best possible piece of legislation is achieved and that members have a chance to debate it fully.

The Bill, as I see it, has arisen largely from the recommendations of the Brotherson committee and most of those recommendations are incorporated in the Bill, with one important omission of any clause dealing with the regulation of the interest rates which may be charged. In essence, I believe the legislation will improve the operations of building societies and guarantee to the public that the societies will be stable and able to fulfil the role for which they were created.

As members will be aware, building societies were originally created in about 1780 as a co-operative movement to allow the collection of funds to assist subscribers, through self-help means, to build their homes.

I believe building societies now are tending to become far removed from that concept, and I question the extent to which they are becoming removed. For example, in the Bill it is provided that up to 50 per cent of the shareholders of a society may be corporate members; that is, not individuals or people seeking to assist each other in a co-operative way to raise funds for home building, but business operations that may see it as an avenue for investment. To the extent that this is contained in the legislation, it is a departure from the original concept of the movement.

Among other things, the Bill provides that a society must have a share capital of \$1 million in order to commence or to carry on. I believe it would be extremely difficult for a group of people to join together to initiate a co-operative building society under that sort of requirement. The Brotherson committee suggested an amount of \$500 000, which is still a considerable amount. That committee felt that \$200 000 would be far too low and would involve risk in respect of the security of members' funds. I do not think we should quibble about whether the limit should be raised, but I question whether it need be as high as \$1 million. Such an amount would necessarily have to be raised by subscriptions from corporate bodies in the main, and it would be difficult to find a group of ordinary citizens who are able to commence a new society under this requirement.

The Hon. G. C. MacKinnon: When was the Brotherson report brought down?

The Hon. R. F. CLAUGHTON: I am afraid I do not have the date with me.

The Hon. G. C. MacKinnon: Would you accept 1972?

The Hon. R. F. CLAUGHTON: If the Minister says that is the date, I will accept it.

The Hon. G. C. MacKinnon: I am not saying that, I am asking you. I am suggesting that if it were 1972, then perhaps doubling the figure might be reasonable in 1976.

The Hon. R. F. CLAUGHTON: My colleagues assure me that it was in 1972.

The Hon. G. C. MacKinnon: Then it would seem to me that a fairly decent increase over that might be acceptable now.

The Hon. R. F. CLAUGHTON: It is one of those items in the Bill which I think should be discussed. I feel that for the reasons I have stated the figure may be too high. The objective of the provision is to eliminate risk for persons who invest funds, and that is a reasonable thing to do. However, we must also look at the other side of the coin and consider persons who may wish to join together in a co-operative, and we know they will be faced with a great deal of difficulty if they must amass \$1 million in order to start a new society. Perhaps this difficulty would not apply in Perth so much as in a regional centre. If a new society was planned to be commenced at, for example, Albany, the local citizens would be faced with the problem of raising that huge amount. Possibly other safeguards could be included which would cover the intention just as adequately.

The Hon. H. W. Gayfer: Such as?

The Hon. R. F. CLAUGHTON: I am not a financial expert, but—

The Hon. G. C. MacKinnon: You have a degree in economics.

The Hon. R. F. CLAUGHTON: But I am not a financial expert.

The Hon. Clive Griffiths: What sort of expert are you?

The PRESIDENT: Order! The Hon. Clive Griffiths is not in his own seat.

The Hon. R. F. CLAUGHTON: Through you, Sir, I would suggest that the Minister would not be very familiar with the detail of the operations and safeguards that may be necessary.

The Hon. G. C. MacKinnon: I haven't got a degree in economics. I recall being taken to task by Mr Dans because I criticised you once before. Mr Dans pointed out to me that you were very good on finance because you have a degree in economics.

The Hon. R. F. CLAUGHTON: I am sure Mr Dans was only speaking the truth, and I am sure the Minister is speaking the truth when he claims he has no great expertise.

The Hon. G. C. MacKinnon: I expect you to have some.

The Hon. R. F. CLAUGHTON: Quite obviously I lack the expertise of persons who work daily in this field; I would not be as familiar with the safeguards that may be provided as such a person would be. Given more time to study this Bill, perhaps I could come up with some suggestions.

The Hon. H. W. Gayfer: Do you object to the amount of \$500 000 as recommended in the Brotherson report?

The Hon. R. F. CLAUGHTON: I am talking about the Bill before us; I am not questioning the necessity to have safeguards, but I am saying that \$1 million is a very large amount for people to accumulate if they wish to commence a new society. That is the reasoning behind my raising the matter, and I am suggesting other sorts of safeguards may be available.

The Hon. G. C. MacKinnon: That is not reasoning, it is just a rhetorical question.

The Hon. R. F. CLAUGHTON: That is my reasoning, despite the interjection of the Minister.

The Hon. G. C. MacKinnon: I am just following up Mr Gayfer's reasonable query.

The Hon. R. F. CLAUGHTON: It could well be that the necessary safeguard could be provided by supervision by the registrar of societies for which a lower sum is allowed. The scale of operations could be limited by the registrar to ensure that the society is engaging only in cottage building and that no large amounts are loaned to individuals which would place them in financial difficulties. Those are the sorts of things that could be done. It is not difficult to envisage ways in which safeguards could be provided.

The Bill allows for up to 50 per cent of the shares of a society to be held by corporate bodies. I suggest that this departs very significantly from the original concept of building societies.

I question the amount of awareness that individual shareholders have of the internal operations of any society or the way in which the management of that society is appointed. I question also the extent to which they are advised of elections for directors, the extent to which they are aided in lodging votes for directors and the extent to which they are informed of the organisation and administration of the society. I believe the interests of the shareholders could be

improved by a provision for, say, a compulsory secret vote for the directors of a society.

The Hon. G. C. MacKinnon: There is only one way in which the interests of the shareholders can be improved, and that is by bigger dividends.

The Hon. R. F. CLAUGHTON: We know that members of the Government are very keen on secret ballots. We have heard them speak at some length and frequency about the matter in relation to other groups in the community, but here we have organisations which in people's minds are very definitely based on a co-operative system. I think that is a value which should be retained as far as possible, and a provision for a compulsory secret ballot would be one way in which that could be ensured.

The Hon. A. A. Lewis: Is there any demand amongst people contributing to building societies for all this?

The Hon. R. F. CLAUGHTON: It is a funny thing that in many areas of life those matters people know nothing about they express no demand for.

The Hon. A. A. Lewis: There are so many things you know nothing about that you express a demand for that this Chamber just puts up with.

The Hon. R. F. CLAUGHTON: The community, through its Government, has a role to educate people and to ensure that they are aware of the many benefits of a modern and industrial society such as our own. I think this is one other area in which their awareness could be improved. This Government accepts a responsibility for educating the public in a large number of areas of activity and I believe this is one other in which, one would believe, it would wish to become ideologically involved because conceptually these are voluntary organisations that do not rely on Government control. I expect that the Government would view that sort of proposition with a great deal of favour if it really believes the political gospel it preaches.

The Hon. G. C. MacKinnon: What do you mean by "if"? Of course we believe it.

The Hon. R. F. CLAUGHTON: I believe there is a danger in the extent to which corporate bodies are involved. I know that if one chooses certain builders to construct one's dwelling it is much easier to obtain building society finance than if one approaches other people. We know—and I believe the Government has defended this on other occasions in this Chamber—that societies have lists of approved builders.

The Hon. G. C. MacKinnon: Governments have lists of approved builders. Your Government had lists of acceptable tenders.

The Hon. R. F. CLAUGHTON: I am talking about building societies.

The Hon. A. A. Lewis: You just said "Governments". Make yourself clear.

The Hon. G. C. MacKinnon: There is nothing wrong with that?

The Hon. R. F. CLAUGHTON: No.

The Hon. G. C. MacKinnon: What is the criticism?

The Hon. R. F. CLAUGHTON: It was a slip of the tongue. I meant that this Government has supported in this Chamber the fact that building societies carry lists of approved builders.

The Hon. A. A. Lewis: Would you not think that a good business practice?

The Hon. G. C. MacKinnon: Acceptable and reputable builders.

The Hon. R. F. CLAUGHTON: That is right.

The Hon. A. A. Lewis: You do not think this is a good practice?

Sitting suspended from 3.46 to 4.04 p.m.

The Hon. R. F. CLAUGHTON: Before the afternoon tea suspension I was commenting on the extent to which corporate bodies are allowed to become shareholders of building societies, and on the fact that these societies keep lists of approved builders. Because of the adoption of this practice, it is easier for a person to obtain a loan from a building society if he has his house constructed by a builder on the list of that society. Thus, a restriction on a person's choice of builder is imposed under this system.

The provision in the Bill which will allow building societies to have an interest in land development will increase the extent to which prospective home purchasers will be limited in their choice of builders. I believe a building society will prefer a borrower to take up land on which the society has the sort of interest I have mentioned.

It might well be that to allow building societies to use funds for land development is a desirable initiative. However, it has not been proved to be so, although it may be. If this is permitted then some protection should be written into the legislation to prevent a building society from insisting that a home purchaser must buy land that is being developed by a company in which the society has invested funds. However, there is no such protection in the Bill.

I would like to see the Bill held up to enable this aspect to be examined; alternatively the Minister should be given adequate time to consider the method by which the interests of the home purchaser could be safeguarded in the legislation. A move was made in the other place to have the Bill referred to a Select Committee, but I do not propose to take a similar

step in this House. By taking more time to consider the measure we will perhaps achieve a satisfactory result.

This is an aspect to which particular attention should be paid: home purchasers should not be forced to build in areas which are not of their choosing. However, through the necessity to borrow money to build homes they might be forced to build in areas not of their choice.

There is a further danger in this restriction. Unwise decisions by building societies might lead them to invest their funds in highly speculative propositions, and thereby jeopardise their funds. There is no guarantee that such an occurrence will not take place.

No doubt members are aware that special advances by building societies must be approved by the registrar and the Minister. This will mean some vetting of the investment of funds, but it might not be adequate to prevent the unwise investment of funds by building societies.

Although there is a limit to the extent to which building societies may make special advances in any one year—such advances are limited to 10 per cent of the funds of a building society which are available for lending—the Bill contains another provision which states that if the special advances reach 25 per cent of the funds then no such advances may be made in the succeeding year.

The fact that it is contemplated that special advances may exceed 10 per cent of the funds of a building society, and reach 25 per cent, indicates that the Government considers the supervision of special advances might not be particularly effective. If this part of the activities of building societies is vetted properly such advances would fall far short of a figure like 25 per cent. If the special advances can reach a level of 25 per cent, there is nothing to prevent them reaching 30 per cent, because the same degree of supervision will be exercised.

Under the provisions in the Bill the building societies are required to report monthly to the registrar; and to make special reports at the request of the registrar on any aspect of their operations. So, there is nothing to prevent the registrar from examining the operations of a building society.

As against that, we must bear in mind that the Brotherson committee report referred to the lack of staff to enable the registrar to carry out his functions. His ability to carry out the duties laid down in the Bill before us will also be limited by the staff available to him.

Perhaps the Minister will tell us why it has been found necessary to include the provision in clause 35 (5) relating to the 25 per cent of a society's funds. It would

appear to be quite clear that there is a considerable degree of looseness in the way the provisions of the Bill will operate. If that is so, then there will be considerable scope for building societies to lend significant proportions of their funds for land development projects which might not be soundly based. To claim that the management is responsible is to ignore the continuing history of large and seemingly reputable organisations that go into liquidation through unwise land speculation. Past history demonstrates that people who appear on the surface to be reputable and careful financial administrators do, in fact, make unwise decisions. That applies particularly in times of boom conditions in land development where there is some pressure on companies or organisations to get in and get their cut of what is going.

We must remember that the home owner, or the householder purchasing his home through a building society, is personally liable for the debt to the extent of this loan. That is what this Bill actually states. We can clarify that as we progress through the Committee stage, but that is how I interpret the Bill.

There is also the matter of interest rates and I have already mentioned that I intend to propose an amendment along the lines of the Brotherson committee recommendation. There has been a history of failures of building societies in Queensland. I admit those failures occurred under different legislation from that which we have in this State. Experience up to date has shown that our building societies are run in a responsible manner, and that our legislation is capable of regulating our building societies in the interests of the people. More recent history has shown that even in this State people have been placed in difficult situations because of increasing interest rates over which they have no control. At the time they take out loans they are quite confident that they have sufficient incomes to cover their commitments. However, with increasing interest rates, which have occurred fairly frequently in the past, they are sometimes placed in very difficult situations.

It is possible that those situations could be overcome by means of a method of controlling interest rates in a more flexible manner through this legislation. That is something which members of this Chamber should examine closely.

The Hon. G. C. MacKinnon: As a matter of interest, has it worked anywhere else in the world? It certainly has not worked in Queensland.

The Hon. R. F. CLAUGHTON: We attempt many things which have not been tried elsewhere.

The Hon. G. C. MacKinnon: It has been tried elsewhere, but has proved to be a dismal failure.

The Hon. R. F. CLAUGHTON: That should not deter us from undertaking such a course in this State. The Brotherson committee recommended a flexible system, not a system where the amount is fixed by legislation. That committee recommended the formation of a commission, and the advisory committee to be set up under the provisions of this Bill go part of the way towards the recommendation of that committee.

The advisory committee which is to be set up could be in a position to recommend or prescribe interest rates at any given time. The advisory committee should have the ability to take that action fairly promptly so that there is no damaging lag in the adjustment of the interest rate.

I think the Minister has in mind a fixed rate of interest set down in legislation, which could not be varied without the introduction of further legislation.

The Hon. G. C. MacKinnon: That was the original Tonkin proposal, was it not?

The Hon. R. F. CLAUGHTON: The Minister may be right, but we are not looking at what has been proposed previously. We are now looking at a new proposal. I believe the recommendation of the committee has value and would help to protect the home purchaser from the very heavy interest rates which have been applied recently.

On the matter of insurance, the Brotherson committee supported the existing system where the building societies have an arrangement with a single insurance company for insurance on a home. I think the insurance provisions could be made more flexible and more competitive by requiring not a completely open choice for the home purchaser or borrower, but that the building societies submit a list of insurance companies to the registrar with which they would agree to do business. The list might contain six or 10 companies but a borrower would have a choice and some competition would be introduced into the system. Again, I believe such a system would fit the political ideology of the Government.

I have already covered the question of staff, which is quite important. The registrar has to deal adequately with the responsibility which will be given to him under the provisions of this legislation and he should have sufficient staff to cope with that responsibility.

The building societies will be required to submit monthly reports which will have to be examined in order to assess whether they are operating properly, and to the advantage of the investors or the shareholders. A check will have to be made of the resources of the building societies, and their liquid asset ratios. That cannot be carried out with a staff of one or two, which is all the registrar has had

up until this time. There is too much at stake, for a large number of our citizens who are unable to build their own homes without borrowing from building societies, for us to put their investments at risk.

It is acknowledged that Australia enjoys a high rate of home ownership and we want to perpetuate that high rate and, if possible, improve on it.

I again stress that this measure is one of the most important which has been before this Chamber. I hope the Minister will postpone the consideration of the Committee stage so that more time can be given to an examination of the individual clauses.

I finally point out that a letter distributed to the employees of a building society refers to this legislation, and states that the legislation did not proceed during the early part of the session, but was delayed until now. In part, the letter reads—

The concerning feature of that delay is that it provides more time for the Opposition to discuss problems between building societies and their customers which may, as you will appreciate, be damaging to the societies involved.

That letter became a public document when it was tabled in the Legislative Assembly. The situation set out in the letter is a very serious state of affairs. I suggest it implies that the building societies wish to hide something which they do not want aired. If that is so, there is an even greater obligation on us to see that this legislation receives full consideration. I support the second reading.

THE HON. V. J. FERRY (South-West [4.27 p.m.]): I want to make one or two comments on this Bill, which I support. Firstly, the legislation sets out to improve the guidelines under which building societies operate, and it will provide greater protection to every person associated with building societies, including employees, depositors, and borrowers.

In general, building societies in Australia play a very vital part in the affairs of the people. It has been suggested that the building societies employ well over 3 000 people throughout Australia. I am not sure of the figure for Western Australia, but assuming there are some 3 000 employees throughout Australia one can multiply that figure by 10 and arrive at a figure of 30 000 employees directly engaged in the building trade as a result of the activities of the building society movement, which makes funds available for home building generally.

I have demonstrated that the building societies affect approximately 30 000 people directly concerned with building operations, but one could go on and refer to the "spin-off" group which includes

manufacturers of furnishings, light fittings, carpets, and all the other fittings which go with a home. The ultimate number of persons involved is quite considerable.

I will refer briefly to interest rates. It has often been suggested that the interest rates applied by building societies should be more strictly controlled. Whereas we realise there has to be certain guidelines, it is interesting to compare interest rates and the way in which they are applied as compared with the banking system. Interest rates in Australia, as they apply to the banking system and to building societies, do have a relationship. I believe it is almost impossible to fix an interest rate which would be considered to be fair and equitable in all situations because money is a commodity which has a value on the open market. It depends on supply and demand, and people are prepared to buy at a certain price, and to borrow at a certain price.

Of course, the monetary system as we know it is not dependent entirely on what happens in Western Australia, or in Australia generally. It is dependent on what happens throughout the western world.

The Hon. H. W. Gayfer: Throughout the whole of the world.

The Hon. V. J. FERRY: That is so, but more particularly with regard to the western world with which we are more closely allied in our financial operations.

The Hon. D. W. Cooley: Mr Fraser is fairly closely allied to China at the moment.

The Hon. V. J. FERRY: I will be interested to hear Mr Cooley contribute to the debate if he wishes to do so.

The Bill contains provisions for certain percentages of funds to be set aside, and also it provides that a certain percentage of liquidity be preserved. This is particularly necessary to protect depositors and borrowers alike.

I wish to refer to the banking system as we know it. All banks have controlled interest rates, and banks other than State banks are, of course, subject to Commonwealth banking regulations and controls as directed through the Reserve Bank.

There are a number of ways in which these interest rates can be controlled, and they have relevance to the system under which building society interest rates operate. In respect of banks other than State banks there are statutory reserve deposits, and although I am not sure of the present rate, something between 7 and 8 per cent of funds is required to be deposited in the statutory reserve deposit. The Reserve Bank also directs the overall lending policy of banks with the approval of the Federal Treasurer in respect of controlling interest rates.

Banks must place a surplus of their deposits into prescribed areas such as liquid assets and Government securities. As well as this, banks must be licensed to ensure the people are protected. In regard to the control of bank interest rates, one can recollect what happened in the 1950s when interest rates in the bank sector were under stringent control. Here again it affected the whole community. Now we have a greater participation through permanent building societies in the monetary system and they too find themselves caught up in some sort of control.

I suggest it is indeed necessary that the permanent building societies be subjected to guidance in their interest rates, but I am one who believes that it needs to be as flexible as possible to meet the money market, bearing in mind that building societies generate their funds and attract funds from the whole community.

Building societies attract funds to their institutions because they offer an attractive rate for people to make their deposits and many people put their money in at very short call. I would suggest that the bulk of the money is lent for terms of less than two years, and therefore, building societies lending money in the long term are at the risk of changing demands for money and they face the necessity to change the rate of interest for depositors, and accordingly the rates which borrowers are obliged to pay must vary. I think this has to be; again it is the ebb and flow of supply and demand.

I emphasise the point that in theory we would all like to see interest rates pegged. I personally do not like the word "pegged" in this context, and I would prefer to use the phrase, "more stability of interest rates". I would like some system to control interest rates so that they do not fluctuate widely.

I am very mindful of the fact to which I referred earlier, of money being a commodity and we must have regard for the ebb and flow of demand throughout the system. If we were to have stringent control on interest rates generally, this would inhibit the economy of the country and it would inhibit people who wish to use the money either in industry or housing. We would achieve a degree of stagnation, and therefore, I am one who favours a continuance of reasonably flexible interest rates in the general tide of the money market prevailing at any one time.

In regard to the Bill before the House those of us who have followed the legislation know that there are provisions to do certain things and for certain percentages. I do not wish to go into those matters in detail because the hour is a little late, and matters of this sort can be discussed at length during the Committee stage. With those comments I support the Bill.

THE HON. D. W. COOLEY (North-East Metropolitan) [4.35 p.m.]: I support the Bill, but I believe we should support also some of the matters mentioned by Mr Cloughton this evening.

The Bill has many desirable features. As was indicated by the Minister, it is a rewriting of the present Act and it goes a long way towards meeting the recommendations contained in the Brotherson report. As I understand the Bill, it contains a number of new controls to protect not only the investors but also, in the long term, the borrowers. However, in my opinion it falls short in respect of two matters which were recommended in the Brotherson report. The first was that there should be interest control and the second was for the establishment of a commission to administer the affairs of the building societies in Western Australia.

I will speak briefly on the matter of control, and I know we face an ideological problem in respect of controls. In no way would the policy of the present Government permit it to enter into a situation that we on this side of the House favour—a system of control of prices. After all, interest rates are prices.

As Mr Ferry pointed out quite correctly, it is a matter of market values. I suppose whatever we on this side of the Chamber say this evening will fall on deaf ears because I imagine that a joint party decision has been taken and we will again lose in the numbers game. Our submission will be given little consideration.

I would like to go on to a consideration of the recommendations of the Brotherson report in regard to a commission, and I will return to the subject of interest rates later. To say the very least, what has been proposed in this Bill in regard to an advisory committee falls very short of the recommendations of the Brotherson report. The committee to be set up under this legislation has virtually no teeth. It will act only in an advisory capacity and I understand that it will be a politically appointed committee. With the exception of the registrar, who shall be the chairman of the committee, the five other members of the committee will be appointed virtually by the Minister.

Subclause (2) of clause 11 states—

(2) The Advisory Committee shall consist of the Registrar, who shall also be Chairman of the Advisory Committee, and of five other members appointed by the Minister in writing, of whom—

- (a) three shall be persons each having experience in the conduct and management of a society or societies;
- (b) one shall be a person who has extensive financial knowledge or experience but is not

a person who, or an employee of a person who, is carrying on a business which consists of or includes the making of loans for housing purposes; and

- (c) one shall be the Commissioner for Consumer Affairs appointed under the Consumer Affairs Act, 1971 or an officer of the Public Service employed in the Bureau of Consumer Affairs nominated for appointment by the Commissioner.

Regardless of what the committee advises, the policies of the Government of the day will always prevail. If the advisory committee did recommend some control of interest rates, a Government of the type we have at present would have very little regard for that recommendation. Of course, we cannot blame the Government for that because it is part of its policy—it does not believe in controls of any sort.

In all sincerity I state my opinion that an independent committee would have been a much better choice. Such a committee would have freed the building society from political control.

I would like to return now to the subject of the control of interest rates. I took it upon myself to inquire into this matter and I came up with some very alarming figures. I made inquiries through a building society about the variations in interest rates which could affect different borrowers. The figures I obtained are staggering.

I believe permanent building societies do have some interest in terminating societies in that they have certain grants, similar to those of terminating building societies. However, I will use the example of a terminating building society. A person who earns the average weekly wage or less can obtain a loan in some instances at an interest rate of 5½ per cent. I believe the Trades and Labor Council Building Society lets money out at 5½ per cent.

The Hon. J. C. Tozer: Only under certain conditions.

The Hon. D. W. COOLEY: I used the example of a person earning the average weekly wage or less. Also, there is some limitation on the value of the house that can be purchased, although I am sure it is over \$20 000 at the present time. I think the average weekly earnings have recently increased to about \$180 a week. A person on such a wage could obtain a loan of \$20 000 repayable over a period of 30 years at an interest rate of 5½ per cent in some circumstances. Over the 30-year period he would pay interest of \$22 092, or in other words, he would repay \$42 092.

Another person, earning marginally above the average weekly wage, would not qualify for a loan at that rate. He would have to seek a loan from a permanent building society at a rate of between 11 and 12 per cent. If he obtained a loan of \$20 000 at 12 per cent, he would be required to pay \$54 135 in interest over a 30-year period, or \$74 135 in all. If we compare this with the first man on the average weekly wage, we see that the second man would pay out an additional \$32 000-odd over that period. I will refer now to the difference in weekly repayments.

The first person who obtains his loan at the lower interest rate will be required to pay it back at the rate of \$29.23 a week, and the person earning marginally above the average weekly earnings will be required to pay back \$51.50 a week—a difference of \$22.27 a week.

I put forward these figures in support of my suggestion that it would be desirable for a commission established under this legislation to examine the possibility of an intermediate interest rate in order to alleviate some of the hardship faced by some people in our community in regard to high interest rates. A person only marginally above the average weekly wage who would not qualify for the lower interest rate would have a disposable income of about \$22 less than the person to whom the lower rate applies.

I see a great deal of merit in Mr Claughton's amendment, and I hope it is successful; however, I have fears in regard to its ultimate outcome. There are a great many injustices in this area, and I have outlined only one. I believe the commission which has been suggested would provide a better service not only to the building societies but also to the people of Western Australia. I repeat that although the Bill contains many desirable features, it could be improved. With those reservations, and in general terms, the Opposition supports the Bill.

THE HON. G. C. MacKINNON (South-West—Minister for Education) [4.46 p.m.]: I thank members for their interest in the Bill. As Mr Cooley so succinctly put it, the differences of opinion are mainly differences in policy, which one would expect in an area such as this. Before I proceed, I should like to point out to Mr Claughton that as the Opposition is not ready to go on with the other Bills on the notice paper, we must proceed with this Bill now.

The Bill has been before the public for three months, since the 18th May this year, and has had a very good response. One or two points have been thrashed out at great length, some of which were raised again this afternoon and with which I will deal in a moment. Therefore, we

can ignore the claim that insufficient time has been allowed for members opposite and the public to study the Bill.

Most of the questions raised by Mr Claughton were of rhetorical nature. That is fair enough; one could have a fairly interesting philosophical discussion along those lines, but there is not a great deal of future in so doing. I suggested by interjection that in 1972, a figure of \$500 000 may have been realistic. However, in the intervening period there has been a great deal of inflation, and one could suggest that \$1 million would be near enough. I do not think it is beyond the capabilities of a syndicate to find that sum of money in order to provide solidarity to investors.

It must be borne in mind that no-one is forced to approach a building society for a loan. These days, one shops around for credit like one shops around for socks. Mr Claughton made an issue of the fact that some societies have lists of builders whom they recommend and, again by interjection, I said that I saw nothing wrong with that. In fact, the Government has lists of recommended builders who can be relied upon to put forward satisfactory tenders. We have a list of builders for tenders up to \$50 000, another list for tenders between \$50 000 and \$100 000, and so on. This is a very reasonable and proper way to do business. As about 90 per cent of business is based on trust, it is perfectly reasonable to utilise those people whom one can trust.

Under our system, we have several building societies, and if a person does not particularly like one society, he can walk down the street to the next society or approach a bank or some other lending institution.

The 25 per cent limit was referred to; the limit of special advances per year is 10 per cent, and if it is extended to 25 per cent, they are not allowed any more special advances, but must wait until they bring their special advances back to the field. This limitation is imposed by taxation requirements, and seems appropriate. Again, I point out that the Bill has been under inspection for three months, and there have been no screams about this provision.

Both Mr Cooley and Mr Claughton referred to the possible control of interest rates. There is no point in having a long and protracted argument on this point. They seem to think it will work, and I am absolutely certain it will not. If the ruling interest rate is 10 per cent, and we set a maximum rate to be charged by the building societies of only 8 per cent, the societies would be forced to pay an interest rate of only, say, 7½ per cent on money invested with them and as a

result, people would not bank with the societies, and they would be fresh out of money to lend to home builders.

The Hon. D. W. Cooley: Surely it works the other way. The building societies siphon a great deal of money away from the banks.

The Hon. G. C. MacKINNON: That is a very good question. Let me explain this to Mr Cooley in the simplest possible terms. Let us assume that I am the owner of a building society, and I am not permitted to charge more than 8 per cent interest on home finance.

The Hon. D. W. Cooley: The bank rate.

The Hon. G. C. MacKINNON: I would have to tell Mr Cooley who came along to lend me money that I am allowed to charge only 8 per cent interest on home finance and therefore I would be able to pay him only 7½ per cent on the money he lent my society. Mr Cooley very sensibly and properly would say, "I have a wife to support, and I am not prepared to accept your 7½ per cent; I will go down the street and get 10 per cent." Therefore, I would be left lamenting, and when Miss Lyla Elliott came to me to borrow money at 8 per cent to enable her to build her house, I would say, "I am sorry, but Mr Cooley will not lend me money, therefore I cannot lend you any." It is just as simple as that. It is all very well for the socialistic theoreticians to smile, but that is the way the world has been run for the last 2 000 years, and it has done very nicely.

The Hon. D. K. Dans: What is socialistic about the last theory of yours?

The Hon. G. C. MacKINNON: Mr Dans interjects from his nice, comfortable position in an endeavour to confuse the issue. There is nothing socialistic about this; it is a good, solid capitalistic practice.

The Hon. D. K. Dans: A simple answer to the question you were asked is that there are borrowers and lenders—not something about socialism.

The Hon. G. C. MacKINNON: These nice, cosy socialists who sit opposite smile when I expound a simple capitalistic practice. However, Mr Dans is cleverer than his colleagues, and understands the situation.

The long and the short of it is that Mr Tonkin came up with this idea several years ago, and everyone from one end of the country to the other laughed heartily. However, everyone loves Mr Tonkin, because he is a lovely gentleman and they said, "Let us not make so much fuss about it." But when bright young men refer to it, they are inclined to be a little more raucous in their mirth. A proposal to control interest rates in this manner will not work. It has not worked anywhere. I was hoping a member opposite may have

interjected and said, "It has worked in Queensland." However, it has not worked there; it is moribund.

The Hon. D. W. Cooley: Bank interest rates are Government-set.

The Hon. D. K. Dans: Who is on the board of the Reserve Bank?

The Hon. G. C. MacKINNON: Why do not members opposite have their meeting later, and let me carry on with my speech? The fact remains that there is no chance of such a proposal working, and there is no chance that I will accept an amendment to that effect. Nevertheless, I thank members for their interest in the Bill. I am totally at a loss to understand the claim that insufficient time has been available. However, I understand there may have been a breakdown in communications between Mr Cloughton and his leader as to who was to handle the Bill. That may have had something to do with Mr Dellar's ill-health, which is unfortunate. I am sure members realise the importance of getting this legislation onto the Statute books, and I trust they will support the second reading of the Bill.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (the Hon. J. Heitman) in the Chair; the Hon. G. C. MacKinnon (Minister for Education) in charge of the Bill.

Clause 1: Short title—

The Hon. R. F. CLAUGHTON: I regret that the Minister for Education has chosen to adopt such an attitude to this legislation. I wish to discuss in some detail the clauses of the Bill, which would take some time, and I was hoping that members would not be put under the pressure of time. I regret that the Minister appears to hold the debate of this Chamber in contempt, and as being of no importance. He seems to think he can brush aside matters raised in this place with little or no consideration, which does no justice to members raising points of interest. They are entitled to receive full consideration, particularly when we are debating a measure of such importance which will affect so intimately the lives of many people.

The Minister has adopted a cavalier attitude and I express my extreme disgust at what he has done. I hope that as we debate the clauses he will reconsider the position and postpone further consideration of a particular clause to allow more debate.

Clause put and passed.

Clauses 2 to 5 put and passed.

Clause 6: Registrar, deputy registrars, etc.—

The Hon. R. F. CLAUGHTON: As I understood the existing Act—and I regret I have not had an opportunity to compare it in detail with the provisions of the Bill before us—I get the impression from my brief reading of it that it allows the Government to select as registrar somebody who may not be in the Public Service. I particularly refer members to subclause (1) of clause 6.

The Hon. G. C. MacKINNON: The present Act does not make it mandatory for the registrar to be subject to the Public Service Act, 1904, but in practice the registrar has always been so. There is nothing sinister about it, it is just one of those historical things which has been carried on.

The Hon. R. F. CLAUGHTON: Clause 6 does not determine the term of office of the registrar. From the Minister's previous answer it is envisaged he will always be a member of the Public Service and will continue on the job until he retires or is transferred.

The Hon. G. C. MacKinnon: That is so. Clause put and passed.

Clause 7: Inspections—

The Hon. R. F. CLAUGHTON: I have not studied the matter thoroughly but I would ask the Minister is it possible for unregistered societies to exist and, if it is, does the Bill cover this aspect of the industry? I cannot recall at the moment the provision in the Bill which may in fact govern this aspect.

The Hon. G. C. MacKINNON: As I understand it the purpose of the Bill is to control building societies, and any organisation that sets up as a building society will therefore be controlled by this legislation. If it were an unregistered building society it would be an illegal building society and therefore would not be permitted to exist in the face of the law. It would have no body.

The Hon. R. F. Claughton: I rather imagined that would be the case.

The Hon. G. C. MacKINNON: That is the situation. Clause put and passed.

Clauses 8 to 10 put and passed.

Clause 11: Building Societies Advisory Committee—

The Hon. D. W. COOLEY: Why are the majority of the members of the advisory committee appointed by the Minister? I appreciate the provisions contained in subclause (2) (b) (c) would be normal practice. Paragraph (c) of subclause (2) provides for the appointment of the Commissioner for Consumer Affairs or somebody nominated by him.

It is customary when appointments are made to committees, commissions, and boards, etc. for people to be nominated by organisations or firms. But that is not the case in this legislation. Subclause (2) (a) provides that there shall be three persons each having experience in the conduct and management of a society or societies, but it is still the prerogative of the Minister to make these three appointments. Could the Minister explain why the Government has taken this unusual step?

The Hon. G. C. MacKINNON: Mr Cooley is right. There has been a tendency in the past to ask certain organisations to nominate people who might represent them. This trend, however, is being reversed, and for very good reasons. One such reason is that we are frequently looking for someone with a greater degree of objectivity than would be the case in the circumstances outlined by Mr Cooley. When appointing such committees we are looking for people who are knowledgeable in something and who are seen to be as even-handed as possible and while not representing a group they are able to advise the Minister or whoever it may be in a more even-handed way. It is a good trend.

The Hon. D. W. COOLEY: There is sufficient objectivity in the appointment of the Commissioner for Consumer Affairs and the person who will be appointed by the Minister; and there is also the registrar as chairman. I feel it would be better if we had three people nominated by organisations directly associated with the building society movement. This seems logical. How can the Minister get better advice than from people associated with the organisation?

The Hon. R. F. CLAUGHTON: The other aspect is that if the person appointed does not have a good relationship with the organisations concerned there is likely to be a breakdown in co-operation. Based on the political ideology expressed by the Government that it supports voluntary organisations I am surprised there is no representative from such group or firm to watch over the interests of home owners from the ownership point of view.

I think the appointment of the Commissioner for Consumer Affairs is reasonable, because he gets very detailed knowledge from complaints made to him. But he is limited to that extent. He does not go out himself and examine the operations of building societies. The complaints he receives would be more likely to come from persons in rental accommodation than from those purchasing homes, so he would have a limited knowledge of the interests of home purchasers. For that reason I should have thought the Government would include a provision for a representative of voluntary organisations to represent the home owners.

I believe such a proposition was put forward in the other Chamber, but was not agreed to. I feel it is one of those things the Government should have had included in the advisory council of its own volition rather than have the matter brought to its notice by the Opposition in Parliament.

There would be little point in my proposing an amendment, because it would get the same treatment that has been foreshadowed for another amendment which I propose to move. In the interests of the home-buying public it would have been worth while to have such a representative on the committee.

The society representative would represent the matter from the management point of view—from the investment funds point of view—but not from the point of view of the individual who has borrowed money and who has to meet the problems associated with repaying such a loan.

The Hon. G. C. MacKINNON: These are all reasonable propositions and if we were to award marks for them we might decide to give Mr Cooley seven points out of 10 for his proposition, eight points to Mr Claughton for his, but the one in the Bill would receive 10 points. It was considered by those who drafted the legislation that it was the best proposition and there is reason for the noninclusion of the group Mr Claughton suggested. Had there been an identifiable group representing the vast majority of home owners, I am sure Mr P. V. Jones, the Minister for Housing, would have included someone from that group or would have made a selection, but there is no such identifiable group as a whole. As I have said, there are good reasons for the inclusion of the provisions in the Bill and the noninclusion of the propositions suggested.

The Hon. R. F. CLAUGHTON: I would like the Minister to enlighten me with regard to subclause (2) (b) which deals with a person who has an extensive financial knowledge or experience. Could the Minister indicate from what area such a person would be recruited? I assume it would not be from building societies, because their interests are already covered in paragraph (a).

The Hon. G. C. MacKINNON: This person shall be one who has an extensive knowledge or experience of financial matters, but not a person who represents a competitor of a building society. This person could come from a merchant bank or be a short-term money operator although I hope not one of those fellows we heard so much about last November. The person could be an academic or a public servant who has the necessary knowledge.

The Hon. D. W. COOLEY: I feel rather flattered that the Minister gave me seven out of 10.

The Hon. G. C. MacKINNON: It was worth all of seven.

The Hon. D. W. COOLEY: Perhaps I will get 10 out of 10 for reminding him that there was an association of building societies.

The Hon. G. C. MacKINNON: But Mr Claughton was talking about home owners.

The Hon. D. W. COOLEY: I know that. I was reverting to the point I made concerning subclause (2) (a). I do not know whether the association of building societies still exists, but it was very active a couple of years ago, when it was endeavouring to persuade the Commonwealth Government to reduce interest rates.

The Hon. G. C. MacKINNON: I can tell you from where it is expected these people will be chosen, if it is of any help to you.

The Hon. D. W. COOLEY: It is all very well to indicate what the Minister intends, but Ministers change and a different Minister may have a different political view.

The Hon. G. C. MacKINNON: Serious consideration will be given to two from permanent building societies and one from terminating building societies to give a good balance.

The Hon. R. F. CLAUGHTON: I take it that with regard to paragraph (b) which concerns reserves and liquidity amounts which must be set aside, someone with experience in that field would be the kind of person to be chosen—

The Hon. G. C. MacKINNON: Hopefully.

The Hon. R. F. CLAUGHTON: —because obviously he would have the background to advise the committee.

The Hon. G. C. MacKINNON: Yes.

Clause put and passed.

Clause 12: Functions of the Advisory Committee—

The Hon. R. F. CLAUGHTON: Paragraph (e) refers to functions as may be prescribed. If such functions are capable of being prescribed it means they will be set down in regulations or by-laws. Therefore, why not stipulate them in the Bill itself so that we know precisely what the functions will be?

The Hon. G. C. MacKINNON: That is a good question. The reason is that while we could lay down all the necessary rules to set the conditions as at August, 1976, the advisory committee will advise on matters as the situation changes. If we stipulate functions to meet present conditions, they will work now, but if those conditions change, the Minister must be in a position to act quickly to ensure the market conditions meet the changing demands of the public.

The Hon. R. F. CLAUGHTON: I can only say that that is so much waffle.

The Hon. G. C. MacKINNON: It is not waffle; it is a factual statement.

The Hon. R. F. CLAUGHTON: I am afraid it is waffle. It is expected that the organisation may find it necessary to react fairly quickly to changing conditions, but we are not now dealing with the day-to-day running of the organisation, but the functions which the committee will carry out. The committee members will not be the people in the field actually doing the borrowing and lending. Those functions will be carried out by the societies.

The committee will be required to meet at least bimonthly. Therefore there will be no necessity for its functions to be changed quickly. The committee's functions as stipulated in paragraphs (a) to (d) are quite clear. However, if paragraph (e) is designed to cover important functions of the advisory committee we are entitled to know what they will be. We should not have such an open-ended provision as is contained in paragraph (e). I hope the Minister will agree that the functions of the committee are something which should be considered by Parliament itself and if it is found necessary at some future date to alter the functions of the committee, then the legislation can be brought to Parliament for amendment. Surely if the scope of the committee is to be broadened, the extent to which the scope will be broadened should be stipulated in the legislation itself. It is not the intention that the advisory committee should act quickly. I therefore hope the Minister will reconsider paragraph (e) and include any other functions the committee will be asked to perform instead of leaving this open-ended provision.

Clause put and passed.

Clause 13 put and passed.

Clause 14: Formation of a society—

The Hon. R. F. CLAUGHTON: This clause stipulates the conditions governing the formation of a society.

The Hon. G. C. MacKinnon: Incidentally, clause 15 deals with registration.

The Hon. R. F. CLAUGHTON: I will talk about that when we come to that clause. The legislation does not indicate the minimum number of persons required to form a society.

Subclause (1) simply says a society may be formed by not less than the prescribed number of natural persons. That indicates that the Government has in mind what the minimum number is to be and it should not be impossible for the Minister to state what it is, and also to indicate under what conditions the lowering of the number may take place. It may be related to the funds available—

The Hon. G. C. MacKinnon: That is right—the size of the society.

The Hon. R. F. CLAUGHTON: —or the number of shares which can be obtained. I see here it will be possible for corporate

bodies to become a so-called co-operative building society. One or two people with the funds available could organise a few other stooges to act as a front and there would be a group with the funds necessary to start a society.

I think the number should be laid down, and if the number may be lower than the number laid down in the legislation it should be stated under what conditions such a process may take place. In another portion of this legislation the Government sets a figure and then says it may be varied by prescription from time to time. The Government does one thing in relation to that provision but something different in relation to this one. I think for the protection of the community a minimum number should be set down and followed quite clearly by the conditions under which that number could be lowered.

I can see no good reason why differing numbers of persons should be necessary in different situations. It is difficult to envisage what the different situations may be. If the number is to be 20 persons, let that be the minimum number with which any society can be formed, and not have 20 for one group and 10 or something less for another. Only one minimum number should be involved and it should be determined on a rational basis.

Nothing has been indicated in the Minister's speech about that particular aspect. Again, I am not familiar with the existing legislation and I do not know whether it contains a provision similar to this one or whether it stipulates a set number. I cannot see any sound reason for not including a provision setting down the minimum number in the legislation and for the inclusion of a provision where the number is prescribed from time to time.

The Hon. G. C. MacKinnon: What we are listening to is not a reasoned argument. We are listening to the performance of a little boy who is going home with his football. He is determined that because I was unable, regretfully, to delay the Committee stage of this Bill he will talk a great amount of rubbish to keep us here as long as possible and give us all a tedious time. Let us brighten it up.

I think in the honourable member's last speech he said in about eight different ways that he thought we should specify in the Statute the minimum number of people who could start a building society—whether a small terminating building society could be started at Busselton and a great big new one like Town & Country in Perth. That is absurd. I think the clause should stand as it is.

The Hon. R. F. CLAUGHTON: Very grudgingly and with very heavy sarcasm, we get a little information—

The Hon. G. C. MacKinnon: Do not talk rot. You have only to talk for another 25 minutes.

The Hon. R. F. CLAUGHTON: —but not a great deal. The Minister has indicated that the minimum number may vary—

The Hon. G. C. MacKinnon: I told you that by interjection a quarter of an hour ago.

The Hon. R. F. CLAUGHTON: —according to whether it is a permanent or a terminating building society.

The Hon. G. C. MacKinnon: You asked whether that was correct and I said "Yes."

The Hon. R. F. CLAUGHTON: The Minister is becoming confused.

The Hon. G. C. MacKinnon: I am becoming bored; I do not know about confused.

The Hon. R. F. CLAUGHTON: The Minister is obviously determined to concede as little as possible to grace this Chamber with any kind of importance. As I said in speaking to clause 1, he is treating this Chamber with contempt and I do not think it deserves that.

The Hon. G. E. Masters: I am sure that is not his intention at all.

The Hon. R. F. CLAUGHTON: One would hope not but it is difficult to draw any other conclusion from what the Minister has said.

The Hon. G. C. MacKinnon: I think everyone else has drawn his own conclusion.

The Hon. R. F. CLAUGHTON: I indicated in my second reading speech that I regarded this as an important piece of legislation which deserved to be treated very carefully. This is one of the matters I believe should be clarified. The Minister could assist a great deal by making his information far more exact and informative so that it is recorded in *Hansard* for us and anyone else who wants to read the debate to find out the reasons why a thing was done. But the Minister is obviously determined that the members here today will not have it, nor anyone else in the future. He is not prepared to make the information available.

The Hon. G. C. MacKinnon: Intelligent questions get intelligent answers.

The Hon. R. F. CLAUGHTON: It is a relatively minor part of the whole legislation but it is obviously necessary to work very hard with the Minister in order to extract information. This should not be necessary. I regret I have to get up on my feet again.

The Hon. V. J. Ferry: So do we.

The Hon. R. F. CLAUGHTON: I think the Minister could give the information more precisely. He has in front of him the explanatory notes covering all the clauses of the Bill and had he read them we might have been satisfied.

The Hon. G. C. MacKinnon: I will read them but I bet the honourable member will find some reason to grizzle. The notes state—

Formation of a society is not inconsistent with provisions in the present Act.

Subclause (1) provides for initial members not to be less than the prescribed number of natural persons for either permanent or terminating societies.

Subclause (2) makes it mandatory for a formation meeting to be held with a prescribed number of persons. It cannot be held with any lesser number. To continue—

The formation meeting must be presented with a statement showing the objects of the society, reasons for believing the society will be successful, and a copy of the proposed rules of the planned society.

Subclause (4) states that at a formation meeting the rules may be approved and foundation directors elected.

The Hon. R. F. CLAUGHTON: When I first spoke on this clause I said I had not had time to check with the existing legislation and that this provision might be precisely the same as the provision in the existing Act. Had the Minister said that in reply, I believe I would have been satisfied.

The Hon. G. C. MacKinnon: Well, sit down and let us get on.

The Hon. R. F. CLAUGHTON: It has obviously not been a problem up to this stage so I will not contest the clause any further.

Clause put and passed.

Clause 15: Registration and incorporation, etc.—

The Hon. R. F. CLAUGHTON: Under subclause (2) of this clause there is no penalty for noncompliance. I made a note of this when reading the Bill. The miscellaneous part of the Bill contains certain provisions and perhaps noncompliance under this clause is covered by later clauses of the Bill.

Clause 15 deals with applications for registration and says an application must be made within two months of the formation of the society. If that is not done there must be some process by which the registrar is able to enforce this provision.

The Hon. G. C. MacKinnon: There are general penalties, and specific penalties in different places. The ideal penalty is that the registrar does not register the society or withdraws the registration.

The Hon. R. F. CLAUGHTON: What happens at that stage? They have gone ahead and brought in their \$1 million, which has been accumulated or subscribed

for the purpose of forming a building society. The group is holding the money and I imagine the subscribers would be expecting the society to be registered under the provisions of this legislation. If there is any delay, what recourse do they have? The principals involved can say, "We have not applied to the registrar to have the company registered. We are naughty boys but we will get around to it in time." In the meantime they continue to hold the subscribers' cash. There may be a general provision but I cannot pick it up.

At this stage I am quite happy to leave the matter for the Minister to check it and reply in the third reading stage.

Clause put and passed.

Clause 16: Receipt to operate as re-conveyance—

The Hon. R. F. CLAUGHTON: I must confess that I have missed moving the proposed amendment to clause 12. This clause is a provision, I take it, to smooth transfers where a property has been sold with the existing mortgage on it, and it enables the mortgage to flow across to the purchaser.

The Hon. G. C. MacKinnon: It was retained from the original Act on the recommendation of the Commissioner of Titles.

The Hon. R. F. CLAUGHTON: The Minister has answered my query.

Clause put and passed.

Clauses 17 to 25 put and passed.

Progress

Progress reported and leave given to sit again, on motion by the Hon. G. C. MacKinnon (Minister for Education).

ADJOURNMENT OF THE HOUSE

THE HON. N. McNEILL (Lower West—Minister for Justice) [5.47 p.m.]: I move—

That the House do now adjourn.

MIDLAND TECHNICAL SCHOOL

Advisory Committee

THE HON. Lyla ELLIOTT (North-East Metropolitan) [5.48 p.m.]: I apologise for delaying members, and I do not intend to take a great deal of time. However, there is a matter I wish to raise which has caused me some concern and which I believe should be aired in this Chamber. Recently I was informed by correspondence from the Principal of the Midland Technical School that the nominations of Mr Jack Skidmore and myself for membership of the Midland Technical School advisory committee had been rejected by the Minister. Apparently no reason was given.

I was not satisfied with that; I felt it was a reflection upon myself. Therefore, I sought a reason from the Minister for Education in this Chamber. I asked a number of questions, and had I received

reasonable answers I would not be standing here at this moment. I believe the answers were not reasonable; in fact I believe they amount to evasion, inaccuracy, and a certain degree of arrogance.

The Hon. G. C. MacKinnon: Dear, oh, dear.

The Hon. Lyla ELLIOTT: Already we have the sneering attitude of the Minister. I asked the Minister in a question on notice yesterday to advise under what regulations appointments are made to technical school advisory committees. The Minister replied that appointments are made under Education Department regulations Nos. 253 and 257. I thought that was fair enough, and I obtained a copy of the regulations and looked to see if they contain anything which would preclude me from being a member of the committee.

The first thing I found was that the answer the Minister gave was incorrect, because regulation 253 does not apply to technical school advisory committees, but to committees to advise the Director of Technical Education on specific courses or related courses of instruction. In actual fact the three regulations which apply are Nos. 256, 257, and 258.

Regulation 256 deals with the establishment of the committee, and regulation 257 deals with the composition and says there shall be no more than 15 persons who shall be appointed for a period of two years and who shall be eligible for reappointment, etc. It contains no reference to specific qualifications for committee members.

Regulation 258 refers to the fact that members of the advisory committee shall act in an honorary capacity, etc. The second question I asked the Minister was as follows—

- (2) How many members are permitted to be appointed to such committees under the regulation?

The Minister replied that the regulations permit a maximum of 15 members, and that is correct. The next part of my question was as follows—

- (3) How many members are now appointed to the Midland Technical School Advisory Committee?

The Minister answered, "Eleven." Again he is not correct; the actual number nominated for membership was 12, but as two were rejected by the Minister we now have only 10. My fourth question was as follows—

- (4) What criteria are used to determine the suitability of nominees for such committees?

The answer given by the Minister for Education was —

- (4) The Principal of the school or college submits to the Director of Technical Education the names of persons considered by him to suitably represent the community

within which the school is situated. He is required to have regard for two factors—

- (a) that the industry and community generally is well represented;
- (b) that the nominees, in his opinion, will make a contribution to the affairs of the committee.

If the Director approves of the principal's nominations, he submits these names through the Director-General of Education for the Minister's approval.

Although that may be common sense, there is nothing in the regulations that says it has to be done. Normally the principal does make recommendations to the director, and he forwards a little biographical detail in respect of each person he recommends. As the answer to the question indicates, the principal submits nominees who in his opinion will make a contribution to the affairs of the committee. I agree that this should properly be on the recommendation of the principal.

Surely the principal of a technical school could be looked upon as a man of integrity and common sense, and he would not nominate people if he felt they would not make a contribution to the work of the committee and to the school, generally.

When the decision was made by the Minister to reject Mr Skidmore and myself, the principal of the school (Mr Lynch) advised us of that fact. We also had a copy of his letter which indicated the names and biographical details of the persons he submitted as his recommendations for the committee. In respect of the qualifications of each of those persons he certainly should know better than either the Director of Technical Education, or the Minister for Education. I have just noticed some evidence of this, because one of the names forwarded was that of Councillor Humphrey of the Mundaring Shire. When the Minister replied he said that amongst the 10 nominations that were accepted was a Mr Humphrey. In fact she is Mrs Humphrey; so the Minister did not know much about the people concerned, apart from the information contained in the recommendations forwarded by the principal in good faith.

As in reply to part (4) of my question the Minister stated that if the director approves of the principal's nominations he submits the names for the Minister's approval through the Director-General of Education, I thought perhaps the Minister was not responsible for the rejection, and that perhaps for some reason best known to himself the Director of Technical Education decided he would not pass the names on to the Minister.

Therefore, I asked a further question today, as follows—

Further to my question of the 18th August, 1976, concerning the membership of the Midland Technical School Advisory Committee—

- (a) did the Director of Technical Education approve the nominations for the committee submitted by the Principal of the Midland Technical School; and
- (b) if not, to which names did he object?

The reply I received to that was rather insulting to the intelligence. The Minister was obviously evading the issue, because he replied as follows—

I am unaware of the nature of any discussion which may have taken place between the Director and the Principal on this matter.

He knows full well that the reason I asked the question was so that he could indicate whether the director had objected to any of the names. Obviously he did send them all forward, and the Minister simply evaded the question because he was responsible for rejecting nominations. Referring back to the question I asked yesterday, the next part was as follows—

- (5) For what reason was my nomination to the Midland Technical School Advisory Committee rejected by the Minister?

I referred earlier to the fact that I think some of the answers given were arrogant, and I believe this one definitely is. The Minister said, "It is considered that no reason need be given."

I take this rejection of nomination as a reflection upon my integrity or my ability to contribute to the committee. If my integrity and my ability are in question, I believe I am entitled to know why, and not to be treated with contempt by the Minister. He also treated the member for Swan in the same way when he sought similar information. The previous member for Swan (Mr Brady) was a member of the advisory committee for something like 30 years, and he made a wonderful contribution to it. Mr Skidmore replaced Mr Brady when the latter retired, and he too has served well on the committee.

I believe I have made a contribution, too. I have been a member of the committee for about four years, and I am keenly interested in the development and the welfare of the school.

Now we find the committee does not have on it a member of Parliament representing the area in which the school is located. I know Mr MacKinnon will probably say, "There is a member of Parliament on the committee", but I repeat what I just said: the school is in the electorate of Swan, and while I am happy to see Mr Moiler on the committee, I think it is

unreasonable of the Minister to reject both Mr Skidmore and myself, who represent the area.

From meeting a great many of the people whom I represent and who attend the school I have got to know their needs and the sort of things that they wish for the school. I cannot see why it is considered unreasonable for a member, particularly a woman who is interested in women's affairs, to sit on the committee. If the Minister is going to suggest that I have had a run of about four years, that that is enough and I should give somebody else a turn, I would say that other members who have been reappointed have also been on the committee for some years. The next question I asked was—

On what previous occasion was a nomination for the advisory committee rejected by any Minister for Education?

The Minister replied—

Not known.

Obviously there has never been a rejection of any nomination on any previous occasion.

The Hon. G. C. MacKinnon: That is absurd. How can you know?

The Hon. LYLIA ELLIOTT: If it is absurd, why has not the Minister produced any evidence of it?

The Hon. G. C. MacKinnon: A Minister sits in his office and says, "I am not having him and I am not having him." But he does not write it down.

The Hon. LYLIA ELLIOTT: In other words, Mr MacKinnon is saying that the Minister acts like God and that he is entitled to reject anybody with a wave of his hand without any justification. I do not think that is good enough. He has not demonstrated that he has rejected the nominations because of anything in the regulations. He has not told me that my qualifications or integrity are the reason for not being accepted and he has not said that the director has recommended against the nomination. All I can assume is that the Minister is playing petty party politics. I strongly object to his action.

THE HON. G. C. MacKINNON (South-West—Minister for Education) [6.03 p.m.]: I suppose there is some truth in what the honourable member has said. There were three Labor members of Parliament on one little committee. I took two off. It is as simple as that. At the time I gave no cognisance whatsoever to the fact that one of the members had a spouse working for the organisation. That did not enter into it. It could have done, but it did not. I can find no other committee in this State that has a multiplicity of members of Parliament on it. Therefore, I thought one was sufficient and I took two off. It is as simple as that.

THE HON. R. F. CLAUGHTON (North Metropolitan) [6.04 p.m.]: I think the Minister's action was most objectionable in that he had no reason to remove those people from the committee other than that they were of the same political party.

The Hon. G. C. MacKinnon: Members of Parliament. I would have taken them off if they had been Liberals.

The Hon. R. F. CLAUGHTON: He had no thought apparently for what that may mean to the school itself and the good work that that council may do. It did not seem to enter his head at all that those two members may have been contributing the most and that their loss could be extremely serious for the council. This is one of the worst examples of high-handed and arrogant action of a Minister in this State, and I think the State is a lot worse off because of that sort of thing.

The Hon. D. J. Wordsworth: That is the worst you can find?

The Hon. R. F. CLAUGHTON: It would not be possible for Mr Wordsworth to think of more serious charges couched in strong enough language without making the situation any more lurid. This was a very unwise and unnecessary action and can be seen only as high handed and arrogant.

The Hon. N. McNeill: I suggest you research what your own Government may have done.

Question put and passed.

House adjourned at 6.06 p.m.

Legislative Assembly

Thursday, the 19th August, 1976

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

QUESTIONS ON NOTICE

Postponement

THE SPEAKER (Mr Hutchinson): I would like to make the usual announcement that I propose to take questions at an appropriate time after the afternoon tea suspension.

BILLS (2): INTRODUCTION AND FIRST READING

1. Racecourse Development Bill.

Bill introduced, on motion by Mr O'Connor (Minister for Police), and read a first time.

2. Taxi-cars (Co-ordination and Control) Act Amendment Bill (No. 2).

Bill introduced, on motion by Mr O'Connor (Minister for Transport), and read a first time.