

The Government has reached its decision on the form of inquiry for the following reasons:—

- (a) It has been requested by the Aborigines themselves.
- (b) The Government believes it is exercising a proper responsibility towards the necessity and the right of the Aborigines themselves to be consulted in such matters.

The Government appreciates the sincerity of the member for Narrogin in proposing the appointment of a Select Committee. Indeed, it is grateful to him for focusing attention on the matter at this time as it was already under consideration by the Government.

Members will be aware that before taking office the Government indicated that if elected it would merge the Native Welfare Department and the Child Welfare Department for the purpose of providing a department to render welfare to the total community where necessary. At the same time, special provision was to be retained for long-term planning for the welfare of Aborigines.

Parliament has endorsed this concept, and we now have the Community Welfare Act and the Aboriginal Affairs Planning Authority Act on the Statute book and in a very short time we hope this House will pass the Aboriginal Heritage Bill. The Aboriginal Heritage Bill may be regarded as companion legislation, although not necessarily part and parcel of the welfare concept.

Sir David Brand: How long will it be before you are able to appoint a commissioner?

Mr. T. D. EVANS: I trust that an early announcement will be made by the Premier or the Minister for Community Welfare.

For the reasons I have stated, I believe that the Government's decision to appoint a Royal Commission is more appropriate than the form of inquiry proposed by this motion. In the light of the Government's decision, I hope that the member for Narrogin will see fit at a later stage, or at this stage, to indicate that he is prepared to withdraw the motion. Because of its decision, the Government has no option but to oppose the motion now before the House.

Sir David Brand: The member for Narrogin may make a good commissioner.

Debate adjourned, on motion by Mr. McPharlin.

*House adjourned at 11.19 p.m.*

## Legislative Council

Thursday, the 7th September, 1972

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 2.30 p.m., and read prayers.

### QUESTION WITHOUT NOTICE

#### TRADES HALL BUILDING PROJECT

##### *Government Guarantee*

The Hon. F. D. WILLMOTT, to the Leader of the House:

What is the source of the loan amounting to \$1,900,000 which is to be guaranteed by the Government for redevelopment and building at the Trades Hall site in Beaufort Street?

The Hon. W. F. WILLESEE replied: The honourable member was good enough to give me notice of this question the answer to which is as follows:—

The information is of a private nature and therefore the question is inadmissible.

The Hon. A. F. Griffith: Private nature?

##### *Point of Order*

The Hon. G. C. MacKINNON: The question asked by Mr. Willmott touches on a loan to assist the Trades Hall—the A.L.P.—to erect a building. The Government has admitted it will guarantee \$1,900,000 to this organisation. The guarantee, of course, imposes liability upon public funds to the extent of \$1,900,000 if a certain situation arises; in other words, if Trades Hall Inc. collapses and is unable to pay its debts.

In view of this fact, would you not agree with me, Sir, that the action of the Government has automatically made the information requested by Mr. Willmott a matter of public concern, and legitimately a subject on which the public should be informed, through this House, and specifically through the question asked by Mr. Willmott?

##### *President's Ruling*

The PRESIDENT: In my opinion the question asked by Mr. Willmott is indeed of public interest and especially of great interest to this House; but the manner in which it is answered is entirely in the hands of the Minister. If he does not give a satisfactory answer, it is not within my province to do anything about it.

The Hon. G. C. MacKINNON: I gather that you, Mr. President, agree with my contention that it is a proper subject for a question.

The PRESIDENT: I do not think there is any doubt about it myself. I have ruled on this question of a guarantee before on a medical Bill.

The Hon. G. C. MacKinnon: I believed you did, Sir, and that is what put the thought into my mind.

## QUESTIONS ON NOTICE

### *Postponement*

**THE HON. W. F. WILLESEE** (North-East Metropolitan—Leader of the House) [2.42 p.m.]: I seek leave of the House to deal with questions at a later stage of the sitting.

The PRESIDENT: Leave granted.

## PERTH REGIONAL RAILWAY BILL

### *Cost Estimates: Ministerial Statement*

**THE HON. J. DOLAN** (South-East Metropolitan—Minister for Railways) [2.43 p.m.]: I seek leave of the House to make a ministerial statement.

The PRESIDENT: Leave granted.

The Hon. J. DOLAN: Yesterday I inadvertently issued a sheet containing estimates under the Perth Regional Railway Bill. This sheet was taken from estimates prepared many months ago and bears no relationship to figures I quoted in my second reading speech.

Copies have now been made of the sheet prepared last week by one of my chief officers, and I have them with me now. The mistake occurred because the two sheets were together and I took the wrong one to be copied.

I have always tried to act honestly and fairly in the House and the snigger of a member or two does not worry me.

The Hon. G. C. MacKinnon: It was merely a nervous reaction.

The Hon. J. DOLAN: I ask permission to recall the sheets I issued yesterday and distribute to each member the sheet it was intended should be issued.

I regret deeply what has occurred, and I have asked the Leader of the House to keep the Bill down on the notice paper until members have had full opportunity to study the correct sheet. I ask accordingly.

The PRESIDENT: Order of the day No. 1.

### *Point of Order*

The Hon. A. F. GRIFFITH: The Minister has asked that a document he circulated to the House yesterday afternoon—and he used the expression “inadvertently”—be withdrawn. I do not know how we achieve this. The document is not included in *Hansard*, but was circulated for the information of members. Whether it was circulated inadvertently or otherwise, I do not think there is any means by which it

can be withdrawn from the mind or knowledge of members and I think, with respect, that you, Sir, should make that clear. In other words, during the continuance of the debate if members want to refer to the document circulated by the Minister, they would be free to do so. Something which has been circulated for the information of members cannot be withdrawn.

### *President's Ruling*

The PRESIDENT: I thank the Leader of the Opposition for drawing my attention to the point which is very important. I would say that without the concurrence of the House the matter cannot be withdrawn. Unless the Minister wishes to press the subject and ask me to put it to the vote, I propose to let the matter rest there and members may refer to the information.

The Hon. J. DOLAN: All I ask members to do is to disregard it if possible.

The Hon. G. C. MacKinnon: That is better.

The Hon. J. DOLAN: If they do not, it does not matter.

## BILLS (7): THIRD READING

1. Alumina Refinery Agreement Act Amendment Bill.

2. Alumina Refinery (Pinjarra) Agreement Act Amendment Bill.

Bills read a third time, on motions by The Hon. W. F. Willesee (Leader of the House), and passed.

3. Transport Commission Act Amendment Bill.

Bill read a third time, on motion by The Hon. J. Dolan (Minister for Transport), and transmitted to the Assembly.

4. Mental Health Act Amendment Bill.

5. Auctioneers Act Amendment Bill.

6. Noxious Weeds Act Amendment Bill.

7. War Service Land Settlement Scheme Act Amendment Bill.

Bills read a third time, on motions by The Hon. W. F. Willesee (Leader of the House), and passed.

## ABORIGINAL HERITAGE BILL

### *Returned*

Bill returned from the Assembly with amendments.

## WESTERN AUSTRALIAN PRODUCTS SYMBOL BILL

### *Assembly's Message*

Message from the Assembly received and read notifying that it had disagreed to amendments Nos. 1 to 4 made by the Council.

## LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 2)

### *Assembly's Message*

Message from the Assembly received and read notifying that it had rejected the Local Government Act Amendment Bill (No. 2).

## RACING RESTRICTION ACT AMENDMENT BILL

### *Second Reading*

**THE HON. R. H. C. STUBBS** (South-East—Chief Secretary) [2.54 p.m.] : I move—

That the Bill be now read a second time.

The sole purpose of this relatively simple Bill is to amend the Racing Restriction Act No. 11 of 1917 in order to increase the number of permissible trotting meetings that can be held in the metropolitan area during a year.

I feel the average person in the street is not even aware that the number of metropolitan race and trotting meetings is restricted, or that it is possible for many more metropolitan race meetings to be held than metropolitan trotting meetings.

In the Racing Restriction Act the Western Australian Turf Club and the Western Australian Trotting Association are the only bodies that can authorise the holding of a race meeting or trot meeting respectively, and this authorisation must be conveyed in the form of a license given in writing.

As the law now stands, it is possible for the W.A.T.C. to grant licenses for some 76 meetings in a year to be held in the metropolitan area whilst by obtaining the Treasurer's permission it can authorise five charity meetings. I feel, however, I should mention that the turf club never uses the permissible number.

On the other hand the W.A.T.A. is bound to 35 meetings outside the Fremantle area, plus five charity meetings, whilst 10 more meetings and two charity meetings can be held inside the Fremantle district.

This reveals a big discrepancy and the Western Australian Trotting Association claims, with what I feel is a great degree of justification, that the number of meetings granted by law is not sufficient for it to carry out its programme.

There is no doubt that trotting has made great strides since the Act was brought down and one could mention for instance that whereas there were only 129 registered horses in 1917, the total is now in excess of 600. Attendances have grown; some 1,000 people are employed on race nights; and the figures show that there are 442 trainers, 387 metropolitan drivers, 221 country drivers, and over 1,000 owners.

Although the Bill seeks to increase the number of trotting meetings it still does not give the W.A.T.A. the same number as the W.A.T.C. has, but I am assured by the Trotting Association that the amendment that allows for 49 meetings outside the Fremantle district and 14 within the Fremantle district, plus five charity meetings outside the Fremantle area and two within it, will be sufficient for its needs. I therefore commend the Bill to the House.

Debate adjourned, on motion by The Hon. N. E. Baxter.

## STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT BILL

### *Second Reading*

Debate resumed from the 16th August.

**THE HON. G. C. MacKINNON** (Lower West) [2.58 p.m.] : This is one Bill on which I feel there is no need to go back over some 16 or 17 years to look at what I said on previous occasions when the question of the State Government Insurance Office has been before this House. It is a measure on which there are fairly clear-cut divisions of opinion. It is also a measure on which one's opinion is not likely to change.

I was somewhat fascinated when I read an answer given by Mr. Taylor to a question asked by Mr. O'Neil, in which the Minister said in part that he was fairly sure the Bill would succeed on this occasion. I shall now quote—

As the Bill will now be debated there—

He was referring to this House. To continue—

—and voted upon completely on its merits and not from the point of view of party ideology, I am most confident of its passage.

I do not know how a Bill of this nature could possibly be debated without some impact on party ideology because, surely in the minds of people debating the measure, this, in fact, reflects upon the merits or otherwise of the Bill.

If one were to be brutal one could say this is opposed to one's policy or that it does not favour the policy one supports, and that is all there is to it. In my case I would say it was opposed to the policy in which I wholeheartedly believe; that it is a matter of basic principle and, therefore, I am opposed to the Bill and feel that further discussion on it is unwarranted.

One could think of a number of such possibilities that could arise as they relate to people of varying beliefs in which discussion may be comparatively unwarranted. However I do not intend to deal with the Bill on that basis; I intend to

discuss it much more fully, because I believe, particularly in the handling of moneys of insurance companies, it is tremendously important that Governments should not become involved to any great extent.

I think this applies more particularly in regard to insurance and more especially in the case of a State insurance office. I do not believe in the efficacy of such a principle, and I hasten to add that my remark is not meant to be a reflection on the efficiency of the State Government Insurance Office.

I just do not believe it is one of those areas in which the Government has a necessity to engage. I could understand and, indeed, I would agree to Government intervention in business activities which might normally be expected to be the province of private enterprise. I say that even as a member of the Liberal Party. If, for example, there were to develop all of a sudden a situation arising from which a particular class of factory were required in which private enterprise was not interested in participating, in such circumstances a Liberal Government may well believe it would be unwise to make it a monopoly concern of one company; that it should engage in this activity for a period of time until there was room for two companies. Let us imagine the type of business involved is a form of activity in which there is a fair amount of interest and a fairly well guaranteed turnover. In such a case a Liberal Government would probably take the action I have suggested; this would be an occasion when a Government might interpose in a business activity.

I hasten to disabuse the mind of anybody who may think that this is an original idea of mine, and I would point out that I am quoting the policy of the Labor Party in New Zealand; a party which is a little more right-wing than is the Labor Government in Australia. It believes that even a socialist Government—and it calls itself a socialist Government—should intervene in businesses only on occasions when there is a monopoly situation in an industry. When there is no monopoly involved, however, and there is the interplay of competition then possibly one company should be sold or, alternatively, there should be no intervention in the first place.

As I said, there are circumstances in which the Government in the interests of the people may intervene. These circumstances, however, do not apply with regard to fire and accident insurance or to life assurance in this State.

Indeed I would go so far as to say that the establishment of a State Government-controlled life office in this State would in fact not give as wide a financial interest

to the people of the State as is now secured by them when they take out a policy with one of the major mutual life offices.

The name "mutual life office" is self-descriptive and I do not intend to expand on it; but these offices are so widespread in their operations that an ordinary person taking a policy with such a company is probably more widely covered. Such a policy would be more in the interests of everyone else in this State than would a policy taken with a newly-established office such as the State Government Insurance Office.

Surely this is so self-evident as not to need additional explanation or elaboration by me. Offices such as the A.M.P. are known to be mutual offices, as are so many others. The few that are not totally mutual are to a very big extent mutual.

When one reads all the words that were said about the Bill in another place one finds that another point arises with regard to the State Government Insurance Office which, I think, should give us cause for concern. I refer, of course, to the possibility of the office being directed in relation to its activities and its subsequent moneys. Those who have read the debate very carefully will know that the Minister in another place constantly used the word and, indeed, he had to be stopped by that much wiser and sharper politician—Mr. J. T. Tonkin—who pointed out that the word he ought to be using was "persuade" and not "direct". Most of this was done by interjection, but it is all there in the record.

So let us not fool ourselves about the fact that Cabinet or the Government has a great interest through its member on this type of institution. No-one can gainsay that.

The Minister in charge of the office made great play about his desire to put the State Government Insurance Office on an equal footing—as far as this was possible—with private enterprise. It was to pay income tax as was paid by private companies and this money was to go into State revenue and not into the Federal revenue. All the other matters that could be thought of would be there in order that no additional advantage would accrue to the State office.

This is all completely and absolutely meaningless. I would like to point out that members here will no doubt recall what happened under the previous Labor Administration, though I do appreciate it happened a long time ago and that since then a number of new members have entered the Chamber. It is also possible that those who have been here for the period of time in question have forgotten what took place.

The Hon. N. McNeill: We have not forgotten everything.

The Hon. G. C. MacKINNON: The honourable member may have forgotten this one little point; though I am sure he has not forgotten the manner in which employment ran down and the way business ground to a halt as a result of work done by the Public Works Department, and so on. This has also taken place while the present Government has been in office.

One matter which I would, however, like to recall is the direction sent out by the previous Labor Government about banking in this State; about the local government and semi-Government instrumentalities who were told where they had to bank. I am sure there are a number of members in this Chamber who would remember that; and I see from the nodding that is going on around the Chamber that they do.

Yet we find the Rural and Industries Bank was set up to operate as a company without being given any undue advantages or privileges. The word, however, went out and at times we found that stand-up fights almost took place. Accordingly the scheme was dropped.

So let us not fool ourselves about direction or persuasion, or whatever we may like to call it. In this connection I would like to mention a little matter which is most interesting, particularly when one considers this point. I now wish to read to the House a question asked in another place by Mr. R. L. Young of the Minister for Housing. I will read it in full. Mr. Young asked in the first part of his question—

- (1) Has he seen a copy of the *Clerks Bulletin* supplement put out by the Federated Clerks Union of Australia, headed "Low Cost Housing" which refers to loans available from the Trades and Labor Council Building Society?

The Minister replied he had not seen that publication. The second part of the question was—

- (2) Is it true that applicants for housing finance from the Trades and Labor Council Building Society must—
  - (a) be financial members of the union;

To that the Minister replied—

It is understood that a condition of obtaining a loan from a Trades and Labor Council Building Society is that the intending borrower be a financial member of a union affiliated with the Trades and Labor Council of Western Australia.

The next part of the question was—

- (b) bank or be prepared to bank at the Rural and Industries Bank of Western Australia;

To which the Minister replied—

Yes. It is normal practice, at present, for any terminating building society, which obtains funds from a bank, to require borrowers to transact their banking business through the bank providing the funds.

That is fair enough; there is absolutely nothing wrong with that. I continue—

- (c) allow the Trades and Labor Council Building Society to arrange insurance on the dwelling?

The Minister replied that this is normal practice. The next part of the question was—

- (3) Does he know to which insurance company the Trades and Labor Council Building Society will direct business referred to in (2) (c)?

The Minister replied, "Yes, the State Government Insurance office." There is nothing wrong with that. If that is the way they wish to do business, that is quite all right. However, that question obviously led to another. The second question was—

- (1) Has the Government persuaded or directed the Rural and Industries Bank and/or the State Government Insurance Office to lend funds to the Trades and Labor Council Building Society?

The Minister replied, "Not to my knowledge." The second part of the question asked—

- (2) What is the total of funds available to the Trades and Labor Council Building Society from—
  - (a) the Rural and Industries Bank;

The answer to that was—

\$400,000 firm for 1972-73. The Registry of Building Societies is unaware of any arrangements beyond this amount.

That is fair enough, because the Rural and Industries Bank is a banking concern and lends money to people. The second part of that question was—

- (b) the State Government Insurance office?

To which the Minister replied—

\$250,000 firm for 1972-73. It is believed similar amounts for each of the succeeding four years are tentatively arranged subject to availability of funds and approval of the investment programme, although no formal advice of such has been given to the registry by the State Government Insurance Office.

Members may say there is nothing wrong with that, but listen to this—

(3) Have either—

(a) the Rural and Industries bank; or

(b) the State Government Insurance Office,

advanced loan funds to any other terminating building society?

The answer to the first part of that was, "Yes" and the answer to the second part was, "No."

Therefore, this is the first occasion that the State Government Insurance Office has advanced money to a terminating building society. I think it is significant that on the first occasion this action was taken the money was virtually advanced to the A.L.P.

The Hon. A. F. Griffith: I thought it might have lent the money to a private organisation.

The Hon. G. C. MacKINNON: No, it was to the T.L.C., and if that organisation is not the closest one can find to an industrial section of a political party, I will eat my hat.

The Hon. A. F. Griffith: I don't want you to do that.

The Hon. G. C. MacKINNON: In any case, there is no hope of my having to eat it.

The Hon. J. Dolan: As an organisation the T.L.C. has no political affiliation with the A.L.P.

The Hon. G. C. MacKINNON: Well, I know the Minister, and he may convince me of that; but I would tell him that he will have hell's own job to convince the people in the streets of Western Australia.

The Hon. J. Dolan: I would not try to.

The Hon. G. C. MacKINNON: I do not blame the Minister for not trying because he would not have a chance in the world of succeeding.

The Hon. A. F. Griffith: He means that you are easier to convince than the people in the street.

The Hon. G. C. MacKINNON: Possibly so; I know the Minister and I trust him because he has told us that he is a trustworthy fellow.

The Hon. R. F. Cloughton: You are doing your best to see that they are not convinced.

The Hon. G. C. MacKINNON: Mr. Cloughton's remark is foolish, because I would not have to raise a finger to do that. I have enough to do without running around unnecessarily. If the Government intends to attempt to persuade the people of Western Australia that there is not a very close association between the T.L.C. and the A.L.P. it would not be necessary for me to raise a finger.

Possibly I would be approached and asked for a comment. I think the only word I could use is the one the Minister used the other night; that is, "bunk." That was the only word Mr. Dolan needed to say the other night, and it is the only word I would need to use if I were approached for a comment. There would be no need to convince people, because this is an open and shut case.

The Hon. A. F. Griffith: It is a wonder you were not told the question was inadmissible because the organisation is of a private nature.

The Hon. G. C. MacKINNON: Yes, I was just about to mention that. Here we have the S.G.I.O. for the first time in its history advancing money to a terminating building society—the Trades and Labor Council Building Society—just after a change of Government. Indeed, Mr. President, you were good enough to give us your guidance and advice in relation to this.

We find that a loan has been advanced to Trades Hall for the re-erection and redevelopment of Trades Hall. The sum of \$1,900,000 was loaned by some mysterious financial institution, and guaranteed by the Government. In the light of what has come to our attention from the question asked by Mr. Young, one is entitled to ask whether that \$1,900,000 also came from the S.G.I.O.

As a result of your guidance, Sir, we now understand the question which was asked is fully admissible. It was previously ruled to refer to information of a private nature and, therefore, inadmissible. We know that answer was given purely and simply in order that we may not be aware of the fact that the money came from the State Government Insurance Office. I am merely pointing out the ways in which Governments can exert pressure upon financial institutions over which they have control.

The Hon. A. F. Griffith: The question was not ruled to be inadmissible, it was said to be inadmissible.

The Hon. G. C. MacKINNON: That is correct. Mr. President's advice to us was clear and unequivocal. The question was claimed to be inadmissible, and one is entitled to wonder whether or not in fact the money came from the S.G.I.O. I think it will be most interesting to find out whether or not it did. I am sure when the question is again asked in whatever form it may be submitted the Government will take note of your advice, Mr. President, and will answer the question.

The Hon. A. F. Griffith: And answer it properly.

The Hon. G. C. MacKINNON: Yes, I suppose we did receive an answer on the first occasion. Anything at all would be an answer. We hope it will be answered

properly when it is again submitted. I am endeavouring to illustrate that it is virtually an impossibility to take an office such as the S.G.I.O. and, by legislative action, place it on the same basis as a private company.

Mind you, Mr. President, this comes back to the ideology and the principles of the parties. The business of the Trades and Labor Council Building Society and all its ramifications illustrates the point made to me by a fellow many years ago. He said, "The fundamental difference between the Labor Party and the Liberal Party is that the Labor Party believes in justice to all and privilege to unionists; the Liberal Party believes in justice to all and privilege to none." That is a wise remark and is well worth contemplating. It has deep philosophical import. The truth of that remark is demonstrated by the fact that a loan of \$1,250,000 over a five-year term has been granted to the Trades and Labor Council Building Society—a terminating society—for the first time ever.

Provided an applicant is a member of a union he can obtain a loan for a house, and I suppose this is fair enough. However, it is the conferring of a privilege to unionists, because after all it is money belonging to the ordinary taxpayers. I have a policy with the S.G.I.O. I had to take this out when I bought a car under hire purchase.

The Hon. A. F. Griffith: You got the money from the Government. I suppose the Government would permit you to take out a policy with some other company.

The Hon. G. C. MacKINNON: I was not given any option, but that is beside the point. It was made pretty clear to me that I should take out a policy with the S.G.I.O.

I now want to deal with another matter which was mentioned in the Minister's speech. I suppose most members have read the little booklet *An Idea Becomes an Institution*. This contains a history of the S.G.I.O. In actual fact this institution operated virtually illegally from 1926 to 1938. Finally a Bill to ratify all the illegalities was introduced, and it passed through both Houses of Parliament. The institution then became a legal and a *bona fide* one; and ever since that time it has operated legally.

I gather the A.L.P. was prepared to run the S.G.I.O. that way initially, because it thought that it would not be successful in getting a Bill passed through Parliament. This tactic worked, because insurance contracts are long-term contracts over many years, and once an institution is established it is very difficult to close it down. However, it was established in that way and it operated with doubtful legality over a long period.

The closure or the disposal of a saw-mill or brickyard is a different matter altogether, because the contracts are short term and they can be carried on. In the case of insurance it is much more difficult to do this, and once established it is difficult to close down an institution.

I notice that the policy of establishing institutions to operate under doubtful legality is still being pursued by the present Government, because we see this being put into operation in the case of the hospitals centralised laundry. Despite the refusal by Parliament to permit the construction of a central laundry the Government is going ahead with the project. One wonders whether the laundry owners will be taking out an injunction against the Government in an effort to prevent it from establishing a central laundry. Anyhow, no-one took out an injunction against the S.G.I.O. at the time.

I must repeat that I have no intention of implying that I have any doubt about the integrity or the efficiency of the S.G.I.O.; however, I do not believe that the extension of its services is necessary, desirable, or in the interests of the community of Western Australia.

Other matters are involved, and these have been mentioned in other places. One concerns life assurance, and I will deal with this matter specifically. An institution as small as the S.G.I.O. cannot by its very nature, quite apart from its being ill suited to do so, undertake activities such as life assurance. Life assurance, by its nature, is a very transportable asset.

We live in times when people are becoming nomadic. People are sometimes transferred in the course of their employment not only within Australia, but to other parts of the world. As we grow older I am sure we find not infrequently that our sons or daughters choose to live thousands of miles away, such has been the ease of travel and the ease of obtaining employment. Unfortunately the ease of obtaining employment does not apply to the same extent in Western Australia at the present time; but nevertheless people have been able to obtain jobs, and they do tend to move about. Looking around this Chamber I can see some members whose children live hundreds of miles away from them. It is not so bad when the children remain in Western Australia, but many of the young people move interstate and overseas.

One argument which ran like a thread through the Minister's speech was that the extension of the activities of the S.G.I.O. will bring more money into the coffers of the State. I think that should not be the absolute and overriding factor. Let us take, for example, the disbursements of money paid in income tax to the States. Indeed, all money which goes to all forms of Government—Federal, State, or local

authority—is the property of the taxpayer. So it is the money of the taxpayer which is being collected by any particular agency of the Government for reimbursement to and on behalf of the taxpayer. So, the argument of additional money coming to the Commonwealth or the State should not be a material aspect with which we should be concerned unduly.

When one deals with a matter such as this, to extend the activities of the S.G.I.O., one is bedevilled by the surfeit of information which comes into one's possession; so, one has to be selective. As I said when I started, all that is needed to be said has been said. To a large extent when one is opposed to this Bill in principle it is because of the difference in party ideology; yet it would be unfair to take this line, so one has to select certain terms to be fair in arguing one's case.

All sorts of red herrings have been drawn across the trail. However, let us look at one aspect of insurance that has been mentioned occasionally in regard to the activities of the S.G.I.O.: that is, the insurance of school children. Proponents of the Bill contend this was a great pioneering effort by the S.G.I.O. I have heard people make such a contention. I am not accusing any member in this Chamber, because I know members would not say anything that was not based on fact.

The fact of the matter is that the Employers Liability Insurance Corporation in 1950 started off the school children's insurance scheme in conjunction with the parents and citizens' associations; and it charged a premium of £1 or \$2 per child per annum. No objection was raised by the Government or the Education Department. In 1954 the S.G.I.O. was allowed into this field of insurance; and knowing nothing about the risk involved it set the premium at 35c. Of course the Employers Liability Insurance Corporation went out of business as a result of that, because no-one would be prepared to pay a premium of £1 when he could get the same cover for 3s 6d.

The company was squeezed out. Today we find the premium that is charged by the S.G.I.O. is infinitely higher than the original 35c. I think it is now over \$2. I am not sure of this, because it is a long time since my children were insured with the S.G.I.O. The premiums are getting pretty high. It has been found that costs have forced them up. However, because of the closed shop enjoyed by the S.G.I.O., nobody has a chance of getting into the business.

This is the sort of thing that is happening and one hears it quoted to the advantage of the S.G.I.O. Of course, it is of no such advantage. The S.G.I.O. was

given a monopoly which enabled it to get out of a mistake caused through its very poor rates.

I would like to draw the attention of the House to one other matter, and again this deals with a point on which I have spent some time. I refer to the fact that one cannot get absolute equality of footing between a Government organisation and a private organisation. I want to mention the Queensland Government Insurance Office. That office is often held up as an example and as a model, and its profit is exhibited.

There is no doubt that the Queensland Government Insurance Office operates effectively but with a little bit of research one finds there is a reason for this. I would like to advise the House that the Queensland office operates effectively only because it sets the premium rates at which all insurance companies in that State must operate. Those rates are set at a level at which a profit is assured. After enjoying all the privileges of a Government department, and the free services flowing from those privileges, at the end of the financial period the Queensland Government Insurance Office determines what bonuses shall be rebated to policy holders. The figure is binding on all companies alike. Of course the private offices, not having enjoyed the privileges and not having escaped certain cost factors, would be considerably handicapped.

Those are the facts of the case and I repeat: One cannot get absolute equality of footing between a Government organisation and a private organisation. That is because of what the Minister in another place referred to as direction, and what the Premier referred to as persuasion.

On Friday, the 25th August, an article appeared in *The West Australian* under the heading, "We are resented, says S.G.I.O. chief." The article was as follows:—

The Australian insurance industry resented the intrusion of the State Government Insurance Office into the general insurance field because it was a non-conformer, the general manager of the S.G.I.O., Mr. M. B. Wills, said yesterday.

He was replying to criticism of the State Government Insurance Act Amendment Bill made by the director of the Perth Chamber of Commerce, Mr. P. Firkins.

It surprised me that *The West Australian* would give the article such a large headline. The letters of the headline are approximately three-eighths of an inch in height, and have a treble-column spread. Of course, private industry resents the S.G.I.O.; why should it not? Private industry resents the S.G.I.O. in exactly the same way that, 15 years ago I think it was, the Elder-Smith steel fabrication



works at Bassendean resented the State Engineering Works. The State Engineering Works were resented because, by direction of the then Premier (Mr. Bert Hawke), it put the Elder-Smith plant out of business. It was necessary to sack approximately 60 married men.

That was achieved by the simple expedient of directing work to the State Engineering Works. Elder-Smith lost the local business and could not operate. It closed down and we lost a very lucrative market in the Philippines for the sale of steel sheds. So one moves from one thing to another, under direction or persuasion; call it what one will.

Of course the State Engineering Works were resented and, of course, the S.G.I.O. would be resented even more so if it moved into the field of life insurance. Life insurance, mainly, is not covered by big companies trading for the profits of some mythical plutocrat from overseas. It is covered mainly by mutual companies and the profit is returned to the people of this country in the form of dividends, bonuses, and the like. The same thing applies to other forms of insurance such as accident and fire. Indeed, with the present position of the insurance industry in this State it might be better to get out of the field of Government insurance operations altogether. However, I have already explained that that is virtually impossible because of the longevity of insurance contracts. For goodness sake! We certainly do not want any expansion.

The A.L.P., by its very nature, thinks it wants Government insurance. I do not know why because it is not even good socialism. All it actually is, of course, is State-owned capitalism. It is certainly not socialism; not as I understood it to be when I studied as a young fellow. The A.L.P. sees it as a means of influencing money, and perhaps it has already done that. I refer to the reply given to a question asked by Mr. Willmott which involved the guarantee of \$1,900,000 for the iniquitous proposition for the building of a new Trades Hall, and a new office for the Health Department.

That is scandalous but, of course, I do not want to get involved in that aspect because you, Mr. Deputy President, will not allow me to do so. As I have said, perhaps the A.L.P. has already used its influence.

So, of course, private companies are resentful of the S.G.I.O. and I do not blame them.

The Hon. L. D. Elliott: Does the honourable member think it was a scandalous situation when the Askin Liberal Government in New South Wales guaranteed a loan to the Trades Hall in Sydney?

The Hon. G. C. MacKINNON: If it did, yes. That is the answer I would give when I am asked a question straight-out like

that. As you allowed the question, Mr. Deputy President, I am sure you will allow me to answer. Whilst I think it is bad enough to allow a guarantee of that nature, I think it is shocking that not only has a guarantee been given which makes it pretty sweet to go ahead with the building, but a second guarantee has also been given.

Money can be picked up around the metropolitan area, with which to build multi-storeyed office blocks, by two methods. It can be picked up by guarantee, or under a guaranteed rental basis. I refer to guaranteed occupancy. We have a situation where both guarantees are given by the same Government.

The Hon. L. D. Elliott: Is the honourable member aware that the previous Liberal Government placed a Government department in Trades Hall?

The Hon. G. C. MacKINNON: I see no objection to that, but I see great objection to a place being financed twice by the Government.

The Hon. A. F. Griffith: I can see the honourable member opposite has made a fair study of this.

The Hon. G. C. MacKINNON: Of course, because she knows it is understandable. When one is faced with this sort of scandal one has to rake up every bit of defence. I am waiting for someone to mention McEwen House in Canberra.

The Hon. L. D. Elliott: That is another one.

The Hon. G. C. MacKINNON: That is right, but here we have a better one. I will be surprised if a ministerial suite is not included because the Government department will take up nearly all of the office space in Trades Hall. Trades Hall will be expanded but the poor unions will have to move out so that more office space is available for a Government department which can afford to pay for it. I guess there will be a 10-year lease.

The Hon. J. Dolan: The honourable member does not really believe that, does he?

The Hon. G. C. MacKINNON: As you are allowing questions, Mr. Deputy President, I trust you will allow me to answer them.

The Hon. A. F. Griffith: Ask Mr. Dolan how long the lease is for.

The Hon. G. C. MacKINNON: That would be inadmissible. I suppose that is private business. The matter we are discussing is not a little tidily thing out at Midland Junction. The top brass of the Public Health Department, the Medical Department, and for all I know the Mental Health Services will be in the Trades Hall building, and all the comings and goings will be observed. I am not saying Mr. Chamberlain will sit down there and

have the modern equivalent of Miss Elliott sitting alongside him with a notebook and pencil.

The Hon. R. Thompson: What do you mean by "modern equivalent"?

The Hon. G. C. MacKINNON: I apologise to Miss Elliott. I meant her replacement.

The Hon. W. F. Willesee: You have made exactly nothing out of nothing in the last ten minutes.

The Hon. G. C. MacKINNON: I am not doing badly. I know how I would feel if I were in that building. I would feel extremely uncomfortable, and I am quite positive that any of the Ministers on the front bench would feel uncomfortable if they and their principal officers were to occupy suites on the top three or four floors of Liberal House or Country Party House.

The Hon. A. F. Griffith: The public must be considered, too.

The Hon. J. Dolan: I have four offices at the moment. I am happy.

The Hon. G. C. MacKINNON: It is very inconvenient.

The Hon. W. F. Willesee: You would not pinpoint me, would you?

The Hon. G. C. MacKINNON: No.

The Hon. A. F. Griffith: We might pinpoint the Minister if he came under government guarantee.

The Hon. G. C. MacKINNON: We have taken sufficient advantage of your kindness, Mr. Deputy President, and I will return to the Bill. You were kind enough to allow Miss Elliott to ask a question, and you were kind enough to allow me to answer it.

The Hon. W. F. Willesee: Inadequately.

The Hon. G. C. MacKINNON: One is under a slight disadvantage because one is conscious of giving the best explanation one can by virtue of your tolerance, Mr. Deputy President; one cannot elaborate as well as one may wish.

The Hon. R. Thompson: He might clamp down on your tolerance, too.

The Hon. G. C. MacKINNON: I did not hear the interjection. It was a bit mumbled.

No doubt a number of members will speak on this measure. From what has been said, I think it is obvious that I have no intention of voting for the second reading of the Bill. I have not gone through the Bill clause by clause because the situation is known to members. The Bill has been lying here for a long time and members have looked at it. There are one or two tidying-up clauses and there are clauses which open the franchise about as wide as possible. Where the money to move into competition in a field

such as this is to come from is anybody's guess as regards both the speech and the Bill.

Without doubt, a number of matters will be taken up by other speakers. They will be expressing their points of view with little or no hope of persuading those on the opposite side because, despite what Mr. Taylor may say, this is fundamentally a matter of party ideology, belief, and conviction in which there is little or no chance of persuasion. I implicitly believe that in the field of insurance it is not to anybody's advantage that the franchise of a State Government office should be extended. I implicitly believe in competition on a completely fair and square basis—not pseudo competition, which is all that could be derived from this sort of measure. Therefore, there must be no doubt in anybody's mind that my colleagues and I intend to oppose the second reading of this Bill.

*Sitting suspended from 3.45 to 4.05 p.m.*

**THE HON. L. A. LOGAN** (Upper West) [4.05 p.m.]: I do not think it is necessary for me to recapitulate what I have said previously in regard to the fate of a measure such as this. Similar Bills have been before this House on prior occasions and I have always opposed them. Therefore, I do not intend to reiterate what I said on those occasions, except to say that I intend to oppose this Bill.

I still hold the philosophy I have outlined in this House previously; that unless private enterprise is unwilling to carry out a service, or its standard of service is such that it proves to be unsatisfactory, I do not believe the Government should interfere with the operations of private enterprise. I have not been told, or asked, by anybody to intervene, nor have I been told that any insurance companies have been unwilling or unable to do the job for which they have a charter. Nobody has informed me that the services rendered by those insurance companies is unsatisfactory. Therefore, I see no reason whatsoever that, under its present charter, the services rendered by the State Government Insurance Office should be extended.

On page 206 of the *Minutes of the Proceedings* of this House one finds the following answer to a question asked on the 16th August, 1972:—

There is no problem and no action is needed in the insurance activities conducted under the State Government Insurance Office Act. Their operations are protected by very adequate reserves in excess of \$7m. and the Office is in very sound financial position to continue to operate for the benefit of the public in its limited field of operations.

Therefore, I stress; to keep the State Government Insurance Office in a solvent position, there is no need for any further

extension of its activities. As part of the answer to the same question, the following appears:—

The area of operations of the S.G.I.O. into which private Companies are encroaching is the Government business conducted through the Fire, Marine & General Insurance Fund.

This is a fund which has been established for the purpose of providing insurance cover for Government property and other interests without the necessity for departments to seek such cover from private insurance companies. In view of that statement, if some of these Government organisations are going outside the S.G.I.O. to obtain insurance cover it must be because they are dissatisfied with the service given by the S.G.I.O.

One would think that all local authorities, operating under a pool, would be satisfied to let the State Government Insurance Office handle all their insurance business, but obviously they are not, because they have decided to opt out of the pool and take their insurance business to a company of their own choosing. It is obvious that institutions such as the University, W.A.I.T., and others are also choosing their own insurance companies. I think this is fair enough. I do not see any reason that they should insure with the S.G.I.O. if they do not wish to do so.

It has been said that by permitting this legislation to pass the S.G.I.O. would not be given any preferential treatment by civil servants canvassing for business for that office. I would remind members that promises given today may not carry much weight in the future. When one tallies up the number of Government officers in the Civil Service, the Teachers' Union, the Police Union, and other such organisations, it is not difficult to visualise what could happen—not necessarily by dictation but by persuasion—if some form of inducement were offered to Government employees to canvass for business for the S.G.I.O. at the agencies they operate throughout the length and breadth of the State. When one visualises that such a situation could occur I find myself saying that there would not be equality between the private insurance companies and the S.G.I.O.

Even now I find that members of the Civil Service Association are procuring portion of their salaries so that such moneys may be paid into credit unions. It would be quite simple to create a chain reaction of this kind by inducing them to procure moneys towards this class of insurance.

Having started on such a course, naturally, because there are so many Government employees throughout the length and breadth of Western Australia, it would not be difficult for them to take on the role

of agents for the S.G.I.O. and so work in competition with those who act as insurance agents for private insurance companies. As a result, the private insurance agent, because of this competition, would find it more difficult to obtain business for his insurance company.

In addition, this would tend to create another form of centralisation, because many of the agents who work for private insurance companies at the moment reside in country areas with their families and, naturally, if the business in which they are engaged is reduced to any extent they will be obliged to join the unemployment pool. Therefore, I do not think it is fair to say that all things would be equal between the operations of the S.G.I.O. and the private insurance companies if this Act were passed, because I do not think there would be a state of equality.

I repeat there is no need for any further extension of the activities of the S.G.I.O., because it is quite solvent and it is operating quite satisfactorily. Therefore, I see no reason that its present franchise should be extended, and I oppose the Bill.

**THE HON. R. F. CLAUGHTON** (North Metropolitan) [4.12 p.m.]: I must confess I am disappointed at the attitude adopted by the two previous speakers. It would seem that they are merely committed to oppose the Bill and are not prepared to consider the advantages that would accrue to the State if they supported it. In my opinion it is a sad reflection on our Parliament that they should adopt such an attitude.

The Hon. G. C. MacKinnon: You are not getting close to reflecting on the votes of members, I hope.

The Hon. R. F. CLAUGHTON: The honourable member who interjected is entitled to draw whatever conclusion he wishes from what I have said.

The Hon. G. C. MacKinnon: I am merely thinking of the Standing Orders.

The Hon. R. F. CLAUGHTON: Mr. MacKinnon said that he was opposed to the Bill on ideological lines. It was as simple as that. It was not a question of the Bill being worth while; he was just not going to support it, because he was opposed to it. It is rather sad that legislation should be dealt with in such a manner.

It is significant, I suppose, that Mr. MacKinnon devoted a substantial portion of his time towards berating the Government's guarantee to the Trades Hall for its rebuilding programme, and the fact that a Government department is investigating the possibility of using portion of the new building for its own activities. It must be an effort for the honourable member to find an argument to put up

against the Bill, because obviously he did not have much else to advance to support the argument he put forward.

The Hon. G. C. MacKinnon: I was merely answering the interjections that you made.

The Hon. R. F. CLAUGHTON: Mr. MacKinnon did not have much else to say. He did refer to the Queensland State Government Insurance Office and the position it holds amongst the life assurance companies in that State. It is significant that the Liberal-Country Party Coalition Government in that State has not sought to restrict the activities of the Queensland State Government Insurance Office.

In fact, the State Government has gained quite substantially from the funds that are made available to it as a result of the operations of the State Government Insurance Office. In this regard I think a sum of \$200,000,000 was mentioned. The annual investments made by the Queensland State Government Insurance Office now exceed \$30,000,000. As members may be interested in the figures, the break up of that amount for 1969-70 is as follows:—

	\$
Local authorities .. ..	3,500,000
Semi-government authorities .. ..	1,500,000
Housing co-operatives .. ..	1,100,000
Loans on policies .. ..	1,100,000
Mortgage loans to Queensland industry .. ..	1,500,000
Property development .. ..	16,000,000
Other .. ..	6,200,000
<b>Total—</b>	<b>\$30,900,000</b>

So it can be seen that considerable benefit accrues to the whole community in Queensland from funds invested by the State Government Insurance Office in that State.

It is also interesting to look at some other figures that may not have been mentioned. The figures I am about to mention are included in the publication *The Australian Financial Conference—Chairman's General Report, 1971-72*.

For the year ended June, 1970, the assets of the life offices exceeded \$5,000,000,000 which is a considerable amount of money. The 98th report of The Colonial Mutual Life Assurance Society Limited—incidentally Mr. Medcalf is listed as a director—reveals that the policy benefits in force amounted to \$4,840,000,000 which is a fantastic amount available to just one company.

The C.M.L. is only one of the companies operating, which indicates the extent of the money invested in this field. Therefore, to suggest that the S.G.I.O. will affect those companies at all is wide of the mark. It is not a realistic argument.

As Mr. Logan said, investment in the fields the S.G.I.O. is now able to handle is exceedingly small in comparison with the funds controlled by the private companies. According to the 1971 report of the S.G.I.O., the premium income for 1970-71 was \$12,745,000, and interest from rents amounted to another \$1,263,000, making a total of \$14,000,000-odd. Therefore, the S.G.I.O. is not to be compared with a company such as the C.M.L.

Investments made since the inception of the S.G.I.O. to the 30th June, 1971 amount to a total of \$28,563,000. Between 1959 and 1970—during the regime of the previous Government—the S.G.I.O. made available for investment over \$17,000,000 of which something like \$6,000,000 went to Government and semigovernment bodies. The Minister in charge of the S.G.I.O. has pointed out that 75 per cent. of the \$5,000,000 which went to local authorities was loaned to country shires.

In addition \$2,600,000 was used for housing loans. Mr. MacKinnon did not mention this fact although he made a great deal of the \$250,000 lent to the T.L.C. Building Society. I have no idea how that amount of money was distributed, or to whom, but in the main those who would have benefited would have been ordinary people and in exactly the same way the T.L.C. would have benefited ordinary people.

It is not of great significance to make a lot of the avenue to which the finance is channelled. It would not be relevant to question, for instance, the funds which life offices make available to their staff at very favourable rates.

The Hon. G. C. MacKinnon: There is a world of difference between what a private company does with its staff and what a Government instrumentality does.

The Hon. R. F. CLAUGHTON: The honourable member himself said that the funds were available as a result of money subscribed by people such as himself and me. I have insurance with several companies and I suppose I could object because my funds are being used for this purpose; but I do not because it does not really have much relevance to this debate. I could just as well object to the fact that I was directed to take out insurance with a certain company. I have a household contents insurance policy with one company and I obtained that quite a few years ago. When I built my home I borrowed money from a building society which directed me to the company with which I was to insure my house. It would have been far more convenient for me to insure with the company with which I already had some insurance.

The Hon. G. C. MacKinnon: If you read my speech you will see that I said I had no objection to this. It is normal practice.

The Hon. R. F. CLAUGHTON: That is right. I am saying that I could object. I do not like that type of direction; but that is a personal view. It is not for me to say whether or not it is right. I am making the point that it does occur.

The Hon. G. C. MacKinnon: So on that point we are in agreement.

The Hon. R. F. CLAUGHTON: The honourable member did not say whether he thought it was right or wrong.

The Hon. G. C. MacKinnon: I said it had nothing to do with the argument.

The Hon. R. F. CLAUGHTON: I am sure that if we looked back on the speech the honourable member made we would find that he seemed to think it was all right. I am not too sure whether this type of direction is right. I believe we could object if the S.G.I.O. directed insurance in this way, whether Government departments or private individuals are involved.

I certainly do not believe that the fears the honourable member has are well founded. He is quite right in saying that what is proposed is not socialism. It is State capitalism. That is quite true. It is also true that the State Government will gain benefits from the measure—just as Queensland and New South Wales gain benefit—because of the funds it will have available to invest in areas where other insurers or investors are unwilling or reluctant to invest.

The Hon. G. C. MacKinnon: Theoretically I guess they would get some benefit if they also took over the Commonwealth Bank; but Chifley tried that and he came a bit of a thud.

The Hon. R. F. CLAUGHTON: Does the honourable member mean nationalise the bank?

The Hon. G. C. MacKinnon: Yes; same difference.

The Hon. R. F. CLAUGHTON: That is quite right. I think the Australian public in general demonstrated that they are not prepared to accept that type of nationalisation, but they do not appear to object to the existence of the Commonwealth Bank, the Rural and Industries Bank, or the two-airline policy where there is a measure of competition with Government trading concerns.

I believe that members of the Opposition should relax their view because the great danger they seem to foresee will not materialise. Under our electoral system Governments are changed at fairly regular intervals—sometimes not as regularly as we would like.

The Hon. G. C. MacKinnon: Be patient. You have only 18 months to go.

The Hon. R. F. CLAUGHTON: Under this system people are able to express their desires regarding the Government,

and at the last election the people of Western Australia did express their desire for a change and I think it is wrong that their will should be frustrated again by the Opposition's objection to this Bill.

The Hon. G. C. MacKinnon: I would like the honourable member to read out the section in the policy speech which announced intention of this change. Mr. Dolan has a copy.

The Hon. R. F. CLAUGHTON: As has been said already, this is certainly not a socialistic measure, but one which the Government sees as benefiting the people. If the measure is rejected by the Chamber the will of the few people who comprise the majority in this House will dictate to the rest of the State. Although in saying this I am expressing my own personal view, I do not think this is right.

The Hon. R. J. L. Williams: Do not speak for me; my electorate did not give the Government a mandate.

The Hon. R. F. CLAUGHTON: I do not really wish to press the point any further.

The Hon. A. F. Griffith: I should like to ask a question. Does the honourable member think it would be perfectly in order if a Liberal Government were to issue a guarantee amounting to \$2,000,000 to build a Liberal Party house? Would that be in order?

The Hon. R. F. CLAUGHTON: There is some confusion in the mind of the Leader of the Opposition on this point.

The Hon. A. F. Griffith: There is no confusion in my mind.

The Hon. R. F. CLAUGHTON: The Government has not issued a guarantee to build a Labor Party house.

The Hon. G. C. MacKinnon: Is it not a Labor Party House?

The PRESIDENT: Order! Will the honourable member please address his remarks to the Chair.

The Hon. A. F. Griffith: That could be convenient for the honourable member at this point of time.

The Hon. R. F. CLAUGHTON: I had not meant to add to that remark.

The Hon. A. F. Griffith: The honourable member does not want to add to it.

The Hon. R. F. CLAUGHTON: One other point on which I wish to comment in relation to this matter is that there seems to be no objection to the number of private companies which are allowed to operate. We do not seem to worry whether this will cut into the business of the existing houses. Many overseas companies have invaded the Australian market.

This has meant, of course, that those companies have funds available for whatever purpose they wish to invest them. This may not necessarily be to the benefit

of Western Australia. I think this is a very important aspect. Whatever funds are invested by the State Government Insurance Office, particularly in an expanded role, would be to the benefit of Western Australia itself. I do not know whether members have not thought of this aspect or whether they deliberately did not mention it. I believe it is extremely important. As I have said, any overseas company can come in, set up a life assurance office in this State, and use the funds in whatever way it wishes, which may not necessarily be in the best interests of the State.

The Hon. G. C. MacKinnon: They can only do this within the framework of the law covering insurance.

The Hon. R. F. CLAUGHTON: That is right, and there is a statutory requirement to direct a portion of their funds. Excepting this, the comments still remain true.

The Hon. G. C. MacKinnon: No, they do not. The companies may wish to do something outside the law but they could not.

The Hon. R. F. CLAUGHTON: Whatever profits accrue to private companies are not paid back to the people of this State unless those people happen to be shareholders. It is quite unrealistic to object to the enlargement of the franchise of the State Government Insurance Office and to permit these things to apply.

At the moment private companies have the availability of Government business. Members of the Opposition have said there is no equalisation as far as the costs to the State Government Insurance Office are concerned. I am not sure of the area to which Opposition members are referring because certainly the State Government Insurance Office is liable for rates and taxes and has to contribute a sum equal to income tax to the State Government. All this has to be accounted for in the costs of the State Government Insurance Office.

I do not really think there is much more I can add. I am disappointed that the Bill is being opposed on ideological grounds. Real benefits would flow to this State from the passing of the measure. As I have said, funds would be invested and this would lead to development in areas where funds are not readily available. The previous Government had an amount of \$3,300,000 available to it for investment in business and industrial projects, some of which was directed to north-west development. Surely this must be admitted to be good for the State. There is still a great deal to be done, particularly in the north of our State. If the Government has funds available and directs them, say, to local authorities for road

works or to port development surely this would be of tremendous benefit to the State.

I hope subsequent speakers will indicate that they will give consideration to the merits of the Bill and not oppose it simply on ideological grounds. I support the Bill.

**THE HON. N. E. BAXTER** (Central) [4.37 p.m.]: The purpose of the Bill is to extend the franchise of the State Government Insurance Office, not only in the general insurance field but also in the field of life assurance.

I was rather surprised at the speech made by Mr. Cloughton. He referred to members who spoke previously and said that they were not prepared to recognise the advantages to the State which would accrue from the provisions in the measure. I waited right through his speech for him to tell us what these great advantages are.

The only thing I could gather from his speech was the amount of money that would come to the Government to finance Government services. I think he also referred to the north-west and other places. Outside of this, he did not outline any advantages that would come to the people of the State generally.

The Hon. R. F. Cloughton: It was not necessary when the Minister had gone over that ground.

The Hon. N. E. BAXTER: The honourable member set out to compare the funds of the State Government Insurance Office with those of a mutual life company, such as the Colonial Mutual Life. I do not think there is any comparison at all.

The Hon. R. F. Cloughton: I did not compare them but I referred to the amount of funds invested.

The Hon. N. E. BAXTER: The honourable member referred to funds and quoted the premium receipts of the State Government Insurance Office for either 1969 or 1970. I think it was 1970. Possibly he did not have the premium receipts of the Colonial Mutual Life Assurance Society Limited.

These are two different organisations. One is a State instrumentality and the other is a mutual company which belongs to the people who invest in its life assurance policies. On those policies they are credited with bonuses. The policies mature at a set date if, say, they are endowment policies, or else they are life policies. The company approves a bonus.

We have been told nothing at all by the Government about this aspect. If the State Government is to extend into the life assurance field we have no idea what is envisaged in the way of policies which that office would make available to the

people of Western Australia. We do not know what is considered a possible percentage bonus to be paid on such policies. We have no idea what the Government would be prepared to do in the field of private lending for housing and other purposes. The mutual life companies and others make such loans not only for houses but also to farmers. No information of this type has been given, but only a bare outline of the intention to extend into the life assurance field.

I do not know whether some members realise what the State Government Insurance Office would be getting into in the field of life assurance. I have a policy book of one mutual company whose name I will not mention. The book is a few years old, but it contains 43 different types of policies. Possibly there are many more today. Some are for superannuation and some for people of various ages ranging down to children. There are also policies for females. It is into this field that the S.G.I.O. wishes to enter.

I do not see how the State Government Insurance Office could compete successfully with mutual companies. Nobody could convince me that people who invest their money in policies with mutual companies will consider investing with the S.G.I.O. on life assurance or endowment policies when they have no idea of possible bonuses or surrender values and how these would compare with those available from private companies which are in the field of life assurance. These are the answers which we do not know.

Mr. Cloughton also said that the people of Western Australia have expressed their will and that if this Chamber refuses to accept the measure we would be going against the wishes of the people of Western Australia. That is a lot of bosh.

At the last election 300 voters in one electorate virtually elected the Government. By no stretch of the imagination can I say that this is the will of the people of Western Australia or that it gave the Government a mandate to introduce this type of legislation.

I think Mr. Cloughton made it clear in his speech that funds invested in the State Government Insurance Office were intended to be used by the State Government. In other words, any margin or profits would go to the State Government. He does not know what this money would be used for. He referred to roads but it could be used for anything. It could go to meet a commitment prior to the availability of loan moneys and it could be used to repay a portion of that loan. There are many things into which the money could go.

The Hon. R. Thompson: It could help C.B.H. with the new works.

The Hon. N. E. BAXTER: It will not necessarily be of great advantage to the people of Western Australia. The honourable member has referred to C.B.H., but how much money has the Government put into that organisation? It has given a guarantee of the moneys which C.B.H. is borrowing.

The Hon. R. Thompson: It is guaranteeing the loan.

The Hon. N. E. BAXTER: This is backed by the farmers of Western Australia, who pay the tolls on their wheat. There is no analogy and no comparison.

The Hon. F. R. White: It has been done with the approval of Parliament.

The Hon. N. E. BAXTER: If I could see any great advantage accruing to Western Australia in the way of investment or anything else, I would go along with the Bill.

I can see no advantage except the addition of a few thousand dollars to the Government's coffers. However when we look at the amount of money which has been expended by this Government as well as its numerous guarantees, we realise this would be an infinitesimal addition to its finances. Let us look at the record of the Government over the 18 months it has been in office. We have had guarantees here and guarantees there, and expenditure here and expenditure there. I hate to think of the job that will lie ahead of the incoming Government after the next election.

The Hon. J. Dolan: That will be a long way away.

The Hon. N. E. BAXTER: The State Government Insurance Office is a State trading concern and I am fearful of the prospects ahead if we extend its franchise. We do not have the scope to extend a State trading agency as proposed in this Bill. I do not agree with the principle of extending the franchise of the S.G.I.O. to include life assurance. People taking out policies with the S.G.I.O. will probably derive fewer benefits than people investing in other companies.

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

#### OLYMPIC GAMES: MUNICH TRAGEDY *Commemorative Church Service*

**THE PRESIDENT:** I wish to take this opportunity to draw the attention of members to the combined church service which is to be held at St. Mary's Cathedral on Sunday next, at 3 p.m., in commemoration of those killed at Munich.

I have been invited to represent the Legislative Council at this service, and we have been asked to advise members that those who wish to take part will be most welcome.

**QUESTIONS (6): ON NOTICE****1. ABATTOIRS***Midland and Robb Jetty: Killing Charges*

The Hon. G. C. MacKinnon for the Hon. G. W. BERRY, to the Leader of the House:

Further to my question on Thursday, the 24th August, 1972, regarding killing charges, what are the internal service charges referred to in the last paragraph of the reply?

The Hon. W. F. WILLESEE replied:

Details of Internal Service Charges are as follows—

The Midland Junction Abattoir Board & W.A. Meat Export Works.

Internal Service Charge—Effective from 1-7-1972.

CATTLE		Local	Export
Invoice Categories		\$ c	\$ c
1. 200 lb and under (minimum)		1.4000 hd	1.0200 hd
2. First 200 lb	....	0.0096 lb	0.0074 lb
3. Next 50 lb	....	0.0025 lb	0.0015 lb
4. Next 200 lb	....	0.0025 lb	0.0015 lb
5. Over 450 lb	....	0.0025 lb	0.0015 lb

CALVES		Local	Export
Invoice Categories		\$ c	\$ c
1. 100 lb and under (minimum)		0.7100 hd	0.5100 hd
2. First 100 lb	....	0.0071 lb	0.0051 lb
3. Next 50 lb	....	0.0025 lb	0.0015 lb
4. Next 50 lb	....	0.0081 lb	0.0015 lb
5. Over 200 lb (maximum)		1.5600 hd	1.1200 hd

SHEEP		Local	Export PM	Export C/ss
Invoice Categories		\$ c	\$ c	\$ c
1. 38 lb and under (minimum)		0.5434 hd	0.1786 hd	0.1178 hd
2. First 40 lb	....	0.0143 lb	0.0047 lb	0.0031 lb
3. Pounds over 40 lb	....	0.0050 lb	0.0031 lb	0.0015 lb

LAMBS		Local	Export	Export
Invoice Categories		\$ c	\$ c	\$ c
1. 28 lb and under	....	0.4116 hd	0.0728 hd	0.0728 hd
2. First 30 lb	....	0.0147 lb	0.0026 lb	0.0026 lb
3. Pounds over 30 lb	....	0.0040 lb	0.0005 lb	0.0005 lb

PIGS		Local	Export
Invoice Categories		\$ c	\$ c
1. 22 lb and under (minimum)		0.2794 hd	0.0968 hd
2. First 22 lb	....	0.0127 lb	0.0044 lb
3. Next 88 lb	....	0.0025 lb	0.0015 lb
4. Next 69 lb	....	0.0025 lb	0.0015 lb
5. Over 179 lb	....	0.0025 lb	0.0015 lb

**Goat Slaughtering—**

Slaughtering and related charges including receival, processing and 24 hours chiller storage:—

(a) Carcases 24 lb and under —\$1.30 hd.

- (b) Carcases over 24 lb.—\$1.30 hd.  
Plus 2.00c lb. for each pound over 24 lb.  
(c) Additional charge for billy goats—0.20 hd.

**2.****SEPTIC TANKS***Compulsory Testing*

The Hon. D. J. WORDSWORTH, to the Leader of the House:

- (1) Is it the intention of the Government to introduce compulsory testing of prefabricated septic tanks?
- (2) Is it expected that one in fifty tanks manufactured will be sent to a central testing station regardless of where manufactured, so they can be destroyed under test?
- (3) What is the expected cost to send a tank from Esperance to such a centre, and how will it affect the overall price of tanks sold in Esperance?
- (4) What are the expected benefits in country districts, and why cannot testing be carried out locally?
- (5) If introduced, will the Government pay all freight charges on Government Railways for tanks being tested?

The Hon. W. F. WILLESEE replied:

- (1) Testing is required under the Regulations.
- (2) Arrangements have to be made by the manufacturer to have one tank in fifty tested.
- (3) Approximately \$25 to Perth. This adds 50c to the cost of each tank.
- (4) The testing ensures that the tank will not disintegrate when installed. Testing can be carried out locally if the manufacturer provides testing equipment costing approximately \$400.
- (5) No, but assistance with testing equipment is under consideration.

**3.****RAILWAYS***Cannington High School Station*

The Hon. Clive GRIFFITHS, to the Minister for Railways:

- (1) Does the Minister consider that a railway station is warranted at the Cannington Senior High School for the benefit of students attending this school?
- (2) If so, what action is he taking to ensure its provision?
- (3) What is the current estimate of the cost of providing such a station?



The Hon. J. DOLAN replied:

(1) An additional stopping place for use by students attending Canington Senior High School may be desirable, but bearing in mind the expenditure involved; the fact that the walking distance to be saved would be approximately thirty chains only; and the programme of other priority works; there is not, at least at the present time, sufficient justification for provision of this facility.

(2) Answered by (1).

(3) A current estimate is not available but will be taken out and the information conveyed to the Hon. Member as soon as possible.

#### 4. MOTOR DRIVERS' LICENSES

##### *Pensioners' Concessions*

The Hon. N. E. Baxter for the Hon. T. O. PERRY, to the Minister for Police:

Will the Government give consideration to granting the holders of a miner's pension the same concession as aged pensioners in regard to a motor driver's licence?

The Hon. J. DOLAN replied:

Yes, providing invalidity or incapacity is a factor of retirement or the recipient would be entitled to an Age or Widow's Pension under the provisions of the Social Services Act.

#### 5. ROYAL COMMISSION

##### *Power to Subpoena Interstate Witnesses*

The Hon. J. M. THOMSON, to the Leader of the House:

Although a subpoena was issued for the attendance of a witness to appear before the Royal Commission appointed to inquire into and report upon Wool Exporters Pty. Ltd. and associated companies, and his attendance could not be enforced as he was not a resident of Western Australia, what lawful provisions existed which enabled the witness to disregard the lawful requirement?

The Hon. W. F. WILLESEE replied:

As the witness was not present within Western Australia, there is no legal provision to enforce his attendance before the Royal Commission.

6. *This question was postponed.*

*House adjourned at 4.51 p.m.*

## Legislative Assembly

Thursday, the 7th September, 1972

The SPEAKER (Mr. NORTON) took the Chair at 11.00 a.m., and read prayers.

### OLYMPIC GAMES: MUNICH TRAGEDY

#### *Expression of Sympathy: Motion*

MR. J. T. TONKIN (Melville—Premier) [11.02 a.m.]: I seek leave of the House to move a motion in connection with the tragedy which occurred at Munich.

The SPEAKER: The Premier seeks leave to move a motion regarding the tragedy which occurred at Munich. If there is a dissentient voice leave cannot be granted. There being no dissentient voice, leave is granted.

MR. J. T. TONKIN: I move that—

This House deplores the brutal action by terrorists at Munich which has so shocked the world.

We extend our sympathy, first of all and most deeply, to the relatives and friends of those so cold-bloodedly slaughtered.

We think with compassion, also, of the Israeli nation and its leaders, on whom this tragedy has thrown such a heavy burden of sorrow.

We sympathize also with the people of the Republic of West Germany, who, through no fault of their own, have been made the focus of such cruel adverse notoriety in the closing stages of their magnificent Olympic presentation.

We sympathize with every man, woman and child alive today, wherever they might be, of whatever colour or creed, who—every one of them, inescapably—is denigrated in the most personal way by this dreadful act of terrorism.

We express the fervent hope that its aftermath might be a realisation of the course which unlicensed violence is taking, and a revulsion of such magnitude as to make the future safe from such brutal terrorism or anything like it.

I cannot imagine that there would be anybody, outside the persons who were responsible for this tragedy and those in their country of origin who support them, who would be other than horrified by what has taken place at Munich, and what has resulted in such a dreadful slaughter.

Nevertheless, the thought that violence should receive support seems to be rife in quarters where it should not receive such support. It seems that more and more people are accepting violence as something which has to be tolerated, and can be accepted. Not sufficient thought is being