

a ferry. It will help to prevent a disaster such as that which occurred on the ferry which was travelling from Brindisi to Greece a few weeks ago. Members no doubt noticed that only recently one of the ferry operators conducting a service from Fremantle to Rottnest was prosecuted for overloading his vessel. This is the kind of action that will be prevented by this legislation.

If a ferry operator carries more passengers than his craft is licensed to carry, he will be subject to prosecution. Also, a boat is not required to carry a life raft provided it operates on the river or on inland waters. So at this stage the legislation represents a safeguard for the benefit of the people.

The Hon. G. C. MacKinnon: Now we have had the Bill explained I think we should start the debate all over again.

The Hon. R. THOMPSON: The honourable member has heard my interpretation of the Bill as I understand it, and I support the measure.

Debate adjourned, on motion by The Hon. D. K. Dans.

House adjourned at 4.40 p.m.

Legislative Assembly

Thursday, the 9th September, 1971

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

BILLS (5): INTRODUCTION AND FIRST READING

1. Bee Industry Compensation Act Amendment Bill.

Bill introduced, on motion by Mr. H. D. Evans (Minister for Agriculture), and read a first time.

2. Western Australian Products Symbol Bill.

3. Town Planning and Development Act Amendment Bill.

Bill introduced, on motions by Mr. J. T. Tonkin (Premier), and read a first time.

4. Beekeepers Act Amendment Bill.

Bill introduced, on motion by Mr. H. D. Evans (Minister for Agriculture), and read a first time.

5. Appropriation Bill (General Loan Fund).

Bill introduced, on motion by Mr. T. D. Evans (Treasurer), and read a first time.

PAY-ROLL TAX ASSESSMENT BILL

As to Recommittal

MR. COURT (Nedlands—Deputy Leader of the Opposition) [11.11 a.m.]: I move—

That the Bill be recommitted for the purpose of reconsidering Clauses 5, 9, 10, 11, 12, 25, 26, 31, 35, 40, 44 and 50.

I believe I must give reasons for my motion.

Mr. J. T. Tonkin: They would want to be good to justify a recommitment, wouldn't they?

MR. COURT: They happen to be good.

Mr. O'Neil: A1.

MR. COURT: It is important I remind members of the circumstances of the debate which took place on this Bill. First of all, we had the disadvantage of considering it out of context with the Budget, although it would normally be a Budget Bill. However, the circumstances were understood by the Opposition, and tolerated. On many occasions previously Oppositions have objected to considering this type of legislation without the benefit of the total picture of the Budget; but we merely registered our protest and our point about this though we did not press it, and we do not press it now. However it is important to consider this aspect when studying the reasons for believing a case exists for the recommitment of the Bill for the purpose of considering these clauses.

The second point is that in the introduction of this Bill and in subsequent debate, the Opposition found it very difficult, and, in fact, impossible, to obtain all the information it needed as to why the Bill had been introduced in its present form. I believe it is the duty of the Government to provide this information for the Opposition and for the Parliament as a whole—not only for the Opposition, but also for the Government's own members.

It was during the Committee debate that I suggested to the Treasurer that he report progress and ask leave to sit again in order that he might come to light with some better explanations to the Opposition, particularly in respect of the penalty clauses and, secondly, the basic exemption. I gave my reasons about the basic exemption; namely, that it was an amount fixed in about 1957. A tremendous change has occurred in the wage structure of the nation and it seemed quite unrealistic to retain this figure in 1971 when the legislation was being re-enacted in all States and the Commonwealth.

The third point surrounded the question of decentralisation and the inclusion of a provision in the Bill to make it clear to people who genuinely sought to establish decentralised industry that there could be some inducement rather along the lines

that the Commonwealth adopted—in other words, to use the pay-roll tax as an inducement or an incentive to get people to seek more export income for the nation.

The Government has made much play of its policy of decentralisation and it seemed rather odd to me that at this critical stage when a taxing Bill of this kind was before it, the Government did not use the occasion to incorporate something in the measure at least to give it the power to provide some incentive for decentralisation.

The three headings under which this group of amendments has been framed are as follows: The first group deals with the penalties which we believe are excessive having regard for the penalties imposed in 1957. There are the other penalties inherent in the taxing measure, such as the addition to the tax because of late payment or late return; penalties such as the double tax for offences; and other penalties in addition to the figure of \$1,000 mentioned. We believe that \$1,000 is excessive.

The second group of amendments refers to the question of basic exemption and we have sought to double the amount. I should explain that the reason for this is that in this boom period the average wage in Western Australia has increased by 133.7 per cent. We have not sought to go the whole way, but only to adjust it to what we consider is a reasonable amount. The main benefit from this particular amendment of course would go to the small businessman and it seems quite unrealistic that a figure of \$20,800 adopted in 1957 is still retained in 1971.

From what the Minister said when he gave his statement by permission or leave of the House yesterday before moving the adoption of the Committee's report, no serious consideration seems to have been given by the States, or this State in particular, whilst the change in the law was being made and the change from the Commonwealth to the States was being legislated, to increasing this basic amount to make it more realistic, particularly in respect of small businesses. Quite obviously many businesses which were exempt in 1957 are not exempt today, and no satisfactory explanation was given by the Minister—even at the late stage of the debate we had reached when we were considering the Committee's report—as to why a genuine attempt was not made to try to translate the money values into the new Bill.

The third group relates to decentralisation and I should explain that the problem confronting the Opposition in drafting the amendment was whether to be specific that certain statutory and arbitrary provisions would prevail in respect of inducement for decentralisation, or whether we would just give the Government the statutory power to grant certificates of exemption if desired. We came down on the side of providing just a very general clause which does not

stipulate that the Government must give these exemptions, but that people who apply because they have a business outside the 50-mile radius can be considered by the Government, and if the Minister determines that in the interests of encouraging decentralisation some concession should be given then he can issue a certificate that certain wages paid for services rendered outside the 50-mile limit be exempt from pay-roll tax.

I repeat that we did not attempt to draft an amendment which made it mandatory or arbitrary that people established outside the 50-mile limit would receive any benefit, but one which places the Government of the day in a position where it has the statutory approval of Parliament to issue a certificate that a particular industry, or a part of it, is entitled to some concession under the Pay-roll Tax Act and to the extent that the Minister certifies the amount, then that amount of wages would be exempt from the tax for the duration of the certificate.

We also provided that a report would be made to the Parliament setting out the number of applications, and I emphasise that we mentioned the number of applications and not the names of the applicants because I do not think that would be desirable. However, when the certificate is issued after a determination made by the Minister, then of course the details of the concession given will be included in the report.

I repeat that the names of the applicants are not to be shown—just the number of applicants—but when a determination has been made and a certificate issued then, for obvious reasons, the details will be included in the Minister's report.

MR. T. D. EVANS (Kalgoorlie—Treasurer) [11.20 a.m.]: The Deputy Leader of the Opposition seeks to work upon this measure with a pruning knife in one hand and a trowel in the other. What he seeks to do is, firstly, halve the amount of the penalties provided by using a pruning knife.

Mr. Court: With one exception.

MR. T. D. EVANS: Then, by generous use of the trowel, the Deputy Leader of the Opposition desires to double the exemption or the commencement level at which pay-roll tax becomes applicable. Reference to this level is found in clauses 9, 11, and 12. The latter clause defines employers who are required to register for the purposes of the legislation. Finally, and again by use of the trowel, the Deputy Leader of the Opposition seeks to exempt certified employers in decentralised industry.

I will deal with the objectives *seriatim*. Dealing firstly with penalties, all States of the Commonwealth are seeking uniformity as far as possible in terms of both

form and substance in the case of this legislation. If our legislation is to be amended in the manner sought, by halving the penalties, it could rightly be said that if all other Parliaments passed the legislation as drafted and presented, then this State views breaches of the legislation less seriously; in fact, only half as seriously as the rest of Australia.

Mr. O'Neill: What does that matter?

Mr. T. D. EVANS: Let us examine the harshness of the penalties when compared with those provided in other legislation. The Commonwealth income tax legislation provides a maximum penalty of \$1,000 for wilful evasion. A maximum of \$1,000 is the level provided in the pay-roll tax legislation. The Commonwealth Income tax legislation provides for a penalty of double the assessed tax to be paid for the failure to submit a return.

The Commonwealth sales tax legislation imposes a penalty of \$1,000 for submitting a fraudulent return. What is more, under that legislation the commissioner has power to impose a double or a triple fine relating to the tax evaded.

Mr. Court: But the penal clauses of this legislation provide for double tax which has to be paid for certain offences.

Mr. O'Neill: This State will not be in line with Commonwealth law. You say you want uniformity.

Mr. T. D. EVANS: We are comparing the State law with comparable legislation. There is no other pay-roll legislation with which to compare it.

Mr. O'Neill: Is the Minister sure that the other States will stick to the \$1,000 penalty? Can he be certain?

Mr. T. D. EVANS: I cannot forecast what each of the other States will do.

Mr. O'Neill: You are sticking to the \$1,000 penalty because that is the penalty being adopted by the other States!

Mr. T. D. EVANS: Each State is seeking uniformity as far as this legislation is concerned.

Mr. O'Neill: Are the other States totally exempting local authorities?

Mr. T. D. EVANS: Yes. Regarding the proposal to double the commencement level at which the tax will be paid, if the proposed amendments are accepted there will be a serious erosion of the revenue worth of the tax. Only the other evening the Leader of the Opposition indicated that the revenue to be derived from this tax would not go very far.

The Leader of the Opposition adopted a most responsible attitude. I can recall a letter written in very strong terms by the Leader of the Opposition and dated the 11th February, 1970. I commend the

Leader of the Opposition for having written the letter, which was addressed to the then Prime Minister. It was stated, very clearly and in the strongest terms, that this State was in a serious situation because of the growth problems which it had experienced.

Sir David Brand: Why not?

Mr. T. D. EVANS: The Leader of the Opposition has taken a most responsible attitude.

Mr. Court: He still is.

Mr. T. D. EVANS: The Leader of the Opposition stressed the need to husband control, and also harness our reserves to meet the demands of the future. He said this was a growing responsibility being imposed not only upon the Government, but also upon this Parliament.

The Opposition is aware that five-sevenths of the revenue to be derived from this tax is, in fact, to be accounted for to the Commonwealth. It is difficult to assess, precisely, the likely effect on the revenue if the series of proposed amendments are accepted.

Mr. Court: It should not be.

Mr. T. D. EVANS: Well, I thought that the Deputy Leader of the Opposition—if no other member—would be well aware of the difficulties. The State Taxation Department has no record at all of the number of registered employers.

Mr. O'Neill: The Commonwealth has.

Mr. T. D. EVANS: However, it is believed that at the present there are approximately 4,700 registered employers in this State who are operating under Commonwealth legislation. On that basis it has been estimated that the loss of revenue could be between \$2,000,000 and \$3,000,000.

I well recall the reports of the 1970 Premiers' Conference when the present Leader of the Opposition gallantly fought for, and was successful in bringing home to this State, an extra \$2,000,000. As a matter of fact, the present Premier was able to repeat the feat of the Leader of the Opposition on that occasion, and he also brought home to this State an additional \$2,000,000. However, it was a hard-fought battle. We are now being asked, by the stroke of a pen, to deprive this State of between \$2,000,000 and \$3,000,000.

If the State has to suffer that loss it will be faced with two alternatives. Firstly, it will have to consider reducing the services, and that would be unthinkable. Secondly, the State would have to seek a further impost of taxation, and that impost would be borne by ordinary John Citizen.

Mr. Court: We are trying to get relief for the fellow who can least afford it.

Mr. T. D. EVANS: From a section of the community! If the Opposition succeeds with the proposed amendments, the extra impost will be borne by ordinary John Citizen, right across the State.

Mr. O'Neill: We are talking about the small country businessmen.

The SPEAKER: Order! The Treasurer will resume his seat. I will have members understand there is a time limit on speeches in a debate such as this. The limit is 20 minutes for each speaker. I believe every member has an opportunity to speak and I suggest that members wait until that time.

Mr. T. D. EVANS: Thank you, Mr. Speaker. I will now touch upon another aspect of the exemption from the obligation to pay tax. Those concerned are set out in clause 10 of the proposed legislation, and they include religious or public benevolent institutions, hospitals, non-government schools, and local authorities. These organisations were included on the understanding that the framework of the assessment legislation would be as presented to Parliament. Any erosion of revenue arising from an amendment to the framework of the legislation must seriously jeopardise the exemptions which are to be provided.

If there is an erosion the responsibility must surely rest upon the shoulders of the Opposition. I am sure the Deputy Leader of the Opposition must realise that provision is made, in clause 6 of the Bill, to overcome the situation where wages are paid, or are payable, elsewhere than in Western Australia in respect of services performed or rendered wholly within Western Australia.

Consequently, there are strong implications of interstate transactions and interstate dealings. If any one State moves from the uniform base it will present great administrative difficulties. I am sure the Deputy Leader of the Opposition cannot have given a great deal of thought to that aspect of his proposal.

Mr. Court: We gave a lot of thought to it. That is the trouble, you have not.

Mr. T. D. EVANS: At the meeting of the State Treasury officials in Canberra on the 17th June last on the occasion of the Premiers' Conference, after the States had agreed to accept this tax, the Commonwealth Treasury officers made it quite clear to the State officers gathered that any adjustments and reimbursements to be made between the Commonwealth and the States would have to be made on the basis that the tax would commence at the prescribed level of \$20,800. The Commonwealth's attitude was that the States could do what they liked with the tax but they would alter it at their own risk.

Mr. Court: Are you not prepared to take a risk?

Mr. T. D. EVANS: Any alteration would most seriously affect our State. The Leader of the Opposition knows full well—probably better than any other member in this Chamber because of his experience—that the situation surrounding Commonwealth-State financial relations is a crucial one. This State cannot afford to be viewed by the Commonwealth as being any more generous than any other State.

Sir David Brand: What does the Treasurer think about road maintenance tax?

Mr. T. D. EVANS: Finally, we come to the question of offering incentives to decentralisation. As I indicated yesterday, the Government is paying more than lip service to this concept. We believe decentralisation is a realism and, to this end, the Government has already set in motion a committee comprising representatives of the Minister's department, the Treasury Department, and other appropriate departments to study this subject in depth—I repeat: in depth.

Mr. Court: "In depth" is the phrase these days when all other words fail.

Mr. O'Neill: Another committee!

Mr. T. D. EVANS: Members opposite should not speak about committees; they went mad with them.

Mr. O'Neill: That is the point I made.

Mr. T. D. EVANS: To have this legislation on the Statute book and able to operate by the end of September, it was necessary to leave this question in abeyance.

I commend the Deputy Leader of the Opposition because his proposition has some merit, but the Government cannot consider it at this time.

Mr. Court: Just before the Treasurer completes—

Mr. T. D. EVANS: I am not going to complete. I still have some time left and I intend to use it.

Mr. Court: I refer to the fact that we are not asking for a statutory exemption for decentralisation; we are only giving the power.

Mr. T. D. EVANS: I know. I am sure all members would agree that it is impossible to forecast what the effect on revenue would be in this category. At this time possibly more so than ever before in our history it is imperative that the States should be able to budget scarce capital and scarce revenue resources with as much certainty as is humanly possible to the extent of those resources. Acceptance of the amendment would erode any certainty at all. Perhaps I must be forgiven, but I have to regard the proposed amendments as mischievous and of a bush-ranging nature.

Mr. Court: They are brought about by your incompetence and your inadequate explanations.

MR. MENSAROS (Floreat) [11.34 a.m.]: I support the motion of the Deputy Leader of the Opposition to recommit the Bill for the purpose of discussing certain amendments which, to my mind, are responsible, serious, and extremely desirable. More and more we see in one way or another that the present Government, which came down with so many promises before the election and, apart from those promises, has well known policies which obviously could have influenced electors to vote the Labor Party into power, has side-tracked its promises and policies.

Let us look at the amendments to be discussed if the motion is successful. The two most important ones are connected with decentralisation and protecting the interests of the small businessmen.

Despite the fact that the previous Government successfully went along with the policy of decentralisation without paying lip service to it as the present Government does, the present Government almost jumped onto the band wagon and wanted to make a song and dance about it. It created a new Ministry of Decentralisation. The previous Government did not need this; it did the job in action and not in name. The present Government established the department and made various promises. In the course of the last two or three weeks it has made all sorts of misleading statements—I say that advisedly—about Geraldton, Albany, and Bunbury which it has had to retract.

Mr. Williams: It has made no statements about Bunbury. That is the trouble.

Mr. MENSAROS: Now the Government has the opportunity to support a sensible and responsible amendment which is in line with its policy. I do not say this is not our policy, but it is the policy which the present Government has emphasised and paid so much more lip service to than we have done. When the opportunity is given the Government simply retracts and says, "No, we will not do it."

Another aspect of the amendments is perhaps even more important. The Labor Party has never claimed lately to be 100 per cent. socialistic. In fact, certain statements were made to the effect that it supported private enterprise and would continue the previous Government's policy in many ways. At no time I can recall in the last 20 or 22 years—and my memory goes back perhaps as far as the ages of some of the younger members—has the Labor Party said that it is against small businessmen; it has always claimed to support them. This is an opportunity to support them. The amendments would not seek promises of action but would give the opportunity for action. The Deputy Leader of the Opposition has pointed out that the aim is to give a discretionary right to the Minister in connection with decentralisation.

The amount of money paid in wages and salaries at which exemption from pay-roll tax is applicable is extremely important from the point of view of the small businessman, who employs a few, and the self-employed. The present amount which was set down more than 10 years ago was thought out in terms of a certain number of employees. We know that an amount of \$20,000 would not allow more than four or five people to be employed. Let us think of the small builder, for instance, who is facing fairly hard times today, at least in Western Australia. He is bound to employ four or five people during the year. If he does this he will not be exempt from pay-roll tax. Furthermore, we know the erosion of monetary values which is mainly due to excessive claims of various unions which are invariably supported by this Government. I am not saying that it will happen but it could easily happen in two or three years' time that this sum of money—the level for exemption from pay-roll tax—will only permit the small businessman to employ one or two people without paying tax.

Had this tax been left with the Commonwealth, there is no evidence the Commonwealth would not have reconsidered the amount of exemption and alleviated the position of the small businessman.

Mr. T. D. Evans: I have given the House the Commonwealth's view.

Mr. MENSAROS: That is the present view, but I cannot see any evidence that the Commonwealth would not have reconsidered.

Mr. T. D. Evans: The Commonwealth legislation is not to be introduced until the end of September. The information given to our officials was that the Commonwealth would rigidly retain that level.

Mr. MENSAROS: That may be so. I have not seen that evidence.

Mr. T. D. Evans: You said there was no evidence. There is no evidence to the contrary.

The SPEAKER: Order!

Mr. MENSAROS: Of course, the Commonwealth's Territories are the Australian Capital Territory and the Northern Territory, where the conditions are vastly different from those prevailing in Western Australia. In those Territories there are fewer small businessmen and self-employed people. There are practically none to be found in Canberra, where there are only large concerns, and I think I am correct in saying there are very few in the Northern Territory. The situation is quite different in Western Australia.

In any event, the Treasurer now says we must act responsibly. That is quite right; I cannot blame him for saying that because it is his responsibility. He says we

must retain the revenue. He forgets that one set of amendments only gives him a discretionary right. If he feels that because of the necessity to retain the revenue and because of the budgetary situation he cannot allow these exemptions, he is at liberty not to grant them. The amendments to which I have referred only give him the right to grant exemptions if conditions improve. Obviously endeavours will be made to improve conditions, and the Treasurer will then apply the benefits to certain people in order that they may establish industry outside of or in close proximity to the metropolitan area.

When one argues for retaining revenue, one also has to take into consideration that this is a growth tax. It will, therefore, automatically increase. That is the reason for it having been handed over to the State. So one cannot go as far as the Treasurer did in this argument, when he was shedding tears about not being able to provide people with services on account of the loss to revenue if this exemption were granted. If he were only to have discretionary power to make concessions in order to allow certain businessmen and industrialists to establish themselves outside the densely populated area, that would not necessarily affect the revenue.

Lastly, the Treasurer claims that the legislation must be passed because of the time limit. We all agree with that and have no quarrel with it, but to allow an hour or so to discuss these amendments would not make any difference. In any case, the Treasurer knows that the returns for pay-roll tax have to be furnished on the 8th of the following month. There is therefore some time left before the 8th October, and in my experience the commissioner acting for the Commonwealth Government never took exception if some returns were lodged a week or two late. It is inconceivable that the discussion of these amendments would take such a long time, but in any case, if they did, exceptions could be made for the combining of two monthly returns. I support the motion to recommit the Bill.

MR. R. L. YOUNG (Wembley) [11.44 a.m.]: I rise to support the motion to recommit in the belief that the amendments suggested are very important when we consider the magnitude of the Bill which we spent a great deal of time discussing the day before yesterday.

To take the amendments one by one, the first is in respect of penalties. The Deputy Leader of the Opposition discussed those in detail. He requests in his amendment a reduction in certain penalties from \$1,000 to \$500. In replying to him, the Treasurer said there was a great necessity for uniformity in form and substance in the application of this Act and corresponding Acts in the other States. In his second reading speech the Minister

listed certain conditions under which the tax came from the Commonwealth to the States, and he said—

Apart from the foregoing the States will be free to adopt such rates, exemptions, and assessing provisions as they deem desirable.

It seems to me that the Treasurer cannot say to us that the other States will not show a little initiative in this matter and that they will not reduce the penalties, or anything like that. He also cannot say they will not show a bit of individuality when they formulate their legislation.

Mr. T. D. Evans: I am prepared to say Sir Henry Bolte will not accept any amendments.

Mr. R. L. YOUNG: I am prepared to say the Treasurer is now speaking about one of the fellows in Australia who is prepared to be individual, and we could take something out of his book in the framing of this legislation.

Mr. Graham: I think you had better stick to the South Africans.

Mr. Rushton: That is a shame on the Government, too.

Mr. Graham: The McMahon Government, you mean.

Mr. Court: Your Government. You will regret this one.

The SPEAKER: Order!

Mr. R. L. YOUNG: The Minister for Decentralisation is prepared to sit there and snipe at this side of the Chamber when the new Treasurer gives away a heaven-sent opportunity to take the first step in doing something about decentralisation rather than just talking about it.

Mr. Graham: How would you know?

Mr. R. L. YOUNG: The Minister who is charged with the responsibility of doing something about it sits there and talks about South African cricketers.

Mr. Graham: Listen to the Liberal Party kindergarten!

Mr. R. L. YOUNG: In respect of the exemptions from \$20,800 to double that amount; between 1957 and 1971 the average wages in this State increased by 133.79 per cent. This legislation pays no regard at all to that in setting the present exemption level at \$400 a week—the same rate as applied 14 years ago.

The Treasurer said that if the exemption were increased John Citizen would have to take it out of his own pocket. I can only suggest that the Treasurer must still believe in fairy tales if he thinks this cost will not be passed on to John Citizen anyway, in the form of increased prices. That seems to be the manner of things. This is an inflationary tax. Therefore, any amount which is added to the burden

of the taxpayer will be added by the manufacturer or retailer to the cost of commodities. I am sure the Minister for Prices Control will be interested in having some sort of control over inflation.

I have already made a couple of points in regard to decentralisation following the interjection of the Minister for Decentralisation. The Treasurer said the Government would do more than pay lip service to decentralisation, yet we have the Minister for Decentralisation sitting there and paying nothing but lip service to it. The Treasurer said, too, that a study in depth would be made of decentralisation, but not a study in action.

The Treasurer is not under an obligation to grant a certificate under the section that is foreshadowed. He is simply given the opportunity to do so if he happens to be dinkum. If the Government happens to be dinkum about decentralisation—more dinkum than the Minister—it has a heaven-sent opportunity to do something about it instead of just talking about it. The opportunity exists in this measure. The only thing that is incumbent upon the Treasurer is the consideration of the applications. Having considered an application, he can then either grant or not grant a certificate to the applicant. There is no restriction on the amount of exemption he can grant; it is purely up to him.

He gets an opportunity to do something about decentralisation but all he does is to say it is not an opportune time to do anything, and he is supported by the Minister for Decentralisation who sits there sniping at things which are totally irrelevant, paying no regard whatsoever to the foreshadowed amendment, and denigrating his position as Minister for Decentralisation. I think that is totally irresponsible. I think the Bill should be recommitted.

Mr. Graham: I think you are a funny little boy.

Mr. R. L. YOUNG: Congratulations! What repartee!

The SPEAKER: Order!

Mr. Court: That is a fine way for a Minister of the Crown to speak.

The SPEAKER: Order!

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

Ayes—22

Mr. Blaikie	Mr. Nalder
Sir David Brand	Mr. O'Connor
Mr. Court	Mr. O'Neill
Mr. Coyne	Mr. Ridge
Dr. Dadour	Mr. Runciman
Mr. Gayfer	Mr. Rushton
Mr. Grayden	Mr. Stephens
Mr. Lewis	Mr. Thompson
Mr. W. A. Manning	Mr. Williams
Mr. McPharlin	Mr. R. L. Young
Mr. Mensaros	Mr. I. W. Manning

(Teller)

Noes—22

Mr. Bateman	Mr. Hartrey
Mr. Bertram	Mr. Jamieson
Mr. Brady	Mr. Jones
Mr. Brown	Mr. May
Mr. Burke	Mr. McIver
Mr. Cook	Mr. Moller
Mr. Davies	Mr. Norton
Mr. H. D. Evans	Mr. Taylor
Mr. T. D. Evans	Mr. A. R. Tonkin
Mr. Fletcher	Mr. J. T. Tonkin
Mr. Graham	Mr. Harman

(Teller)

Pairs

Ayes	Noes
Mr. W. G. Young	Mr. Sewell
Mr. Hutchinson	Mr. Bickerton
Mr. Reid	Mr. Lapham

The SPEAKER: The voting being equal, I give my casting vote with the Noes.

Question thus negatived.

Third Reading

MR. T. D. EVANS (Kalgoorlie—Treasurer) [11.54 a.m.]: I move—

That the Bill be now read a third time.

MR. COURT (Nedlands—Deputy Leader of the Opposition) [11.55 a.m.]: I just want to say very briefly that I regret we have not had a chance to consider some of the aspects of this Bill in more detail. I gave my reasons for this on the recomittal motion and I know I will not be allowed to go over them again. In all sincerity, some aspects arising from the amendments sought by the Opposition would not have caused trouble had the Minister introduced and handled his Bill in a better manner.

Mr. Jamieson: That is your opinion.

Mr. COURT: I want to make this point: it will be a sorry day if we take it lying down just because all the States in the Commonwealth say that this is take-it or leave-it. Apart from that fact, we all want to campaign to get rid of pay-roll tax as soon as we can, and the Government should put the wheels in motion to do this.

Mr. T. D. Evans: The Opposition did the same with company law legislation. It was a case of take-it or leave-it and you know it.

Mr. COURT: The Treasurer is clearly on the wrong tack. First of all, company law is not an area of revenue raising and there are aspects of our companies legislation which are not completely uniform, and he well knows it.

Mr. T. D. Evans: When you introduced the Bill it was take-it or leave-it.

Mr. COURT: It was not take-it or leave-it; we introduced different aspects from the other States and the Treasurer knows it. The point I want to make is that even if the Treasurer wants uniformity for uniformity's sake, I believe it is the responsibility of the Government to go to the other States and ask for a review straight-away. This would enable the basic exemption clause to be revised for the next Budget in 1972 and may enable our State, if

not other States, to also introduce the discretionary right of the Government in respect of decentralisation. I put this idea forward in all seriousness.

Mr. T. D. Evans: The Government has given an undertaking that it will look at this form of assisting decentralisation. We feel it could possibly have merit but at this particular point of time, we do not want to delay the legislation.

Mr. COURT: The other night the Treasurer said that the Government was looking at it, and he used the phrase, "We are studying it in depth."

Mr. T. D. Evans: That was not original. You used it before.

Mr. COURT: When all other things fail the Government says, "We are studying it in depth." I want to make the point that if the Government wants to show sincerity of purpose it should bring in a provision giving it the statutory right to grant these exemptions, if it feels so disposed after a proper study of each case. This is entirely at the discretion of the Government as part of its decentralisation programme. I believe this provision could be inserted without reference to the other States and without immediate loss of revenue.

Mr. T. D. Evans: I repeat, we will look at this with interest. We feel there is merit in it but at this particular point of time we do not wish to delay the legislation.

Mr. COURT: Just a minute. The main point I wish to make is that I believe the Government should inform us that it will commence negotiations with the Commonwealth and other States to get the basic exemption clause revised. This legislation is completely out of line with the modern tempo of industry; it is completely out of line with modern currency values; it is completely out of line with the situation prevailing in our State and the other States. We were hoping for some undertaking from the Minister when he made his statement by leave last night that it was going to be of immediate concern to the Government to take this matter up. If the A.L.P. is genuine then it must take this matter up urgently and in fact would have taken it up before now. We are completely perplexed that the A.L.P. did not take this up when it had a chance to get some exemptions for the small industry, the small businessman, and the small employer. Something could have been written into this legislation.

The Treasurer said he is concerned that if he gives the basic exemption to the small businessman he is also giving a bonus to the big businessman. He could provide for a gradual tapering off so that when an employer has a payroll of over, say, \$100,000 a year, he will not qualify for this exemption, or something to that effect. Nothing of that sort was put forward by

the Government and we on this side of the House object to this brutal attitude just because it affects revenue. There is no relief at all for the small man at the bottom of the scale. Therefore, I take this opportunity to make the point again while the Bill is before the House at the third reading stage.

I hope the Minister will give us an indication that negotiations between the Commonwealth and the States will be reopened with a view to obtaining some increase—even if uniformity is insisted upon—in the base exemption. I have a feeling that no-one has even thought about this.

Mr. T. D. Evans: I have told you of the attitude expressed by the Commonwealth Treasury officials.

Mr. COURT: I am certain that if this matter was reopened in a conscientious and expert manner the Government could well be surprised at the response from the other States. Even if only four out of the six States agreed—

The SPEAKER: Order! There is too much talking in the Chamber.

Mr. COURT:—the Commonwealth would have to go along with it. I put this forward in all sincerity and I hope the Government will give an undertaking to reopen negotiations with the other States in an endeavour to make the base exemption more realistic when compared with 1957 values. We have not asked for a complete lifting of the values from the 1957 figure to the 1971 figure. Had we done so we would have had to ask for an increase of at least 133.7 per cent.; in fact, if we took the exact dates the figure would be something like 150 per cent. However, we asked for the exemption to be lifted by at least 100 per cent. as some acknowledgement of the position of small industry.

When the Minister replies—if he proposes to reply—I would like to obtain his assurance that the Government will reopen with the other States the question of the base exemption which is the most crucial of all the points we have put forward, apart from the local attempt at decentralisation. I think the Minister will have to admit that the brutal attitude of searching for revenue at any price is quite inconsistent with the professed attitude of the A.L.P. in trying to review the rates under the Income Tax Assessment Act to remove some pressure from the lower-income groups.

SIR DAVID BRAND (Greenough—Leader of the Opposition) [12.02 p.m.]: I was interested to hear an interjection by the Treasurer that the Commonwealth insisted on uniformity in all these matters.

Mr. T. D. Evans: The Commonwealth has not insisted on uniformity.

Sir DAVID BRAND: I wonder whether the Commonwealth insisted on uniformity with regard to the basic exemption.

Mr. T. D. Evans: The Commonwealth has not insisted on uniformity. The States themselves agreed that they will try to achieve uniformity. The Commonwealth has outlined that the \$20,800 level will apply. As far as adjustments of the reimbursements between the Commonwealth and the States are concerned, they will take effect as if the base exemption of \$20,800 is retained.

Sir DAVID BRAND: I took it for granted when the Treasurer made the statement that the Commonwealth insisted on overall uniformity.

Mr. T. D. Evans: The Commonwealth has no right to make that demand.

Sir DAVID BRAND: There has been very little uniformity in respect of certain other matters. We in this State were under the impression that the decision to exempt local government for the whole of its transactions was made by this State Government. However, this morning the Treasurer has implied—and I think he was not absolutely certain—that the decision was made by all State Governments. Therefore this State Government has not made a special concession to local government on its own decision.

Mr. T. D. Evans: I understand all Governments will follow suit.

Sir DAVID BRAND: It is a wise decision and I am pleased to hear it. I am pleased that the opportunity has been taken to assist local government in this manner whilst this law is being taken from the jurisdiction of the Commonwealth and given to the States.

I support the Deputy Leader of the Opposition in regard to what he has said on both motions this morning. As I said in my original speech, the move to have pay-roll tax imposed by the States is ever so permanent. I cannot see that the State Governments will give away the right to impose this tax at least for some years to come. This right will be built into the States' taxation systems and become part of them. Therefore, after this measure has been passed through both Houses of Parliament in this State it will be too late to make the basic changes which should be made. I refer to the most important aspect of the basic exemption which should be applied.

I do not wish to repeat what others have already said. This matter has been well emphasised already. However, even though I have written some letters which the Treasurer considers to be statesmanlike urging the Commonwealth to assist us further, I want to point out that the argument applied to us by the then Opposition in respect of reduced taxation when we were in Government did not have regard for the problems which the present Government now recognises as being most important. When it was in Opposition the present Government did not recognise that it was urgent and vital that taxation be

increased to enable the States to operate under the present system. There was always the cry that taxation was far too high and that we should reconsider it. The outlook was that it was necessary for the then Government to have regard for the greater impact of taxation on the people at large.

Therefore, I think it is reasonable for the present Opposition to raise this point whilst there is yet time—whilst we are making a change—at least to update the exemption level. Once the present figure is established it will be many years before a Government makes a move to alter it. A genuine case does exist for an updating of the level of the exemption which was decided upon many years ago.

Mr. T. D. Evans: Even if it means a loss to revenue of \$2,000,000 to \$3,000,000?

Mr. O'Neill: That is a wild guess.

Sir DAVID BRAND: That is merely a guess. If we have regard for the fact that this tax will increase the revenue of the State by \$8,400,000 in a full year, I cannot see that the suggestion to only double the level of exemption would result in a loss of more than \$2,000,000 to the Treasury. I am sure the Treasurer has merely reckoned it up in his head, and it does not seem to me to be a logical and justifiable figure.

Mr. T. D. Evans: I can easily conjure up a picture of the tactics the Leader of the Opposition would adopt if he was sitting in my seat, or in the Premier's seat. He would call for the \$2,000,000 or \$3,000,000.

Sir DAVID BRAND: I am saying that the Treasurer is guessing, and this is a most important question. By how much would the hopes of the Treasurer to bring in \$8,400,000 from this tax be affected if the exemption level were lifted by only one-quarter or one-half? The Parliament is entitled to know at what cost such an increase in the base exemption could be made. I am sure members in another place will be most interested in this.

Question put and passed.

Bill read a third time and transmitted to the Council.

PAY-ROLL TAX BILL

Third Reading

Bill read a third time, on motion by Mr. T. D. Evans (Treasurer), and transmitted to the Council.

RURAL RECONSTRUCTION SCHEME BILL

Further Report

Further report of Committee adopted.

ROAD MAINTENANCE (CONTRIBUTION) ACT REPEAL BILL

Second Reading

Debate resumed from the 26th August.

MR. NORTON (Gascoyne) [12.15 p.m.]: The road maintenance tax is one tax I have opposed since its inception. It is a very unfair tax that has fallen on people in remote areas, particularly in those parts where road transport is the only means of transport. When speaking to this Bill earlier in the debate the member for Mt. Lawley said that the road maintenance tax was introduced to act as a charge on those people who caused the most damage to the roads. In essence, this would seem to be a fact as far as the tax itself goes. However, when it is looked at in another light it is found that those people who are taxed under the Road Maintenance (Contribution) Act—that is, the operators of heavy haulage vehicles—pass the tax on to the cost of transporting the goods. Therefore these heavy haulage operators are merely collectors of the road maintenance tax on behalf of the Government.

I appreciate that heavy vehicles cause more damage to the roads than light vehicles. That is quite definite. In fact, they cause particular damage to the shoulders of the roads; but, nevertheless, I feel that every person who enjoys the benefit of good roads by driving a vehicle over them should share the cost of their maintenance. Whilst I agree that a motor-car, a motorcycle, and similar light vehicles do not cause the same damage to the roads as heavy vehicles, their owners should, in some way, help to meet the cost of the maintenance of the roads, because in the long run those vehicles do cause some damage. In this way the cost of the maintenance is spread over the whole of the motoring public of Western Australia.

It appears that the road maintenance tax has a greater effect on people living in the more remote areas where no other means of transport is available than on the people living in the closer settled areas where other modes of transport can be used; because the latter do not suffer from an increase in the cost of goods as a result of the imposition of this tax. In the remote areas, every resident has to contribute towards the cost of the road maintenance tax by paying increased freight charges, and I will elaborate on this factor later in my speech.

During the course of his remarks the member for Mt. Lawley also stated that South Australia was the only State that granted exemption. I would point out that Victoria has granted many exemptions, particularly on the cartage of primary produce.

Mr. O'Connor: I think I said that Victoria was the only State that applied a minimum of eight tons; I do not think I mentioned exemptions.

Mr. NORTON: Perhaps the honourable member did not mention exemptions, but in Victoria many exemptions are granted. I will admit they are hard to understand

because in making a comparison between potatoes and pumpkins, for example, it is found that one is taxed and the other is not.

Victoria is a small State well serviced by railways and the general public are not required to share in the cost of the road maintenance tax, because alternative methods of transport are readily available. Gascoyne is one of the remote areas that is particularly affected by this tax, because that district has no other means of transport. The Murchison district is also affected considerably. Admittedly that district is served by some railways, but they do not serve the whole area. The same remarks apply to the Pilbara area.

When the road maintenance tax was introduced the Government at that time was very fortunate in that all the large developments in the north-west had commenced which meant that many goods were being transported to the north, and the Government's income from the imposition of this tax was boosted. However, if we examine the figures relating to the tax we find that all primary producers in the north-west were faced with the problem of increased costs for the goods they produced and the goods they purchased, because the road maintenance tax had to be paid on the goods that were transported both ways. However, the primary producers were unable to pass the effect of that tax on to the public in their production costs, because every time they sold their produce on the market in Perth they had to accept the price that was offering for it.

When this tax was introduced a transport system, under contract to the Transport Commission, operated at Carnarvon; and before the operator could increase the freight rates he had to seek the permission of the commissioner. I have the schedules of the rates before me, and I am prepared to show them to any member who is interested. If we examine the schedules we find that at the time the commissioner admitted the freight rates would be increased by 25 per cent.; that is, the freight on a single load one way. In cases where a truck carried a load in each direction—as do the produce trucks from Carnarvon—it was agreed that the freight on produce or any other cargo from Carnarvon to Perth would be increased by 10 per cent.; and the freight on commodities transported north to Carnarvon would be increased by 15 per cent. This meant that the tonnage rate was increased quite considerably. The percentages do not relate to the present-day costs, because the rates have been increased since then. On the tonnages going southwards the rate was increased from \$21 to \$24.15 a ton.

Mr. O'Connor: In 1950, prior to the advent of the bitumen road up there, the rate was almost double.

Mr. NORTON: I am aware of the various amounts, and I do not doubt what the member for Mt. Lawley has said. However, with the passage of time, progress was being made and the bitumen roads went through. This tax was levied to maintain those roads.

This tax was also the means of providing what might be termed a bonus to the transporter, because he not only increased the tonnage rate by 10 per cent., but also the rate on smaller quantities of, say, one hundredweight up to one ton by 10 per cent. This meant that instead of the actual tonnage rate being increased by \$3.15 a ton, it was increased by \$5.40 a ton. That gave an extra margin of profit to the transporter.

If a truck operator was not working under contract to the Transport Commission he had to pay the permit fees, and these were at nearly the same level as the charges that applied under the road maintenance tax.

All in all, the road maintenance tax definitely brought about an increase in costs to the people of the north-west, as a result of the extra cost of cartage on the commodities they consumed and on the items they used for production in the rural industries. When we look at the whole picture we find it is not the road user who is actually paying the tax, but the people who consume or use the commodities that are transported by road to the various regions I have mentioned.

Mr. Court: Are you happy with the alternative provided under the measure?

Mr. NORTON: In a way the road maintenance tax has paid dividends to some hauliers. That happened in cases where two trucks went to the north-west fully loaded and came back empty; very often one truck would ride pickaback on the other on the journey south, and that resulted in a saving of one lot of road maintenance tax. However, road maintenance tax for both trucks on the two trips—northwards and southwards—had been added to the freight rate. This represented another gift to the transport operators, and helped to swell their profits. All this resulted in the people of the north having to pay extra in freight charges.

Mr. O'Connor: Do you anticipate any decrease in freight rates following the introduction of the new proposals?

Mr. NORTON: I do not know if there will be. I have taken a keen interest in this matter, and I have made a deep study of it. Let me refer to one particular type of truck that is used extensively on the Perth-Carnarvon run; it is a standard sized vehicle used by the average haulier. This is a semi-trailer which carries a payload of 20 tons, and it has a tare weight of 16 tons. The member for Mt. Lawley will no doubt be aware that such a vehicle

bears 24 units of tax. On a 1,200-mile run its operator has to pay \$80 in road maintenance tax.

The SPEAKER: Order! There is too much conversation in the Chamber.

Mr. NORTON: If this truck did 50 trips a year, which would be a very low number—actually the average truck would make at least 75 trips a year or one and a half trips a week—it would cover 60,000 miles; and this mileage would attract \$4,000 in road maintenance tax. The license fee payable on this vehicle at half the normal rate would amount to \$210; so together with the road maintenance tax the Government would receive \$4,210.

Under the proposed schedule of aggregate weights the operator of this vehicle of 36 tons aggregate weight will pay only \$1,660 in license fee. This means that if the truck travels 22,000 miles in a year it will be square, compared with what the owner has been paying in license fees and road maintenance tax; but if it travels another 38,000 miles—and these trucks average more than 60,000 miles a year—there will be no extra charge under the new system.

Mr. Gayfer: The point is what would be the position of the average farmer who uses his truck but covers only 5,000 miles a year?

Mr. NORTON: I am fully aware of that aspect. I would point out to the honourable member that I am debating this question, as I see it. I would remind him that I also represent some people who are in the position of the average farmer; I refer to those on stations and plantations. These people on the average use their trucks to the extent mentioned by the honourable member.

Mr. Gayfer: Of course they will not welcome the new legislation.

Mr. NORTON: We have also to take into account the position of the carrier who undertakes short trips, and there are some of these operators in the Carnarvon district. They pick up loads of produce from the surrounding properties and deliver to the depots.

Mr. Gayfer: They could cart a couple of tons on a six-ton vehicle.

Mr. NORTON: If a transport operator does that he is not very astute.

Mr. Gayfer: It is part of the carrying business.

Mr. NORTON: The consumer has to pay the cost all the time. In my area we have had up to 36 trucks operating and they were paying road maintenance tax. The total amount they had to pay imposed a tremendous burden on the people there. However, under the new schedule the amounts payable are considerably lower.

The member for Mt. Lawley asked whether costs will decrease when the new schedules come into operation. I would

point out that when the Transport Commission threw open the franchise on the Perth-Carnarvon route to more than one carrier there was a reduction of \$5.60 per ton.

Mr. Rushton: There has been no disclosure as to where the money will go.

Mr. NORTON: That is the subject of another Bill, but the Premier has made a suggestion. All other license fees are paid into the road maintenance fund.

Mr. Gayfer: What fees?

Mr. NORTON: Any money paid on a car.

Mr. O'Connor: License fees do not go into the road maintenance fund.

Mr. NORTON: They do not?

Mr. O'Connor: No.

Mr. Rushton: Only about 95 per cent. goes into the road maintenance fund.

Mr. Gayfer: Only 93.35 per cent. Don't exaggerate!

Mr. NORTON: Under the new schedule, it does not say it cannot go into the road maintenance fund.

Mr. Gayfer: But it doesn't say it can.

Mr. NORTON: No; because we do not have the Bill.

Mr. O'Connor: We should have it.

The SPEAKER: Order! The member for Gascoyne will address the Chair.

Mr. NORTON: I think I have made it very clear that the people in these remote areas faced with the tax have a big problem, especially when we consider the other side of the matter. In the south-west, a number of very substantial subsidies are provided. According to the Budget material provided us, these concessions include rail freight and fare concessions; reimbursement to railways of cost of sundry concessions; rail freight rebate on flour; recoup of operating loss on reopened railway lines; seasonal road transport services—grain, fertilisers, and other items as may be authorised—and regular road transport services for general goods. I might add that the subsidies to which I have just referred are made through the Premier's Department and therefore do not come within other loan funds.

In addition to not participating in these subsidies, the people in remote areas must bear some of the losses on the M.T.T., the railways, and the State Shipping Service.

On page 17 of the report of the Commissioner of Road and Air Transport is a proposal for fresh subsidies in respect of several places in the south-west. Some of the freight concessions relate to Boyup Brook-Qualeup, Boyup Brook-Tone River, Cranbrook-Frankland, Rocky Gulley-Mt. Barker, and Walpole-Denmark-Albany; but no such concessions are afforded in the north. Those living in the

north must pay full freight plus any other charges imposed. I believe it is totally unfair that the people in the remote areas must bear the burden of a tax they cannot pass on and that they cannot seek any subsidies in respect of their freight loading.

Although I could not obtain the various weights of the different types of vehicles, I have made an estimate using the traffic vehicle weights regulations which stipulate the maximum weight to be carried on any axle. A semi-trailer with a single axle—that is what we call a three-axle truck—will rate \$732 per annum under the traffic weights regulations. The vehicle which will rate \$1,845 a year is the four-wheel tractor with a tandem axle trailer and a carrying capacity of 40 tons. This amount is considerably less than would be payable under the road maintenance tax.

As I have said before, I believe the tax should be spread more evenly over the whole of the motoring public, more or less in proportion to the estimated damage the various vehicles could create because of their weights. This is the most fair system, but I know what I am suggesting will not be popular. It may not be popular even with the Premier, but I am making the suggestion because it is one way I consider the road maintenance tax could be replaced and be spread over the whole motoring public of Western Australia.

Mr. O'Connor: You suggested this previously also.

Mr. NORTON: Yes, but I have drawn up a plan based on statistics I have received from the Bureau of Census and Statistics in respect of the total license collections on various types of vehicles.

Mr. O'Connor: Before you go on, would you agree that the beneficiaries of this new tax will be the big companies which cover a large number of miles?

Mr. NORTON: They certainly show a saving under it, but I am hoping the amount saved as a result of the reduction of this tax will be passed back to the consumer. I agree with the member for Mt. Lawley that those who will show quite a big saving will be the wealthy iron ore companies. I quite agree on that. I am not disputing that.

Mr. O'Connor: Fair enough.

Mr. NORTON: I still believe we should consider a plan which will give some relief to the smaller producers who have to pay both ways and who virtually cannot afford to do this. I am referring particularly to those in the wool industry.

Mr. Blaikie: Would you agree that the proposed license fees will be a bigger imposition on the little farmer and the smaller operator?

Mr. NORTON: I have already agreed that the small operator will not benefit. If a semi-trailer is covering over 22,000

miles a year the operator will break even, but if fewer miles are covered, his costs will increase a little.

Mr. O'Connor: Depending on the size of his unit.

Mr. NORTON: I am using one particular vehicle which is the semi-trailer with a 20-ton carrying capacity which is the normal type of vehicle. I am sure the honourable member will agree with this.

Mr. Reid: Will you also agree that the small farmer without a truck will not be subject to increased costs under this measure?

Mr. NORTON: I think his costs could be reduced, particularly if he has competition.

From the Bureau of Census and Statistics I received information regarding the amount collected for licenses for the year 1969-70, relating to cars, wagons, and motor cycles and other vehicles. I assume that caravans and so on would be included in "other vehicles." The amount received for licence fees for cars in the country was \$2,374,000, and the amount received for licence fees for cars in the metropolitan area was \$5,385,000, making a total of \$7,759,000.

My idea is that a surcharge of 10 per cent. should be made on car owners. This would mean that the average car owner would pay between \$2.50 or \$3.

Mr. O'Connor: This figure is for licenses only, without third party?

Mr. NORTON: Third party coverage is over and above these amounts. I have checked the figures with the Minister for Transport, and they are below the ones he gave me.

Mr. Gayfer: You acknowledge this is against the policy of your own party?

Mr. NORTON: I did not say that.

Mr. Gayfer: But it is. You acknowledge that?

Mr. NORTON: I said it would not be popular. It is a method I am suggesting, and on all cars it would realise \$775,000.

The amount received for wagons in the country was \$2,534,000, while the figure for the metropolitan area was \$1,826,000, making a total of \$4,360,000. My proposal in this instance is an increase of 100 per cent. and I believe the members on my right would not think of this so badly.

Mr. Gayfer: You suggest 100 per cent. on what, precisely?

Mr. NORTON: On all wagons.

Mr. O'Connor: That would give another \$4,360,000.

Mr. NORTON: Yes. The amount received for motor cycles and other vehicles was \$233,000, and 10 per cent. of this would realise \$23,300. The grand total collected under my scheme would be \$5,159,200.

Mr. O'Connor: What is the total amount?

Mr. NORTON: The total amount is \$5,159,200. I would point out that a large proportion of the motor wagon license fees is paid on the basis of only 50 per cent. I refer to the vehicles which have been subject to the road maintenance tax. For that reason, the collections from wagons and trucks would increase.

Mr. Gayfer: Fifty per cent. of the fee would be lost.

Mr. NORTON: That would be lost anyway.

Mr. Gayfer: There would be a 100 per cent. increase on the figure quoted.

Mr. NORTON: That is double the standard fee.

Mr. O'Connor: Double the present fee.

Mr. NORTON: I am not able to give the actual figures because I do not have a computer. I have to take a broad view.

Mr. Gayfer: Your proposal would mean a 150 per cent. increase on farm vehicles.

Mr. NORTON: Not necessarily, because there is no reason to suggest that a concession cannot be obtained. As a matter of fact, the Premier said that farmers could get a concession.

Mr. Gayfer: One concession.

Mr. NORTON: Yes.

Mr. Brown: How many concessions do you want?

Mr. NORTON: Even if we do not take into account cars, motor cycles, and other vehicles, we would derive an increase of over \$5,000,000. As I have said, these matters have to be worked out by computers.

Mr. O'Connor: There is one point on which I am not clear: did you say there would be a 100 per cent. increase on wagons and trucks?

Mr. NORTON: Those licensed under the Traffic Act.

Mr. O'Connor: An increase on the present figure?

Mr. NORTON: Yes.

Mr. O'Connor: Does the honourable member realise that the larger trucks are paying only half the license fee and would, therefore, only increase to the ordinary fee?

Mr. NORTON: I have already said that any truck which is eligible for the road maintenance tax is paying only half the fee.

Mr. O'Connor: The situation is now clear to me.

Mr. NORTON: I understand the full license fee for a semi-trailer truck with a tare weight of 16 tons and a payload of 20 tons is \$240. Under the proposed schedule which the Premier has made available the

fee will be \$1,660. Under the system I have suggested the fee would be \$840. I am putting forward my views because I think they are worth while.

Mr. Lewis: Can the honourable member give us an example involving a small truck?

Mr. NORTON: Unless I know the tare weight I am not able to give an example.

Mr. O'Connor: It could be worked out from the schedule.

Sir David Brand: What was the total amount this system would raise?

Mr. NORTON: Over \$5,000,000. That figure could increase substantially, because the trucks which are eligible for road maintenance tax are at present paying only half the license fee. The figures I have submitted are conservative. I feel we should be able to get some concession, and I am quite satisfied that under the schedule mentioned by the Premier the north-west would receive a concession. I am keen to see what can be worked out, and how much money can be saved. The repeal of the road maintenance tax will save a great deal of the inconvenience caused to many people. The cost of policing it has been considerable.

Sitting suspended from 12.45 to 2.15 p.m.

Mr. NORTON: Prior to the suspension I had nearly finished what I have to say except for three minor points with which I shall conclude. Last weekend I was in Carnarvon and had the opportunity to discuss the proposed new schedule of license fees with one or two local travellers. They were quite pleased with the set-up after I had explained how it would work and the amounts involved. Naturally, like everyone else, they would be happy if it could be less. However, after looking at the proposals and comparing the costs of the road maintenance tax and the extra work it caused, they seemed quite satisfied.

If I remember correctly, when the member for Mt. Lawley was a Minister he made the statement that over 50 per cent. of road maintenance tax was collected in the metropolitan area.

Mr. O'Connor: I never made that statement. I said 50 per cent. of all fuel taxes.

Mr. NORTON: I apologise to the honourable member if that is the case. I assumed he meant road maintenance tax. Actually the figure is quite understandable on paper because most of the large transport companies have registered offices in Perth from which the returns are made.

Mr. O'Connor: Over 50 per cent. of them.

Mr. NORTON: As I have said, on paper that figure would be correct, but in actual fact the amount of road maintenance tax

would have been collected through the long distances in the country over which they were hauling.

I am in complete agreement with the proposed new schedule brought forward by the Premier, but I hope I shall have success along the lines I have suggested which may bring about something even better. In all the circumstances I am quite happy with the proposal suggested by the Premier. I support the Bill.

MR. REID (Blackwood) [2.18 p.m.]: I would like to speak to the Bill which aims to repeal road maintenance tax. Most political parties and organisations are in a cleft stick because of the proposals at present before us. I believe the Government is also in a cleft stick in having to keep an election promise and having nothing of benefit to offer as a replacement for the old tax. I hope I shall be able to prove later on that it is poor policy to change the rules unless one has something better to offer. In this case I am convinced that in changing the rules we have something less to offer.

Some of the organisations which are at present in a cleft stick are in no doubt at all about their feelings towards road maintenance tax and the repeal of the legislation. Perhaps the Government has dangled a carrot from the cleft stick; a carrot with a dose of strychnine. It looks nice on the outside but on closer examination it is rather poisonous! I think this statement can be readily proved, and indeed, the member for Mt. Lawley proved it in his fine address to the House which covered all aspects of road maintenance tax.

I wish to examine the points against road maintenance tax. To be fair, which must always be our goal, road maintenance tax has had an unhappy past. It has been hard to police and there has been a certain amount of personal suffering. High costs have been involved in collecting the tax and, in all fairness, I think we must say it has been a most unfortunate tax. Administration has been extremely difficult. Staffing costs of over \$200,000 surely must be regarded as a drain on the community and these costs cannot be taken from the road maintenance fees. There is a high component of hidden costs in the background work done by clerks in shires throughout the State. A great deal of this is not known to the public. Letters were constantly sent backwards and forwards to ascertain the amounts paid and the places where they were paid.

The Premier suggests that there is a history of evasion of upwards of 30 per cent. of the fees. These are just some of the points. I do not think any of us can really agree that it has been a successful tax.

I would like to examine briefly the attitudes and views of some organisations as regards this tax. The organisations looked into the matter under the direction of a committee appointed by the Premier. Of the seven major organisations contacted, six were against the road maintenance tax. The seven organisations were the Country Party, the Farmers' Union, the R.A.C., the Pastoralists and Graziers Association, the Road Transport Association, the Perth Chamber of Commerce, and the W.A. Chamber of Manufactures. Two organisations—the Country Shire Councils' Association and the Local Government Association—said they had not done enough work on it to form an accurate opinion. It is interesting to know that a number of those organisations were against the tax but in favour of an alternative, and an overwhelming majority favoured some form of tax on fuel. It appears that, generally, all the major organisations in Western Australia support an alternative means of collecting the tax.

In considering road maintenance tax we must remember what would happen if we started to fiddle with the eight-ton limit and reduced the limit to three tons. If funds became short, would there not be a temptation to drop the limit, thus increasing the income? Would there not be a temptation to remove the exemption for livestock? One immediately becomes aware of the sectional effect this would have on the community, and one does not wonder that the tax is very cumbersome, awkward, and inequitable.

It was interesting to read in *The West Australian* of Saturday, the 14th August, 1971, that the fees might rise for 75,000 vehicles. Much has been said about this road maintenance tax but very few illustrations have been given of the practical effect it has in country areas. To quote one instance, the owner of a vehicle with an eight-ton payload which travelled about 9,000 miles a year would formerly have paid approximately \$250 in road maintenance tax and license fees; under the new system he will pay \$343.

Many carriers have chosen to buy trucks that are below the limit which attracts the payment of road maintenance tax but on which they can carry an eight-ton load. It is common knowledge that if one takes the spare tyres off a truck one can cart eight tons without paying road maintenance tax. Although much has been said about road maintenance tax, its repercussions have been lost.

I would like to mention some inquiries I made in the Bridgetown district in regard to the carrying community. Before doing that, it is necessary to explain that different areas of the State have different requirements as far as vehicles are concerned. In the South-West Land Division a high proportion of farmers do not own their own trucks. I have figures for some

of the major towns which show that in Bridgetown one in every three owns his own truck of one kind or another. These include farm vehicles which can only be used for going from one property to another and attract concessional licenses.

Mr. O'Connor: That is, one in three farmers?

Mr. REID: Yes—one in three rural holdings. In Bridgetown there are 423 rural holdings and 150 farmers' trucks are licensed in the Greenbushes-Bridgetown Shire area. These include the trucks which are for farm use only—of which I have one. Virtually, this is a farm truck which just goes from one block to the other.

Mr. Nalder: You mean that they cannot be used on the road?

Mr. REID: They cannot be used on the road; they are only for farm use. In Donnybrook there are 550 rural holdings. The shire clerk at Donnybrook informed me that the proportion of farmers' trucks licensed in that shire is about the same as in the Greenbushes-Bridgetown Shire, but he would need to have the matter researched by some members of the staff in order to give me an accurate figure. At my request, he did not go ahead with it. However, the figures were available.

I then went to Manjimup, which is a major rural area of the south-west. At Manjimup there are 670 rural holdings. When I asked the shire clerk how many trucks were licensed in that area, he said that matter had been handed over to the police and the only figures he could give me were for previous years. I went to the police in Manjimup and was told, "We just license the trucks and then the matter goes through the clerk of courts; so see him." I went to the clerk of courts and asked him how many farmers' trucks were licensed in the Shire of Manjimup, and he said, "We pass everything on to Perth. You had better go to Perth." There is therefore no-one in Manjimup who can tell me how many trucks are licensed in Manjimup.

I came to Perth and contacted the man in the vehicle records department. To cut a long story short, I do not think it is possible to obtain those figures. He thought figures could be obtained for some specific items, but basically they are absorbed into a computerised operation, together with statistics for other shires, and the information has been lost.

As regards Bridgetown, I hope I have made the point that only about one in every three farmers operates his own truck on which he would get the concession of 66½ per cent.

Mr. Norton: Did you get those figures from the statistical department?

Mr. REID: I went to the Police Department. I spent a considerable amount of time endeavouring to obtain the figures and I was at a loss as to how far the

matter might go, and indeed, whether I would achieve anything. I am afraid I gave up.

I carried out an exercise to see how the proposed license fees will affect a farming community such as Bridgetown. One of the carriers in Bridgetown runs a fleet of nine trucks. He provides a necessary service because the local farmers have only small farms and do not run trucks. However, they have ample carrier services. The carrier in question runs nine trucks; two old trucks, some new trucks, and two semi-trailers. His current license fees amount to \$1,754 and his additional license fees under the proposed new system amount to \$2,067. That makes a total under the new system of \$3,641 as against the total of \$1,574 under the old system.

Mr. Norton: Does he pay road tax?

Mr. REID: Yes, he paid \$482.30.

Mr. O'Connor: Was that included in the \$1,574 you quoted?

Mr. REID: No. That is over and above that figure. The point I am making here is that this man's road maintenance tax bill was \$482.30 but he will now be required to pay an additional license fee of \$2,067. This carrier represents approximately one-third of the carrying business in the Bridgetown area. So if we multiply the difference between those figures by three to take into account the three operators in the area we will find that the net additional cost to the district will be approximately \$4,500.

Mr. O'Connor: The point that he has to pay up beforehand is also relevant.

Mr. REID: It is interesting to work out some small sums in this regard. If the \$2,067 he will be now required to pay in advance, plus the \$1,574, was invested at 8 per cent., it would earn \$288 in interest. That amount would be sufficient to license two of his old trucks as a service to the community. This carrier will now have to reduce his fleet. The carting work in the area is mostly short haulage work on a seasonal basis when stock sales occur and during the fruit season. All of his work occurs at once and when nothing is moving he is going to say, "I cannot license all my trucks now."

I think this matter is most important because, firstly, this carrier will have to find his license fees in advance; and secondly, he must reduce his fleet and keep only those trucks which he hopes he can keep running night and day. This is a farming area and one in which the demand for road transport fluctuates. Carting in the Bridgetown area does not involve long distances over which trucks can be kept running night and day; nevertheless, the service is part and parcel of that provided in the lower south-west.

As I mentioned earlier, another point is that trucks in the south-west are now tailor-made to the eight-ton limit. These trucks cart all the super required for the area because the farms are near the super works and the Port of Bunbury is quite close. The trucks also cart all the fuel, hay, stock, and the bulk of the fruit crops, and they deliver the mail. The amount of \$482.30 for road tax which I mentioned earlier was incurred entirely by two semi-trailers during the fruit season, and probably was incurred on the longer hauls to Perth. The shorter hauls to the Port of Bunbury can be made economically with the eight-ton trucks.

I would like to refer to a point made by the Premier in his policy speech when he referred to the abolition of road maintenance tax. The Premier said—

We undertake to abolish this most inequitable tax.

Should it be proved in practice that the abolition of the tax creates a situation inimical to the economy of the Railway Department, proper steps will be taken to safeguard railway revenue and protect the railways from unfair competition.

That statement is fair enough. I do not think we can let something continue to the detriment of the W.A.G.R. system. However, I wish to refer to the Premier's choice of the word "inimical." I looked it up in *Webster's Dictionary* and I find that the definition is, "having the disposition of an enemy; hostile; reflecting or indicating hostility; unfriendly; harmful, adverse." I must compliment the Premier on his choice of word here because I feel this proposed tax is inimical to the farming community in the lower south-west, and I hope I have managed to prove that by the figures I have supplied.

I think the points against the proposed system are quite interesting. As I said earlier, if one has a pair of shoes which are a size too small and which hurt, one does not throw them away and buy a pair of shoes one size smaller which will hurt even more. Everybody knows that road maintenance tax hurts, but this proposed system will hurt so much more. I am sure it will create an overwhelming increase in the charges to a section of the rural community which can least afford it. Members of the Government have said sincerely that they will defend, support, and maintain that community. This move is contrary to everything they have said.

I believe I have demonstrated that in the case of farming areas in the south-west the proposed licensing system will create an increase of 400 per cent. on what is already being paid in road maintenance tax. I think the figure is over 400 per

cent. In the Bridgetown district 423 farmers will be affected and they will be required to pay 400 per cent. more than they are already paying at the moment for road maintenance tax.

The new system will mean that carriers will have to increase their fees, and I was amazed to hear the member for Gascoyne say he thought that carriers would be able to reduce their fees to the small farmer. I cannot for the life of me understand on what he bases his assumption. Interstate road hauliers at present pay \$260,000 in road maintenance tax. What protection have we from those people? They will continue to search for loopholes and they are skillful operators. The large north-west haulier will have a birthday under this measure because he is travelling large mileages. The greatest sin in regard to the measure is, of course, that it bears no relationship to the road miles travelled. For the sake of fairness and justice I think this tax should be related to the road mileage covered.

Mr. Jamieson: We would all agree to that if we could impose a tax that would be applicable. Your people researched this, but they found it cannot be done.

Mr. REID: I think it is possible.

Mr. O'Connor: The present road tax covers this point.

Mr. O'Neil: The present tax is related to the mileage travelled.

Mr. Jamieson: But the member for Blackwood's people don't want that, either.

The SPEAKER: Order; We are now debating, not having a dialogue. The honourable member will continue.

Mr. REID: I have already outlined the point that under this proposed system the extra fees over and above what is already being paid must be paid in advance. I think one point that has not been covered is in relation to the average carrier. He is a man who has been overlooked and whilst a concession is to be granted to the farmer, I think there are perhaps other members of the community who might be a little unscrupulous and attempt to white-wash the operations of the average carrier.

Since there is a great disparity between the license fee on one vehicle as against that on another all sorts of loopholes have been found to avoid payment. If loopholes exist in respect of the road maintenance tax then I am sure bigger loopholes will be found in respect of the proposals before us.

Although a farmer possessing an eight-ton truck has to pay an additional 30 per cent. he will still be very favourably placed to cart the produce of some of his neighbours. The pressures exist for these things to be done, and some sections of the community will take every advantage

of the loopholes and so undermine the carriers who try to service the country towns.

We can see an illustration of the shortcomings of the proposed alternatives in the mining operations being undertaken in the Capel area. In this regard I asked a question of the Minister for Mines on the 26th August, in relation to the life of the ilmenite mineral fields in the Capel district. The answer was—

On present projected rate of production, this will provide a life of 25 to 30 years. During this period, more deposits may be located and the cut-off grade may be lowered, both of which would lengthen the life of the industry.

At the present time about 660,000 tons of minerals are mined and exported from the Capel district each year, and the ore is carted by road to Bunbury. The Railways Department is using five trucks and trailers as well as one semi-trailer for this traffic. These vehicles do not pay any license fees, but in the last financial year they did pay \$25,282 in road maintenance tax.

The question I ask is this: what will happen if the life of these fields is extended beyond 30 years? A life of 10 years represents \$250,000 in road maintenance tax.

It is interesting to note that over the last five years and in the projection for next year the expenditure on this section of road amounts to \$256,000, and this is brought about by the tremendously high density of vehicles using that road.

To summarise what I have said, we should examine the possibility of abolishing this most unhappy and unfortunate tax on the users of our roads. If required, let us make an approach to the Commonwealth, but I do not believe that is necessary. From my own observations I think it is possible to license fuel depots and fuel outlets to impose a tax that can be spread fairly over all the users of our roads. Why should I, who cover 30,000 miles a year in my car, not be required to pay more to maintain the roads, than a sick, aged, or infirm person who uses his car only for the purpose of going to and from the nearby shops?

We should relate this tax to road-mileage used, whether the tax be in proportion to the size, the weight, the petrol consumption, or the fuel consumption of a vehicle. Because the alternatives which have been proposed by the Premier are totally and completely unacceptable to the people in country districts this legislation should not have been introduced and I hope it will not be passed. I am totally opposed to the alternatives of the proposed licensing system.

SIR DAVID BRAND (Greenough—Leader of the Opposition) [2.44 p.m.]: I am sure that each member of this House, including the Premier, is rather surprised at the turn of events, in view of what some private members have said about these proposals. I, for one, have stood very firmly in support of the road maintenance tax, for the reason that we as a Government could not find any satisfactory alternative. This is a fact which the present Government has discovered since the last election.

From time to time the road maintenance tax has been criticised by different groups of people, more vocal than usual; nevertheless, had we taken a referendum of any kind I am sure the people at large would not have been so much opposed to the tax had they known about certain suggested alternatives.

I look upon this decision of the Government as being ill-advised and ill-considered. The position that has arisen in respect of this matter since the election campaign is very confused. It certainly has sprung from a desire of the Premier, when he was drawing up his election speeches, to be all things to all men. I say this not with any sense of being personal, but politically the Premier wanted to please everyone who had complained about the road maintenance tax.

What the Premier overlooked when he made the decision was that many people, to whom the previous speaker has referred, were not concerned, because they knew nothing about the road maintenance tax and they did not have to pay it. As a Government we could not get the message over to the people that only those who were using vehicles of eight tons and over were subject to road maintenance tax.

Mr. Norton: This tax was passed on.

Sir DAVID BRAND: Of course it was. The proposals before us will not result in any reduction in costs, and I will deal with that aspect later. The additional charges which are inherent in the new proposals will also be passed on; there is not the slightest doubt about that.

Furthermore, these increased charges will be passed on by every carrier, whether he operates a vehicle of two tons, four tons, or six tons. Under the new proposal a carrier will not be able to cart goods in the metropolitan area or to the hinterland without paying the added charges.

Mr. Norton: These charges will be spread over all sections.

Sir DAVID BRAND: One could say that no satisfactory alternative system can be devised. We as a Government realised that the road maintenance tax was not a popular tax; therefore we caused a number of inquiries to be made, and we appointed a committee to look into alternatives.

Does anyone think that if there was an acceptable alternative we as a Government would not have adopted it? Many suggestions have been made, but they proved to be impractical, and their effect would be just as heavy on certain sections of the public as is the road maintenance tax.

Some of the statements that have been made on the cost of road maintenance tax to individuals are not correct. It has been said that the tax costs a farmer \$1,000 a year. How ridiculous is that! The average farmer would not pay \$1,000 a year. Similar stories have been told. In many country towns I have discussed the road maintenance tax with shopkeepers and hardware merchants. When I asked how much it had cost them, they did not know. I say that the increase in the cost of an article would be infinitesimal. Furthermore, in some instances road maintenance tax is not involved, because the articles are not carted by road transport. That was the sort of loose thinking that prevailed throughout the length and breadth of this State.

I come back to the fact that all the mainland States of Australia have retained the road maintenance tax, and would point out that the same problems which confronted the community and the individuals in the other States also confronted the people in our own community. In Queensland, New South Wales, and Victoria the road maintenance tax was paid on vehicles of four tons and over.

Mr. Lapham: That does not make it a good tax.

Sir DAVID BRAND: I am not saying it was a good tax—if there is a good tax at all. This is a question of having one tax or another. As every State on the mainland had decided to follow this line to bring sufficient money into the Treasury for road maintenance, we could not afford not to do it. If there is any State in this country—covering 1,000,000 square miles and extending from Wyndham to Esperance—which requires money for road maintenance surely it is Western Australia.

Mr. T. D. Evans: But the money does not find its way into the Treasury.

Sir DAVID BRAND: It does not matter very much whether it goes into the Treasury or to the Main Roads Department. The road maintenance tax had to be used, essentially, for road maintenance—that very important decision was made originally by the High Court. I think everyone knows the history of the road maintenance tax. The main reason for its introduction was that interstate road hauliers were damaging the roads and paying nothing for their upkeep. For that reason a system was devised by the State Governments of New South Wales, Victoria, and

Queensland. Although the law was challenged it was finally supported by the High Court, and it has remained in existence ever since.

Western Australia was the last State to impose the tax. For many years the other States had enjoyed the benefits—if I can use that expression—of the road maintenance tax. When the Grants Commission came to Western Australia it pointed out that there was a field of taxation of which we were not taking advantage. The Grants Commission stressed that until that source of taxation was taken up some sort of penalty would be imposed when assessing the financial grants. It was not fair that the people in the standard States were being taxed for road maintenance while we were paying no more than the normal license fees.

Not only did we decide that the tax would be paid only on vehicles of eight tons and over, but that the vehicles which were eligible for road maintenance tax would have the license fee reduced by 50 per cent. That was an important concession. Later, we also decided to exempt livestock carriers from road maintenance tax and that, too, was a very important concession.

Mr. Lapham: The vehicles being used for the development of our north-west were responsible for the payment of most of the tax.

Sir DAVID BRAND: I am not denying that problems confronted the people living in the north—and in other places—because of the tax. In spite of opposition I have stood firmly by the decision that the road maintenance tax was the best system from which to obtain the money necessary to meet our road commitments.

The committee which reported to the Government, after quite an exhaustive examination, set out in its summary that there were, in principle, two reasons why the road maintenance tax should not be replaced. The summary reads as follows:—

The committee recommends that the road maintenance charge should not be replaced by a State tax on motor fuel levied by means of a licence fee system on bulk installations or retail premises.

This recommendation is based on the following reasons:—

- (a) The committee considers there are serious doubts regarding the legality of the alternative proposals in relation to the Australian Constitution.
- (b) The alternative proposals do not give expression to the principle that the charge should be related to the cost of road maintenance caused by the road user.

I understand a previous speaker suggested that a system which would impose a tax or a surcharge on petrol and fuel used might be more equitable. Of course, it would be but the High Court would not consider such a system to be lawful in view of its previous finding. The High Court would rule such a charge as an excise duty.

Mr. Jamieson: The Leader of the Opposition would receive the unanimous support of the House on that point; it would be more equitable.

Sir DAVID BRAND: I am critical of the promise made by the Premier when he did not know what action he would take to find the \$4,000,000 or \$5,000,000 necessary to maintain our roads in good order, apart from any extension of them. The Premier did not have a clue where he would find the money. I know he went to Morawa and held a Labor Party branch meeting. I think that branch is now defunct but he got it going.

Mr. Jamieson: We overfilled the hall and it is still going.

Sir DAVID BRAND: Perhaps the Minister will be sorry when he returns to the area. However, as members of Parliament we all know that it is difficult to get a party branch established, whether it be the Country Party, Labor Party, or Liberal Party. The point I am making is that the meeting was called so that the people could meet the then Leader of the Opposition. I believe the Leader of the Opposition told the people that his party would do away with the road maintenance tax. That is what he also said in his policy speech.

Mr. W. A. Manning: He said it a hundred times.

Sir DAVID BRAND: The Leader of the Opposition galloped from one meeting to another and said that his party would do away with the road maintenance tax. I think someone was shrewd enough to ask how he would raise the money necessary to maintain the roads, but he did not have an answer. Of course, unless the then Leader of the Opposition gave the matter a great deal of thought he would not have an answer.

Mr. Jamieson: He did give an answer.

Sir DAVID BRAND: Yes, he said he would do something about iron ore royalties. The amount of money to be derived from iron ore royalties would not be enough. The point, of course, is that the Premier did not have an alternative at that time.

Mr. Rushton: An amount of \$1,300,000 was going to be saved on the Eyre Highway.

Sir DAVID BRAND: Another highway still had to be built. However, that is not the point. The then Leader of the Opposition promised the people that he would

repeal the road maintenance tax legislation. He is now doing that with Parliament's approval, and he is honouring his promise. I am critical of the fact that he did not know of a satisfactory alternative. An alternative has been put forward, but after listening to members speak in this House, it does not seem to be very satisfactory. Even the member for Gascoyne—loyal to the cause—has some reservations.

Mr. Norton: The alternative is better than the road maintenance tax.

Sir DAVID BRAND: The member for Gascoyne would have to make that comment, and I take my hat off to him. I believe the road maintenance tax was the only satisfactory method to obtain funds for the maintenance of our roads. Details of alternatives have been given, and I am sure that such alternatives will be mentioned time and time again. However, it is clear that many people have been surprised by the amount of money they will now have to pay by way of increased license fees for the trucks on their farms. These are trucks which they have licensed year after year at the old levels regardless of whether or not they paid road maintenance tax.

The Commissioner of Main Roads has drawn up this schedule, which is the only thing he could do. However, it may well be found that many farmers and people who own two trucks will license one only. The commissioner's estimate of income to be received under the new system could be well down.

There is no need for me to remind members that one of the arguments used by the Premier was that we were putting people into gaol because they could not pay road maintenance tax. From an answer given to a question asked by the member for Mt. Lawley I understand two were in gaol.

Mr. Jamieson: One stayed in longer than a murderer.

Mr. O'Connor: He should not have been let out, either.

Sir DAVID BRAND: This is not something that we want, but after all it applies to every lawbreaker. Any person who does not pay his fines may ultimately find himself in gaol. The decision is in the hands of the magistrate or whoever handles the administration of the law. The point I make is that extremely heavy license fees are proposed under the new system and many people may not be able to find the necessary amount of \$2,000 or \$1,600. I assume if they do not pay it they will go out of business or ultimately go to gaol. Consequently I cannot see that this is a way around that problem. No Government, past or present, wants to see people in gaol.

Mr. Hartrey: Hear! Hear!

Sir DAVID BRAND: I am sure the member for Boulder-Dundas, who is a genial type, does not want to see anyone go to gaol.

Mr. Jamieson: Neither does the Treasurer.

Sir DAVID BRAND: I merely say this does not resolve that problem at all. Individuals who have taken up trucking and haulage as a business still face the same problem of finding the money. At least it can be said of the road maintenance system that people had time to pay; it was pay-as-you-go, as it were. The trouble was that some people who owned trucks received the road maintenance tax and put it into their pockets. When hard-pressed for money one way or another they spent it and could not meet their commitments to the Government. What was the Government to do? Were we to say, "We are sorry"? They had to make an effort. The Premier believes in the enforcement of law. He has made this statement at least a dozen times. His alternative will certainly not overcome the problem.

There is another important factor. Although we have some quite good roads in Western Australia, if we travel around the State we see that main highways to the south and the north are certainly not wide enough. In fact the highway to Carnarvon through Northampton is dangerously narrow for many miles. Wide trucks do not even sit on the bitumen.

Mr. O'Connor: The Geraldton highway.

Sir DAVID BRAND: Millions of dollars are required not only to extend our road system but also to improve what we already have. I have no doubt that within a very few years we will need to have two-way dual systems where we now have double-width highways. This will be necessary in the interests of safety and expedition.

The Premier will go to the Premiers' Conferences, as I did, where the matter of road maintenance and road grants are discussed and decided. He will find himself in a difficult situation indeed if he intends to press Western Australia's case for more money. The Premier was most critical of me after the last conference when the new agreement was made because Western Australia lost some dollars in consequence of the changes. Let me remind members that the original system had developed from 1928. We used to obtain road funds on a formula which was based on area and population; it was two-fifths area and three-fifths population. Western Australia had 700,000 people, or even fewer, but an area of 1,000,000 square miles. The amount of money which came to us under this formula was generous in the extreme. This accounts for the good roads which we have in Western Australia.

Some adjustments were made. I am sure the Premier will recall it was most difficult when he was Minister for Works to sustain the argument that we should retain the two-fifths area three-fifths population basis. I believe the adjustments brought the basis to one-third population, one-third vehicle, and one-third area. Finally, on the last occasion I attended a Premiers' Conference, further adjustments were made. As I have said, the Premier was most critical of me for not bringing home the total amount and for allowing an adjustment to be made. It was an adjustment I could not stop in any event and one which resulted in a slight drop in the percentage of money to come to Western Australia.

I wonder what will happen when the Premier goes to Canberra, if the present Government is still in office, to hear the statements made by the Commonwealth Treasurer and the Prime Minister as to the new arrangements for the agreement to distribute road funds.

Mr. O'Connor: It will be critical for Western Australia too.

Sir DAVID BRAND: As the law now stands, we are not collecting all the money to which we are entitled. In view of the changing scene and the possibility of a change in the law, I imagine not many road hauliers are paying the tax unless they are bound by some system which commits them to do so through writing up the records. The rest of the people will be saying, "I will not pay the tax." After all, why should they pay it when other people are getting away with not paying it? I am sure we would find that the income from road maintenance tax is falling rapidly simply because of this.

Mr. O'Connor: The Government has stopped issuing warrants.

Mr. O'Neil: There are no penalties for nonpayment.

Sir DAVID BRAND: It seems to me the idea may be to reduce the income derived from road maintenance tax to a point where it will not be so difficult to match it by the licensing system. Whatever the intention, the Premier and the Minister for Works will not have as much money as we have had in the past to build roads and to maintain and improve them.

The Premier may decide to make a special claim for Western Australia. We will always be claiming for money for roads in this State. We will need more and more roads and money to service them, as well as the bridges which go with them. There will never be enough money. The Premier will appeal to the Commonwealth. Perhaps he will blame the Commonwealth. I can imagine Commonwealth Ministers and other Premiers sitting around the table and asking him whether he repealed the road maintenance tax. He will say, "Yes, because it was inequitable." They

could well say, "So is ours but we have retained it." I cannot imagine that they will agree to the Commonwealth making any special amount available while the taxing system is as it is. Rightly so, too.

Another factor is that if the other States want more money they will be able to do what the Premier now proposes to do—increase their vehicle license fees—and at the same time retain their road maintenance tax. This will resolve the problem of the demand for more money for their roads.

Every day each mile of road becomes dearer to maintain and build. There must be more money coming in if we are to increase our programme of road building. If farmers and the rank and file of people who have had to pay road maintenance tax in the past expect carriers to charge them less in consequence of the repeal of road maintenance tax they will be barking up the wrong tree, because human nature is not made that way. Who could say whether the charge is realistic, reasonable, or fair?

Mr. Gayfer: Not many charges were dropped when it was taken off stock cartage.

Sir DAVID BRAND: I did not have any stock to be carted, but I suppose the member for Avon is right because this is human nature. Perhaps the Premier has price-fixing legislation in mind.

Mr. O'Neil: Selective price control.

Sir DAVID BRAND: How difficult would that be to enforce? It could not be enforced at all.

Mr. Gayfer: They promised to do it.

Sir DAVID BRAND: Oh, yes, they promised to do it but it is like so many other promises we are still waiting for.

The Labor Party is always critical of big business and big companies, but we have the member for Gascoyne admitting that Bell Bros., Mayne Nickless, Hamersley, Mt. Newman, and all these huge companies are going to benefit.

Mr. Jamieson: And so will the other people living in the north.

Sir DAVID BRAND: I would like to know by how much they will benefit.

Mr. Jamieson: So would I, but certainly they will benefit.

Sir DAVID BRAND: There is nothing very clear about this. Let us say some of them will benefit. It seems very strange to me that under this new system the people will be relieved somewhat and yet they will realise that the tax imposed upon them is a very much greater burden than they ever anticipated.

Mr. Gayfer: Called the "jack" system.

Sir DAVID BRAND: It could be the "jack" system. I think the question of whether we can expect the road programme to be at least maintained at its

present level under this system is a matter of concern to all Western Australians. The big road programmes have slipped into oblivion simply because of the glorious uncertainty of the new system. It is yet to be proved that the estimates which the Commissioner of Main Roads submitted can be achieved. The Premier may have something up his sleeve—some new taxing device such as imposing a tax on taxi meters—I do not know. However, I know that, before very long not only will the license fees on trucks and commercial vehicles be increased, but also those on private vehicles. There is no doubt about this. The necessity for funds for the maintenance of the roads will mean that there will have to be an increase.

I get back to the fact that in principle those who do the most damage to the roads ought to pay something extra towards the maintenance.

Mr. Lapham: Except where a better service is being provided, as was mentioned in the north of our State. There is no comparison between our State and others; they are settled and ours is vast. This is the big difference.

Sir DAVID BRAND: Absolute nonsense.

Mr. Lapham: No nonsense about it.

Sir DAVID BRAND: It is absolute nonsense. The system in regard to the application of road maintenance tax surely must be compared to what is being done in the rest of Australia. Every five years or maybe less we meet with the other States and arrive at some agreement. Therefore, we must have regard for what they are doing in the other States if we are to receive our share of the Commonwealth grant. The Commonwealth no longer relates the grant to fuel or roads; it is simply paid into general revenue as a grant to the States from time to time. The Commonwealth grant is divided up under a formula arrived at and agreed to.

I am very sorry indeed that the Premier has decided to go ahead and repeal the road maintenance tax without knowing what he is going to use as a satisfactory alternative. I am also very sorry to know that many people who have never paid a large license fee for their trucks, and who certainly did not pay road maintenance tax, will now be called upon to face further financial burdens at a time when they can least afford it. I am sure many people will be selling their trucks and probably less money will be collected.

This is a policy matter; it was an election undertaking by the Premier, and to that extent, of course, he is doing the right thing by honouring it. However, if the Bill goes through this House and then is presented to the other place, it could be defeated. Bearing this in mind the Government now has an amendment on the notice paper ensuring that the Bill will not be proclaimed until the Premier says

so. Therefore, I see a possibility—only a possibility—of the Bill being defeated and the Premier can then say to the people, "I have honoured my promise to Mr. Bezant and all his boys." The Premier promised the Farmers' Union he would repeal road maintenance tax and so he can say, "I have done my best. The other House has defeated my efforts and all I can do now is keep the road maintenance tax because I cannot proclaim the Act."

I have taken the same stand over all the years and I firmly believe in that stand; the alternatives are most unsatisfactory. Maybe the States can get together to resolve this, but until the other States or the Commonwealth are able to come up with an alternative suggestion I can see nothing better—reluctant as I am to agree to it—than the retention of the road maintenance tax.

MR. HARTREY (Boulder-Dundas) [3.18 p.m.]: I have much pleasure in quite sincerely and quite enthusiastically supporting the repeal of this legislation and I bid farewell to the road maintenance tax without a tear.

Mr. O'Connor: You will not have to pay the substitute.

Mr. HARTREY: I will deal with the "substitute" in a moment when I come to deal with the remarks of the member for Mt. Lawley.

I submit the road maintenance tax is uneconomical, unproductive, and administratively it was inefficient. It spread a net which caught no sharks, but a handful of minnows and sardines—these were the people involved in the gaol episodes. I propose to refer to these shortly. I object to this legislation mainly from this angle.

Sir David Brand: The alternative will not resolve that.

Mr. HARTREY: The member for Mt. Lawley treated us to a very lengthy, very learned, but I think somewhat intemperate speech on this subject. I think certain aspects of his speech need clarification and explanation. He attacked this Government because it committed the offence of releasing from prison men who had been imprisoned for debt.

Mr. O'Connor: There were only two ever put in.

Mr. HARTREY: Wait a moment; I can only speak of one of them, whom I knew personally.

Mr. O'Connor: The one in Kalgoorlie had a shocking record.

Mr. HARTREY: Because the honorable member has said this I would like to make certain comments. The member for Mt. Lawley used these same words before when he said the person released from prison after representation by the member for Kalgoorlie was "a fellow with an extremely

bad record." I will be charitable to him and assume that he was only saying that this man had an extremely bad record for the nonpayment of road tax; because if he meant any more than that the words were grossly defamatory and he would be very fortunate to be protected by the absolute privilege extended to members of this Chamber.

Sir David Brand: It does not apply only to him either.

Mr. HARTREY: The member for Mt. Lawley said that the man who was released from prison had an extremely bad record.

Mr. O'Connor: He had that.

Mr. HARTREY: I will tell the honourable member what his record is. I did not get this unconfirmed. After 33 years as a solicitor I am not so unsophisticated as to accept as gospel what men tell me in their own interests. I checked these facts with the man in charge of the Kalgoolie regional prison who, of course, had the records relating to this man. It is true that this man has no criminal record of any sort.

Mr. Gayfer: I thought that such records were confidential?

Mr. HARTREY: Only immediately before a man is tried.

Mr. Gayfer: I thought that if one were to telephone the police and ask if a certain person had a record they were not allowed to disclose that information.

Mr. HARTREY: Of course they are not.

Mr. Gayfer: How did you do it?

Mr. HARTREY: To be quite frank I was invited to be this man's lawyer by the man in charge of the regional prison who considered he had been subjected to a gross injustice. For that reason, and in the interests of the prisoner himself, his records were made available to me, and I was not so unsophisticated as to accept his story uncorroborated by facts.

Mr. O'Connor: This is Meaker, is it?

Mr. HARTREY: Yes, Dennis Arthur Meaker. Here is a man who made the grave error of being a stooge for large companies; something that people cannot be prevented from doing these times. I will not mention the names of these companies that have made a practice of subcontracting this type of work to individuals who think they are going to make a fortune.

Such individuals start off with a very small financial margin and they have only to blow a couple of tyres on the way to Port Hedland or Port Augusta and they have gone below the point of financial stability. Then, of course, they are unable to pay the tax. That is what started this man on the way down. He was unable to pay the tax in South Australia.

Mr. O'Connor: Before you go any further, under the Road Maintenance (Contribution) Act is there not a provision to get back at the companies who have stooges? This is one of the provisions in the Act.

Mr. HARTREY: What did the honourable member do about it while he was in power? Meaker was put in gaol by the honourable member's Government but we were the ones who got him out.

Mr. O'Connor: If you care to get back to his impeccable record, I would like to hear it.

Mr. HARTREY: I will give the honourable member his impeccable record. He had no criminal record of any kind. He was not even in gaol for failing to maintain his wife and children, although he would have been unable to do this because he was placed in gaol. He was there at nobody else's expense except mine and the honourable member's, and it cost \$7 a day to keep him there. How does the honourable member expect to gain anything from a road maintenance tax or any other tax when a man is kept in gaol on the basis of \$7 a day?

Mr. O'Connor: On the basis of what you are saying we should release everybody from gaol.

Mr. HARTREY: Not by any means. Gaol is no place for anyone who has failed to pay a debt. When I was a boy I formed the impression that by virtue of Dickens' novels published in the early Victorian era, imprisonment for debt had been abolished. It is still not abolished yet—150 years later.

Mr. A. R. Tonkin: One hundred and fifty years! Give them time!

Mr. HARTREY: They gave poor old Meaker plenty of time.

Mr. O'Connor: This fellow was not a Western Australian either, was he?

Mr. HARTREY: Is that an offence?

Mr. Jamleson: That is a criminal offence!

Mr. HARTREY: So far as I know the Commonwealth Constitution still reads that intercourse of trade and commerce should be absolutely free between one State and another, and therefore it is not an offence for a man to come from South Australia, even if he is already owing money in that State.

Mr. O'Connor: He was failing to pay the road maintenance tax and was using Western Australian roads at our expense.

Mr. HARTREY: That was wrong?

Mr. O'Connor: It was wrong.

Mr. HARTREY: This man does not drink or gamble and he was not in prison for failing to pay maintenance.

Mr. O'Connor: He had not been home for how many years?

Mr. HARTREY: Does the honourable member think I asked him that? I suppose the member for Mt. Lawley thinks that I should have asked him if he slept with his wife.

Mr. O'Connor: You said that what I had said was not true.

Mr. HARTREY: What the honourable member said is not by any means true. The member for Mt. Lawley said he was a fellow with an extremely bad record. To anybody with a sophisticated point of view that would mean that he was a man who had many criminal convictions of various kinds. A man who had been guilty of breaking and entering; a man who had been guilty of attempted rape or criminal assault. That is the type of person that any ordinary individual would regard as being a man with an extremely bad record. What I am saying is that this fellow did not have an extremely bad record. He had no record at all in the ordinary criminal sense of the word. His record was that he was unable to pay the warrants that had been issued in South Australia. Subsequently he was gaoled in Western Australia at the dictation of South Australia. He went into gaol on the 26th September, 1969, at the dictation of Western Australia and if we had not released him he would still be there for the infamous crime of being destitute of money and incapable of paying a debt to the Government of Western Australia and the Government of South Australia.

What we want is a sense of proportion, especially in regard to criminal law.

Mr. Stephens: Could not this be regarded as misappropriation of funds rather than a debt?—that he had collected money on behalf of the Government and did not hand it in.

Mr. HARTREY: Not at all. That is not the way I look at it. The Criminal Code defines the offence of obtaining money by false pretences; the offence of embezzling money; and the offence of obtaining money by a fraudulent trick. But this man was not guilty or even apparently guilty of any of those offences which are, of course, crimes or misdemeanours. He was, however, gaoled for an indefinite period for this terrible offence of not having paid a tax. That is what I am complaining about. It was an inhumanitarian Act which resulted in this sort of persecution. If we had taken no action he still would not have been discharged from prison.

Let us have a sense of proportion when we are dealing with the subject of imprisonment. The Court of Criminal Appeal in England has actually stated that the average sentence of imprisonment for rape in England is five years. The Full Court of Western Australia has held that

a severe sentence for manslaughter in Western Australia is seven years in gaol. Yet a man can be kept in gaol for three years for no offence at all.

Mr. O'Connor: Oh!

Mr. HARTREY: Can the offence of not having paid road maintenance tax be compared with the offence of rape? The honourable member's Government put him in gaol for three years, so it must have been an offence in the eyes of the honourable member. He was put in gaol at a cost of \$7 a day.

Mr. O'Connor: I will ask for the record to be tabled.

The ACTING SPEAKER (Mr. Bateman): The member for Boulder-Dundas.

Mr. HARTREY: Can one compare a breach of public order—if it can be put that way—by failing to pay road maintenance tax because one has no money to pay it, with the crimes I have just alluded to; that is, manslaughter and rape? Yet the sentence of this man was more than half the average sentence for rape in Britain and a little less than half of what has been described as a severe sentence for manslaughter in this country. We have no sense of proportion.

Mr. R. L. Young: For how long would an offender be imprisoned if he failed to meet the savage penalties under the new Pay-roll Tax Bill?

Mr. HARTREY: The honourable member can work that one out for himself.

Mr. R. L. Young: You speak of inequities—surely that is comparable.

Mr. HARTREY: I am not going to ask for your protection, Mr. Acting Speaker (Mr. Bateman). I think I can handle this myself.

Mr. T. D. Evans: You always were a good kindergarten teacher.

Mr. Court: This place is a lot rougher than those courts you have been used to, you know.

Mr. HARTREY: The tax was proved a failure. No-one on the Opposition side of the House stands up now to defend this particular enactment, but all they do is to say that if the tax is abolished they can think of nothing more acceptable. Members of the Opposition can hardly expect the Government to be responsible for a lack of imagination on the part of the Opposition.

My principal object in speaking at all was to reply to the allegations that this unfortunate man was a fellow with an extremely bad record and, incidentally, to point out how easy it is for harsh and unscientific legislation to produce results which are quite revolting to persons with an elementary sense of proportion when dealing with a subject like imprisonment.

I will conclude on a different note altogether. I will award the member for Mt. Lawley for his sins a slight dissertation in semantics. He saw fit to attack the Premier by charging him with having indulged in a quibble with words. He said—

The Premier went on to say—

... the Government feels that the only satisfactory way of producing replacement road funds—

There the member for Mt. Lawley stopped quoting and said—

The Premier did not say it was a substitute, but used the word "replacement."

Quite so; the Premier did, and quite accurately, too. The member for Mt. Lawley continued—

If members look at the *Oxford Dictionary* they will see that, "replacement" means the same as "substitute."

If members look at the dictionary intelligently they will find nothing of the sort.

Mr. T. D. Evans: You have to excuse the member for Mt. Lawley in that regard.

Mr. HARTREY: I do not think that is necessary. I respectfully remind the member for Mt. Lawley that it is necessary when referring to a dictionary to be able to do more than read. One must read with comprehension and with a nice sense of discrimination.

Mr. O'Connor: I have the dictionary in front of me.

Mr. HARTREY: Yes, but the member for Mt. Lawley is not looking at it with a sense of discrimination. I am going to give the true picture.

Mr. Court: No wonder you won a lot of cases in Kalgoolie.

Mr. HARTREY: Here is the difference between "replacement" and "substitute." Where the temporary absence of a particular article is supplied by another article of equal or superior value, that is a replacement. A familiar instance would, of course, be Aladdin's maxim of "new lamps for old." That would be a replacement. However, when a lack of a particular article is supplied by one of inferior value or quality, then that is a substitute. An example of this would be the use of ersatz material in wartime because it was not possible to get anything better. So there is a vast difference between "replacement" and "substitute."

Mr. Court: You are drawing a long bow there.

Mr. HARTREY: If the Premier says this is a replacement, it is because he is introducing a superior article for the one discarded.

Mr. Court: You can tell that to the marines.

MR. GAYFER (Avon) [3.35 p.m.]: Right at the outset I wish to make my position very clear; that is, I intend to oppose the repeal of the road maintenance tax until an alternative more palatable to the farming community can be found. I say that most sincerely, but a little sorrowfully because I must admit I do not like the road maintenance tax. However, I most certainly do not favour the envisaged alternative.

Many fine and well-researched speeches have been made so far on the proposition to accept this alternative tax in place of the road maintenance tax, and I cannot get away from one of the points made by the present Premier in his policy speech at the election. He convinced many farmers throughout Western Australia—and this has been said by others. He told the farmers that they were farmers and that they could try to grow money, and he said that the Liberal-Country Party must think that they could do this. He said that of the 14,000 farmers in Western Australia, 3,000 were doomed, 4,000 were in serious difficulty, and that trouble was looming for more. I wish to refer to that one point; that is, trouble was looming for more.

Mr. Williams: That was a warning.

Mr. GAYFER: If we repeal the road maintenance tax and adopt the alternative proposal, what the Premier warned—and he cannot say he did not—will occur. In other words, trouble is looming for more.

Mr. Lewis: Which more?

Mr. GAYFER: The member for Moore had his go on the election before last. Further down in his advertisement the Premier said that the Labor Party was all for the abolition of the road tax. In his policy speech he never said a word about replacing the road tax. He merely said that for many reasons it had to be abolished; but he did say—

Should it be proved in practice that the abolition of the tax creates a situation inimical to the economy of the Railway Department, proper steps will be taken to safeguard railway revenue and protect the railways from unfair competition.

Of course, no matter what happens in respect of this measure, there will always be an excuse for the introduction of increased rail freights. However, it does not really matter what he said. What boils me up is that the action of the Premier is—and I will use the word the Premier himself used which I heard every second week for nine years when the present Premier was in Opposition—political subterfuge. That was a favourite expression of the present Premier. I, too, my learned friend from Boulder-Dundas, have been studying the dictionary, and I am sorry my interpretation will not be as

learned as the interpretation of the honourable member. From *Webster's Dictionary* I find the meaning of the word "subterfuge" is—

That to which a person resorts for escape or concealment; a shift; an evasion; an artifice employed to escape censure—

Mr. Hartrey: That's right.

Mr. GAYFER: I will say it is. To continue—

—or the force of an argument.

I am convinced that the Premier knows this measure will never see the light of day.

Mr. Court: He is hoping.

Mr. GAYFER: That is why he has allowed the member for Gascoyne to speak in the House and submit alternatives. Anyone may say what he likes about what he feels should be introduced because the present legislation will never see the light of day—the tax will not be repealed. He knows very well the alternative is such—

Mr. Jamieson: No it is not.

Mr. GAYFER: —and it was intended this way—that the tax will not be repealed in the Upper House.

Mr. Jamieson: You have only determined this recently; in fact, in the last five minutes.

Mr. GAYFER: I know very well that the Premier has decided he is going to catch the Country Party over a barrel; and this is good politics. By the introduction of this Bill the Premier is saying, "The Country Party has, basically, always been against road maintenance tax and by this measure I will catch out the member for Mt. Marshall, some bloke named McPharlin, who opposes it. He will have to go along with the repeal; he will have to go along with us on this and go back on the other one and vote it out." The Premier will then say to the people, "We did not do this; it was the Country Party which did it."

That is what will happen; but I will not fall for that sort of thing nor will I support what the Government hopes will be the end result.

Mr. H. D. Evans: You are generally pretty good with amendments, why do not you do something along those lines?

Mr. GAYFER: The member for Gascoyne came up with an amendment and suggested an increase of 150 per cent. on farmers vehicle licenses. I did not consider the 100 per cent. increase suggested by the Minister to be very good so I am not likely to accept the 150 per cent. suggested by the member for Gascoyne.

The member for Pilbara implied and even suggested the possibility of various amendments being put but he would not

commit himself any further. Accordingly nobody is happy about the alternative and certainly nobody wants the tax that we have at present. So the Government says, "All right, we will wipe out the lot." It will then say to the country shires, "We have repealed the road maintenance tax. That is what we said we would do. We were going to bring in an alternative to keep you going but unfortunately the Country Party members and others would not support us and accordingly it went out of the window. That is why you are losing a considerable amount of money in your country shires."

The member for Merredin-Yilgarn will no doubt explain to his shire very happily that next year it will not receive \$8,500 as part of the shire's contribution from the 93.35 per cent. of the road maintenance tax distributed to country shires. In an answer given to a question on the 13th October will be found the names of shires and the proportion they receive from the road maintenance tax contribution. It is because of this that the country shires came out in the papers yesterday and said, "Keep the road maintenance tax until we get a decent alternative."

Sir David Brand: I am all for that.

Mr. Rushton: They wanted to get rid of the tax.

Mr. GAYFER: Originally, but now they are all for keeping the tax. The point is that now he is in office the Premier has seen the extent of the stalemate that has been reached and has decided to keep out of it by trying to put somebody across a barrel as long as it is not himself. I do not blame him for doing that because I would probably do the same thing myself.

I will certainly not fall for this, however, because I know the feelings of the farmers in my electorate. They feel they cannot afford to accept the scale of charges proposed as the alternative to the road maintenance tax at present. A while ago somebody said that licenses for seven and eight-ton trucks would go up by 30 per cent. In the case of my own truck, which is an eight-ton Bedford I bought to escape the road maintenance tax, the amount of license to be paid will rise from \$76 to \$108. This is about a 50 per cent. increase. Mention has been made of the figure of 66½ per cent., but nowhere in this House has the Premier indicated that we are likely to get a 66½ per cent. concession. I do not know from where that figure originated. I have not heard it mentioned here. I have heard the Premier say in answer to a question by the member for Mt. Marshall that the same concession of 50 per cent. will apply.

Mr. McPharlin: I asked a question and I was told it would be 66½ per cent.

Mr. GAYFER: I am glad to hear that, because I got my information from the Main Roads Department which said it would be in the vicinity of 66½ per cent. *Sitting suspended from 3.45 to 4.04 p.m.*

Mr. GAYFER: I established before the suspension that 66½ per cent. is the proposed concession for a farmer's truck. By way of an illustration, my own truck has an aggregate weight of 236 hundredweight for which the present license fees are \$152, but because it attracts a 50 per cent. concession I now pay \$76 in license fees. Under the new scale, the aggregate weight would be 323 hundredweight, the license would be \$215, and the concession of 66½ per cent. would bring it down to \$108, which is \$34 more than I now pay, or an increase of near enough to 50 per cent.

I have here a list of 40 trucks that are average trucks used for transporting grain in and around my electorate. All of them will attract a substantial increase in license fees if the proposed alternative to the road maintenance tax comes into force. One particular farmer has a semi-trailer vehicle on which he pays a license fee of \$106 at the present time. He also runs another vehicle, so he claims a farm concession for that. If the alternative to road maintenance tax were to come in, he would be paying \$542, so his fees would jump from \$106 to \$542.

It is also very interesting to look at the position of contract carriers. At present, with the concession, they pay road maintenance tax of \$172. One particular carrier will pay \$683 when road maintenance tax is abolished. That sort of money is not available to these young fellows who have bought trucks, put them on the road, and are trying to keep them going. While paying the present tax, they have been able to accumulate it month by month and refund it to the Government; but to find \$683 in cold, hard cash will be impossible for them, even if they take out six-monthly licenses.

The Country Party has opposed road maintenance tax. It advocated the imposition of a fuel tax. This has been mentioned by the member for Blackwood and others. The Country Party put forward a proposal for the licensing of fuel depots, but we have been told emphatically by the Premier that is out. That proposal was also mentioned today by the Leader of the Opposition, but it did not get a very good reception from the committee of inquiry that was appointed by the previous Premier to inquire into alternatives to the road maintenance charge.

At least the Country Party did its homework and tried to find an alternative. The member for Gascoyne suggested an alternative, and other alternatives have been suggested, which demonstrates that the Government is just beginning to think about alternatives to road maintenance

tax, although the Government said it would not put any tax in place of road maintenance tax but would cut it out. If it is cut out and no alternative is substituted for it, I am afraid it may be the shire councils that will suffer. In that event, the only way I can see for them to exist and keep their shires going is to increase rates and taxes. That would be a great burden to the farming community and other people who live in country areas.

For many reasons—many of which have been mentioned already—I fail to see why I should give satisfaction to the Premier by supporting the repeal of road maintenance tax, when everybody—including the Farmers' Union in its last paper—has said it would place the farming community in an alarming position. Why should we get rid of a tax we know and delve into the mire for something we do not know? That is just about what we are doing.

I believe the Premier is well aware of the facts and that he is betting his bottom dollar this Bill will be knocked out in the Upper House, which will mean the alternative will not be brought in and he can turn around and say, "I tried to get rid of road maintenance tax but the repeal Bill was thrown out." Perhaps we should go along with him and make sure he gets the whole lot—the repeal Bill and his new Bill. That will really get the backs up of the country people and they will say at the next election, "Look what they did to us. Throw them out." We would then be back where we started from and road maintenance tax would be back the next week. That is the sort of thing that could happen.

Nevertheless, it is a curly matter. I feel very sorry for the Premier. My heart bleeds for him because I think he was determined to do something about it. After all, it was a hot potato and he said he would repeal the tax. He was likewise determined that if he was in Government he would bring many magical things into being, but I am sure he did not realise the necessity to have some sort of road tax on the community at the present time. Now that he is in office he can see that 93 per cent. of the revenue from this tax went back to the country shires, and if we take it away from them they will be down the drain. There is nothing surer. The Premier can see that the country shires cannot afford it.

I think the Premier is man enough to realise that the tax he proposes is ridiculous. It is an alarming tax which nobody could stomach. I think the Premier is in a quandary at the present time and is hoping that a political manoeuvre will save his face. That is about what it amounts to. As I said before, I cannot give him the pleasure of going over to his side and helping him win this repeal Bill. Much as I would like road maintenance

tax to be repealed, I will not vote for its repeal until such time as the Premier comes forward with a more equitable tax that will suit, in particular, the farmers I represent.

Wherever one goes everybody says the Premier's proposals are alarming. Mr. Huxley, the president of the Farmers' Union committee on road maintenance tax, said in *The Farmers' Weekly* of the 26th August, 1971—

The suggested tax would inflict more widespread hardship in country areas than under the road maintenance tax.

I thoroughly agree with him. I cannot, therefore, support the repeal Bill.

Debate adjourned until a later stage of the sitting, on motion by Mr. Harman.

QUESTIONS (20): ON NOTICE

1. TRAFFIC

Road Signs

Mr. THOMPSON, to the Minister representing the Minister for Police:

- (1) Does he accept the view that road safety and accident prevention would be assisted if the provision of adequate clearly visible street signs were made mandatory on the responsible local authorities?
- (2) Will he end inadequacy in this regard by taking action to ensure that all streets are sign-posted, not only with a street name that can be read clearly from any direction but also with block number information, (1-99, 2-100, etc.)?

Mr. MAY replied:

- (1) There is no positive evidence to support the view that poor street signs are an accident potential.
- (2) No.

2. TROTTING

Swabbing of Horses

Mr. BATEMAN, to the Minister for Mines:

- (1) Is it a fact the Government Chemical Laboratories analyse swabs taken from horses at Gloucester Park for the trotting association to check for traces of stimulants?
- (2) Do the chemical laboratories process swabs independently for owners who have had swabs taken by the trotting association?
- (3) If (2) is "No" would the laboratories be prepared to do so?
- (4) Do the Government Chemical Laboratories dispose of the swab before any decision is made by the trotting stewards?

Mr. MAY replied:

- (1) Yes.
- (2) No, but the owner has the right to have an analyst present during the analysis by the Government Chemical Laboratories.
If the owner took his own swab independently of that of the trotting association, the Government Chemical Laboratories would analyse it only as a last resort. It is much to be preferred that the owner's swab be analysed by another laboratory.
- (3) Answered by (2).
- (4) No, but—
 - (a) if the result is positive then all the sample is used in the analysis;
 - (b) if the result is negative then the trotting stewards have no decision to make.

3. STATE HOUSING COMMISSION

Land at Kelmscott

Mr. RUSHTON, to the Minister for Housing:

- (1) Will he advise the State Housing Commission's intentions for the Commission land near the corner of Connell Avenue and Turner Road, Kelmscott?
- (2) What is the acreage of this holding?
- (3) When will this development commence and what type of units will be built?
- (4) If a plan for total development has been drawn, will he let me have a copy?

Mr. TAYLOR replied:

- (1) to (4) The fifty-two acres (approximately) of commission land on the corner of Connell Avenue and Turner Road, Kelmscott, is classified rural in the Metropolitan Region Scheme, and the Local Authority Town Planning Scheme also zones the land as rural. Consequently, at this point in time, the commission has no proposals for utilisation of this land for housing purposes.

4. TEMPORARY RESERVES

Occupancy Rights: Nonrenewal

Mr. GRAYDEN, to the Minister for Mines:

- (1) How many temporary reserves for minerals other than iron have not been renewed because of failure to carry out work on such reserves?
- (2) What are the identifying numbers of such reserves?

Mr. MAY replied:

The questions asked by the Member would require considerable research and examination of records.

In view of the fact that departmental officers are working under extreme pressure to overcome arrears of work and prepare a new Mining Act, it is regretted that I am unable to supply the information requested by the Member.

5. TEMPORARY RESERVES

Occupancy Rights: Renewal

Mr. GRAYDEN, to the Minister for Mines:

Will he advise the number of temporary reserves for minerals other than iron which during the period January, 1968 to July, 1971—

- (a) had occupancy rights renewed during the currency of existing occupancy rights;
- (b) had occupancy rights renewed within three months of the expiration of the previous occupancy rights;
- (c) had occupancy rights renewed between three and six months after the expiration of the previous occupancy rights;
- (d) had occupancy rights renewed between six and nine months after the expiration of the previous occupancy rights;
- (e) had occupancy rights renewed more than nine months after the expiration of the previous occupancy rights?

Mr. MAY replied:

The questions asked by the Member would require considerable research and examination of records.

In view of the fact that departmental officers are working under extreme pressure to overcome arrears of work and prepare a new Mining Act, it is regretted that I am unable to supply the information requested by the Member.

6. POINT PERON RESERVE

Future Use

Mr. RUSHTON, to the Minister for Lands:

- (1) Is the future use of Point Peron reserve being reconsidered?
- (2) From what organisations and individuals have recommendations been received?

- (3) Has the Shire of Rockingham been consulted?
- (4) What is the description of the land and acreage under consideration?
- (5) If a plan of the recommended future utilisation of the reserve has been prepared, will he make a copy available to me now, or when it is drawn?
- (6) Does the Government intend to vary from the previous Government's intentions for this reserve?
- (7) If (6) is "Yes" in what way?

Mr. H. D. EVANS replied:

A deputation representing lessees recently put forward certain views regarding the future use of the reserve at Point Peron. Consideration of these views is pending detailed written submissions expected from the deputation members.

7. BUSH FIRES BOARD

Wardens

Mr. STEPHENS, to the Minister for Lands:

- (1) How many wardens were employed by the Bush Fires Board in the years 1964-65 and 1969-70?
- (2) What was the cost of the employment of these wardens in the years 1964-65 and 1969-70?
- (3) How many wardens will be employed, and what is the budgeted cost of this employment for the financial year 1971-72?
- (4) Do the answers to (3) include the number of wardens and the cost of their employment that will result from an advertisement appearing in *The West Australian* on 4th September, 1971, inviting applications for appointment of six wardens grade 2 to the Bush Fires Board?
- (5) In what positions, capacity and locations will these new appointments apply?

Mr. H. D. EVANS replied:

- (1) Establishment:
 - (a) 1964-65—
One senior warden.
Seven wardens.
 - (b) 1969-70—
Two senior wardens.
Eight Grade 1 wardens.
Six Grade 2 wardens.
- (2) Salaries paid:
 - (a) 1964-65—\$25,594.
 - (b) 1969-70—\$62,262.

- (3) (a) Estimated establishment:
Two senior wardens.
Eight Grade 1 wardens.
Six Grade 2 wardens.
- (b) Budgeted salaries—\$87,370.
- (4) Yes.
- (5) The proposed new appointments are as trainees to fill vacancies. The locations have not been determined.

8. FLUORIDATION OF WATER SUPPLIES

Correctness of Press Report

Mr. COURT, to the Premier:

Further to my questions without notice of 7th and 8th September, 1971, about the report in the *Sunday Independent* of 5th September under heading "Fluoride or not? Tonkin will do it his way":—

- (1) Is the report a fair report of his views and intended actions?
- (2) Will he say how he intends to achieve defluoridisation of Perth's water supplies, and will legislation be involved?

Mr. J. T. TONKIN replied:

- (1) No.
- (2) When the Government decides to follow the present trend throughout the world in abandoning fluoridation, legislation will be introduced. World renowned chemist Professor Arvid Hedvall is one of many scientists advocating such a course.

9. POLICE STATION AND COURTHOUSE

Cranbrook

Mr. STEPHENS, to the Minister representing the Minister for Police:

- (1) Is it intended to erect a new police station and courthouse in Cranbrook?
- (2) If "Yes" when is it expected that work will commence?

Mr. MAY replied:

- (1) A new police station with court facilities is proposed for Cranbrook.
- (2) When finance becomes available.

10. BUNBURY REGIONAL PROMOTION COMMITTEE

Chairman and Members

Mr. JONES, to the Minister for Industrial Development and Decentralisation:

- (1) What are the names of the chairman and members of the Bun-

bury Regional Promotion Committee from its inception to 1st September, 1971?

- (2) What are the names of the present chairman and members?
- (3) By whom were they appointed?
- (4) What organisations in the Bunbury region do they represent?
- (5) Did the original committee cease to function?
- (6) If "Yes" to (5) will he advise the reasons why it ceased to operate and the date?
- (7) At whose request was it reformed for regional promotion?

Mr. GRAHAM replied:

- (1) Inaugurated 23rd October, 1966.

Steering Committee:

Mr. J. Watts (Chairman from 23/10/66 to 12/6/67).

Mr. M. Johansen.

Mr. R. Basham.

Subsequent appointments to the committee (to 16/9/70):

Dr. E. C. Manea.

Mr. M. C. Williams, M.L.A.

Mr. L. Wright.

Mr. P. Wood.

Mr. A. G. Baxter.

Mr. F. E. Roberts (Chairman from 3/10/67 to 1/6/71).

Reformed 16th September, 1970—Membership (including the period to 1/9/71):

Dr. E. C. Manea (Chairman since 1/6/71)—Mayor of Bunbury.

Cr. F. H. Buswell.

Cr. I. M. Robertson (Proxy).

Cr. A. G. Baxter (Proxy).

Mr. F. E. Roberts (Bunbury Port Authority).

Mr. J. Willinge (Proxy, Bunbury Port Authority).

Mr. H. Gibbon (Bunbury Chamber of Commerce).

Mr. B. J. McNally (Master Builders' Association).

Mr. L. Craddock (Retail Traders' Association).

Mr. A. A. France (Banking representative).

Mr. M. Johansen (P.M.G.).

Mr. E. Stubbs (Bunbury Rotary Club).

Mr. H. M. M. Anderson (Accountants' association).

Mr. P. Wood (News media).

Mr. J. Coote (South Bunbury Rotary Club).

Mr. W. Sorenson (Engineers' Institute).

Mr. J. Flynn (Combined Railway Union).

Mr. R. W. Mickle (Department of Industrial Development and Decentralisation).

Mr. E. S. T. Trezise (Secretary) (Assistant Town Clerk).

So far as the service clubs and other associations are concerned, the committee seeks their representation rather than having a permanent individual on the committee.

- (2) See (1).
- (3) The Bunbury Regional Promotion Committee.
- (4) See (1).
- (5) It was not disbanded, but it was not active for a period due to a need for reorganisation.
- (6) See (5).
- (7) The committee met on 16th September, 1970, to discuss whether it should disband or reform. It decided on the latter.

11. ORD RIVER FARMERS

Cotton Subsidy

Mr. COURT, to the Treasurer:

- (1) Has he seen—
 - (a) *The Sunday Times*, 5th September, 1971, report "Treasurer says farms must pay"; and
 - (b) *The West Australian*, 6th September, 1971, report "Market is King : Evans"?
- (2) If so, are the reports accurate?
- (3) Do his comments about subsidies mean that the Government is not pressing for a continuation of the cotton subsidy or other financial assistance for the Ord farmers to help them over the important few years immediately after the main Ord dam comes into use, and, if so, is this a reflection of the harder line policy in respect of assistance to rural industries foreshadowed at the recent A.L.P. Launceston Federal Conference?

Mr. T. D. EVANS replied:

- (1) (a) Yes.
(b) Yes.
- (2) Yes, but were incomplete.
- (3) No. The Government is seeking an urgent review by the Commonwealth Government of that Government's decision to discontinue the cotton bounty.

12. TEACHERS

Promotions: Preference

Mr. COURT, to the Minister for Education:

How does he reconcile the comments in the election pamphlet of the A.L.P. candidate for Subiaco

at the last State Elections ("The Labor Party is vitally concerned with education. For years it has been advocating a promotional system for teachers based on ability and qualifications") with the Government's plan to amend the education regulations to give preference to unionists when appointments are being made to promotional positions?

Mr. J. T. TONKIN replied:

There is no conflict here. The preference proposals include a provision that the unionist who is promoted must possess adequate qualifications and ability for the new position.

Mr. COURT: If he is not a member he does not get a chance.

13. TOWN PLANNING

Gosnells Subdivision: Septic Tanks

Mr. BATEMAN, to the Minister for Town Planning:

- (1) Is it a fact that at a subdivision on the corner of Corfield Street and Dorothy Street, Gosnells, approval has been given to instal septic tanks?
- (2) Is it a fact this property is owned by the State Housing Commission?
- (3) Is it a fact that property directly opposite has a condition placed on it to instal deep sewerage before a subdivision can be granted?
- (4) If (1), (2) and (3) are "Yes" will he give reasons for this situation?

Mr. GRAHAM replied:

- (1) Yes, at a time when the land was under private ownership.
- (2) Out of a total of 47 lots the State Housing Commission has now purchased 38 and negotiations are proceeding for the purchase of the remaining nine lots.
- (3) Yes.
- (4) Subdivisional approval without a sewerage requirement was given on 8th October, 1969, for the lots on the corner of Corfield and Dorothy Streets, Gosnells, because this was not generally required as a matter of policy at that time. Subdivisional approval with a sewerage requirement was given on 8th October, 1970, for the lots south of Corfield Street because it was appreciated from experience that this service should be a prerequisite to housing development in the area.

14. AGRICULTURAL EDUCATION

Report of Committee

Mr. LEWIS, to the Minister for Education:

- (1) Can he indicate the progress of the preparation of the report of the committee under Professor Stern which is inquiring into agricultural education at all levels?
- (2) In view of the uncertainty in the minds of many parents as to the future of agriculture, and in view of the very marked decrease in applications for enrolment at agricultural schools, will he take steps to accelerate the presentation of the report?

Mr. J. T. TONKIN replied:

- (1) The report is in an advanced drafting stage and it is anticipated that it will be submitted to the Government in approximately three months' time.
- (2) These aspects have been discussed with Professor Stern and he is dealing with the preparation of the report as a matter of urgency.

15. *This question was postponed.*

16. LAND AT ESPERANCE

Allocation to Mr. A. T. Chase

Mr. NALDER, to the Minister for Lands:

- (1) What area of land was originally allocated to Mr. Allen T. Chase in the Esperance region?
- (2) What area is still retained by Mr. Chase in the Esperance region?
- (3) Has any of the land retained by Mr. Chase been subdivided into farm units, and, if so, how many farms?
- (4) What is the total area developed?

Mr. H. D. EVANS replied:

- (1) None. The Esperance agreement provided that the State was to grant to Esperance Plains (Australia) Pty. Ltd areas totalling one million five hundred thousand acres of land.

The lands actually granted to Esperance Plains (Australia) Pty. Ltd totalled 110,460 acres 2 roods 26 perches.

- (2) to (4) There is now no land in the Esperance region registered in the name of Esperance Plains (Australia) Pty. Ltd. or Allen Tilden Chase.

17. NATIVES

South Guildford: Accommodation in Tents

Mr. THOMPSON, to the Minister representing the Minister for Community Welfare:

- (1) Is he aware that for several months a group of people who appear to be part-Aboriginal have been living in tents adjacent to Kalamunda Road about one half mile from Great Eastern Highway, South Guildford?
- (2) Does he consider the standard of accommodation satisfactory, and, if not, will he state what steps he will take to provide appropriate accommodation for these people?

Mr. BERTRAM replied:

- (1) Yes.
- (2) The standard of accommodation is not considered satisfactory. \$12,275,000 has been requested by the Native Welfare Department for urban housing this financial year and it is recognised that even this amount is insufficient to meet the total needs of the State.

18. COUNTRY HIGH SCHOOL HOSTEL

Bunbury Technical School Students

Mr. WILLIAMS, to the Minister for Education:

- (1) Has consideration been given to offering accommodation at Bunbury High School hostel to students who intend to enrol at Bunbury Technical School in 1972?
- (2) If "Yes" with what result?
- (3) If not, would he have this suggestion investigated?

Mr. J. T. TONKIN replied:

- (1) Yes.
- (2) Applications from technical school students up to 18 years of age will be favourably considered subject to accommodation being available.
- (3) Answered by (2).

19. COUNTRY HIGH SCHOOL HOSTEL

Bunbury: Applications

Mr. WILLIAMS, to the Minister for Education:

- (1) How many applications have been received for accommodation next year at the Bunbury High School hostel?
- (2) What is the minimum number required to operate the hostel on a break-even basis?

- (3) What subsidies are at present paid to any organisation who is prepared to run a hostel of this kind?
- (4) If sufficient applications are received for 1972, who will operate the hostel?
- (5) Are applications being sought for high school students only; if not, from what other students?

Mr. J. T. TONKIN replied:

- (1) 10.
- (2) 50.
- (3) \$1.50 per student a week.
- (4) No decision has yet been made.
- (5) No. Applications from technical school students will also be considered.

20. MINISTERS OF THE CROWN

Personal Staff

Mr. WILLIAMS, to the Premier:

What was the number of staff employed, who would be classed as personal ministerial staff, in each Minister's office as at—

- (a) 29th January, 1971;
- (b) 30th June, 1971?

Mr. J. T. TONKIN replied:

- (a) 29th January, 1971—

Portfolio	Number of Staff
Premier, Treasurer and Minister for Tourists	2
Minister for Industrial Development and the North West	6
Minister for Agriculture and Electricity	4
Minister for Education and Native Welfare	5
Minister for Mines and Justice	3
Minister for Lands, Forests and Immigration	4
Minister for Works and Water Supplies	4
Minister for Local Government, Town Planning and Child Welfare	3
Chief Secretary and Minister for Police and Traffic	5
Minister for Housing and Labour	2
Minister for Transport and Railways	3
Minister for Health, Fisheries and Fauna, and Environmental Protection	3
	—
	44
	—

(b) 30th June, 1971—

Portfolio	Number of Staff
Premier and Minister for Education, Environmental Protection and Cultural Affairs	2
Minister for Industrial Development and Decentralisation, and Town Planning	3
Treasurer and Minister for Forests and Tourism	5
Minister for Community Welfare	3
Minister for Police and Transport	5
Minister for Mines and North West	3
Minister for Works, Water Supplies and Electricity	4
Minister for Lands, Agriculture and Immigration	5
Minister for Prices Control, Consumer Protection, Health, and Fisheries and Fauna	3
Minister for Housing and Labour	4
Attorney General and Minister for Railways	2
Minister for Local Government and Chief Secretary	3
	—
	42
	—

QUESTIONS (5): WITHOUT NOTICE

1. TEACHERS

Promotions: Preference

Mr. COURT, to the Minister for Education:

My question arises out of the Minister's answer to question 12 on the notice paper. In my question I asked the Minister to reconcile the comments in the pamphlet of the endorsed Labor candidate for the electorate of Subiaco at the last election. The Minister said there is no conflict. I would like him to explain to me how there is no conflict when, in fact, his proposal for preference to unionists completely excludes people who may have superior qualifications and not even equal qualifications. That does not appear to be consistent with the claim made by the endorsed candidate for Subiaco who said, "The Labor Party is vitally concerned with education. For years it has been advocating a promotional system for teachers based on ability and qualifications."

Mr. J. T. TONKIN replied:

It is nothing new for the Deputy Leader of the Opposition to see things differently from me. If he forms a different conclusion from

a set of circumstances, I cannot be responsible. I see no conflict and, as there is no conflict, there is nothing to reconcile.

2. POINT PERON RESERVE

Future Use

Mr. RUSHTON, to the Minister for Lands:

My question arises out of the Minister's reply to question 6 on today's notice paper. I asked a series of questions, and the Minister answered only the first two parts. Parts (3) to (7) went unanswered. I ask the Minister: Will he give further consideration to my question and answer it either today or at the next sitting of the House?

Mr. H. D. EVANS replied:

I outlined the situation as far as I am able in my reply; that is, that a deputation of lessees involved with the reserve was received. The deputation made certain verbal proposals and, depending upon subsequent written submissions, further consideration will be given to the points raised.

3. TEACHERS

Promotions: Preference

Mr. COURT, to the Minister for Education:

My question arises out of the answer of the Minister to my previous question without notice. In view of the fact that he refuses to endeavour to reconcile the two answers—and he claims no reconciliation is needed—I hope he will answer a more specific question. If there are two teachers and one who is not a member of the union has superior qualifications, will that person be precluded from promotion because the other person with lesser qualifications is in fact a member of the union?

Mr. J. T. TONKIN replied:

The question of the Deputy Leader of the Opposition shows that he has no understanding of the situation at all.

Mr. Graham: That is not unusual.

Mr. Court: I have too much understanding for your comfort at the moment.

The SPEAKER: Order!

Mr. J. T. TONKIN: Preference to unionists means that when all things are equal in regard to an appointment to a position the job shall go to the unionist and not the nonunionist.

Mr. Court: What about a right of appeal under your system?

4. POINT PERON RESERVE

Future Use

Mr. RUSHTON, to the Minister for Lands:

Will the Minister, when he feels he has the substance of the issue before him, consult the Shire of Rockingham and advise me of his deliberations in this regard?

Mr. H. D. EVANS replied:

This will depend on the nature of the submissions. However, if the Shire of Rockingham is involved it will certainly be notified, and if the honourable member so wishes, out of courtesy I will notify him.

5. IRON ORE TEMPORARY RESERVES

Occupancy Rights: Renewal

Mr. MAY (Minister for Mines): Yesterday the member for South Perth asked me the following question on notice:—

Will he advise the number of temporary reserves for iron ore which during the period January, 1968, to July, 1971—

- (a) had occupancy rights renewed during the currency of existing occupancy rights;
- (b) had occupancy rights renewed within three months of the expiration of the previous occupancy rights;
- (c) had occupancy rights renewed between three and six months after the expiration of the previous occupancy rights;
- (d) had occupancy rights renewed between six and nine months after the expiration of the previous occupancy rights;
- (e) had occupancy rights renewed more than nine months after the expiration of the previous occupancy rights?

I asked for the questions to be postponed until Tuesday, the 14th September. However, I now have the answer, which is as follows:—

The questions asked by the honourable member would require considerable research and examination of records. In view of the fact that departmental officers are working under extreme pressure to overcome arrears of work and prepare a new Mining Act, it is regretted that I am unable to supply the information requested by the honourable member.

ALUMINA REFINERY (UPPER SWAN) AGREEMENT BILL

Second Reading

MR. GRAHAM (Balcatta—Minister for Industrial Development and Decentralisation) (4.31 p.m.): I move—

That the Bill be now read a second time.

The purpose of the Bill now before members is to allow Parliament to determine whether the Government should enter into an agreement with Pacminex Pty. Ltd. and its joint venture partners for the establishment of an alumina refinery at Upper Swan.

This is a departure from the normal practice followed by the previous Government and this Government with the Poseidon nickel agreement which was signed by the Premier before being submitted to Parliament for ratification.

The reason for this departure is that the Government wants to allow Parliament the opportunity to debate the question of whether it is in fact desirable, and in the best interests of the State, to have the industry sited in the particular location proposed by the company. This is a courtesy that the previous Government never extended to Parliament in any of the major mineral agreements it brought forward during its term of office.

Mr. Court: You are only doing it in this case, because you are in a fix.

Mr. GRAHAM: Nothing of the sort. I want to indicate that this will be the pattern of this Government. You, Mr. Speaker, will be aware of the fact that in the past many complaints have been made to the effect that the submitting of an agreement to Parliament was merely a formality, because without creating a breach of faith it was impossible for either House of Parliament to alter so much as a single word in an agreement. As members are aware, in the past agreements contained very many clauses and very many objects, whereas the Bills themselves consisted of only a few lines. That was the general rule.

Mr. Williams: You are pretty safe in thinking that this Bill will go through this House.

Mr. GRAHAM: I am aware there is another place; and from the tone of the member for Bunbury he seems to suggest that an air of irresponsibility will be found when the Bill reaches another place where his party, in association with another party, has a majority of members. I sincerely hope and trust that the members of that place have a greater sense of responsibility than apparently the member for Bunbury attributes to them.

Mr. Williams: That is quite unfair.

Mr. GRAHAM: There appears to be a common desire on the part of the Liberal back-benchers not to hear about this Bill

at all. Notwithstanding the interruptions I will endeavour to convey to members what is contained in a most important document—not necessarily to them only, but to the State of Western Australia.

Mr. O'Neil: I do not want to delay you, but are you implying this agreement has not been entered into between the Government and the signatories thereto?

Mr. GRAHAM: If the honourable member had done some listening and not so much interrupting he would know.

Mr. O'Neil: I thank you for your very polite reply!

Mr. GRAHAM: For the first time, the basis of an agreement is being submitted to Parliament without having been signed by the Government.

Mr. O'Neil: I thank you for that polite reply! I was simply seeking some information. There was so much interruption when you were talking that I did not hear.

Mr. GRAHAM: This indicates that we can get on far better if there is an absence of interjections, unless they be designed for the purpose of obtaining information.

The SPEAKER: Order! I have been endeavouring to indicate that for some time.

Mr. GRAHAM: I am not yet 1 per cent. through my speech. I have mentioned one aspect only from my notes, and that was to cover one point which was the subject matter raised by the member for East Melville. To continue with what I was saying, there has been a degree of public controversy on this proposal because the site is not in an established industrial area. However, the refinery has to be considered as a special case because it is based on mining bauxite that is low-grade by world standards. This means that the project is unable to withstand the economic strain that would be imposed on it by siting the refinery further north. If it is not permitted to establish on the selected site there is every possibility that the project will be deferred indefinitely.

This could mean the total loss to the State of much of the bauxite the company proposes to mine, as further expansion of the metropolitan area could eventually preclude mining in the area where the company and its joint venture partners have proved their ore.

I interpolate here to say that it should not be thought that there will be intense suburban development in the area I have in mind, but there will be development something more in the nature of farmlands or areas not usually larger than five or 10 acres, where people live in order to enjoy a semi-rural environment.

The simple economics are that this project will involve establishment expenditure of about \$190,000,000 and each year will inject about \$15,000,000 into the economy of

Western Australia. It will create employment opportunity for thousands of people in the construction stage and later will employ more than 700 people directly in mining and treatment of the bauxite, consisting of approximately 150 engaged on mining operations and some 550 at the refinery.

Critics of the project argue against the refinery on aesthetic grounds, but much of the criticism has been ill-informed and based on emotional rather than technical reasoning.

It is because of this criticism that this Bill has been brought before the House so that a decision on the proposed alumina refinery can be made by Parliament after a full review of the public opinion surrounding the project.

Exploratory drilling has shown that the reserves of ore, on which this project will be based, are considerably in excess of 100,000,000 tons of bauxite, which on present prices is worth over \$1,500,000,000. The joint venturers are confident that these reserves are sufficient to sustain an economically viable extraction and refining operation. About 75 per cent. of these reserves are on private land, a much higher proportion than either the Alcoa or the Alwest projects each of which occupies a considerable area of Crown land. By contrast this venture has access to only 28,000 acres of Crown land available for mining and out of that area only about 4,600 acres are expected to be mined.

Members should appreciate that this project is a marginal one, based on lower grades of ore than the Alcoa project and occupying only a fraction of the total Crown land available to the other alumina producers. The low grade of this ore will automatically preclude the direct shipment of any to overseas alumina plants as it would involve the transport of too great a weight of nonaluminium bearing material. A little historic background might be of interest. The project had its beginning in 1965, when Dr. Bruno Campana, a Swiss consulting geologist, commenced an investigation of bauxite areas in the Darling Range not already assigned to others.

The following year, after he had been granted temporary reserves over the areas of interest, he entered into a partnership with Hancock and Wright to undertake further investigations of the deposits with a view to their development.

The Colonial Sugar Refinery Co. Ltd. joined the venture as a partner in 1968 and subsequently directed its wholly owned mining subsidiary, Pacminex Pty. Ltd., to prepare a feasibility study for the partners.

As a result of the feasibility study, the initial stage of which was completed in September last year, the partners sought a formal agreement with the State to permit them to proceed with the establish-

ment of a mining operation and an alumina refinery. Expenditure by the group on testing the deposits and on the feasibility study has already exceeded \$2,000,000.

The joint venture companies now seeking Government approval of their proposals are Metals Miniere Ltd., a company formed to deal with the rights held by Dr. Campana; Hancock Prospecting Pty. Ltd. and Wright Prospecting Pty. Ltd., representing the interests of Mr. Lang Hancock and Mr. Peter Wright; and Pacminex Pty. Ltd. which is the mineral exploration and development subsidiary of the Colonial Sugar Refinery Co. Ltd. The companies anticipate that they will be joined by a number of overseas aluminium companies before fullscale development is undertaken.

This is considered essential to ensure that production can be sold. This type of customer participation, often referred to as a "captive market," is becoming common in large development projects of this nature.

The companies included a full survey of possible purchasers of alumina in their feasibility studies, and are satisfied that sufficient interest has been generated for the formation of a joint venture to undertake production of alumina from the low grade bauxite held in their reserves.

However, I emphasise the importance of the Australian participation in ownership of the venture with three Perth companies and Pacminex Pty. Ltd. as a fully-owned subsidiary of the Colonial Sugar Refinery Co. Ltd., which is already an established Western Australian miner through its interest in the Mt. Newman mining venture. It is particularly pleasing to see a large Australian company with adequate resources and technical knowledge with a major interest in a venture such as the one proposed for Upper Swan.

At this stage I will give a very brief outline of the project; and to enable members more readily to understand the situation I will, with your permission Mr. Acting Speaker (Mr. Bateman), table copies of the three plans marked "A," "B," and "C" which are to be annexed to the agreement when signed.

The three plans were tabled.

The developers propose to mine bauxite by shallow open-cut methods in the mining area as shown in plan "C" which I have tabled. This has a total area of roughly 768,000 acres but actual mining will be confined to only about 13,000 acres, or 1.7 per cent. of this total. In addition there will be some mining on about 3,000 acres of privately owned land adjacent to the mining area. Included in the mining area are 18,100 acres of State forest, but of this only 405 acres will be mined.

Mr. Lewis: That is pine forest?

Mr. GRAHAM: No; natural forest. There are dedicated reserves totalling 26,265 acres but not one acre of those reserves will be mined. There is vacant Crown land of some 9,344 acres, and it is anticipated that 4,248 acres of this will be mined. All of the balance of the area is privately owned land, in connection with some of which minerals are reserved to the Crown, and in other cases the minerals are the property of the owner.

Bauxite will be conveyed by trucks to a central crushing and loading point from which it will be railed to a refinery situated immediately east of the Gwangara pine plantation. The rail transport task will involve a spur line to connect the standard gauge railway in the Avon Valley and a loop line to connect to the 3 ft. 6 in. gauge Midland railway line. A short section of the Midland line will be converted to dual gauge to convey the bauxite to a point just north of the Upper Swan siding. From this point a further spur line will be constructed into the refinery site.

At the refinery the bauxite will be converted to alumina which will then be railed to a storage point at Kwinana. From this storage the alumina will be conveyed by means of an enclosed conveyor belt system to a wharf for direct loading into ships. At this stage it is expected that the company will construct an addition to the Fremantle Port Authority's bulk loading jetty now used by CSBP Ltd. for its fertiliser works. However, there is provision in the agreement for the construction of a completely new wharf if this is considered to be of greater advantage to the State.

The company is planning to develop its refinery in units, each capable of producing 400,000 tons of alumina per annum. It is likely that the first two units will be in production within five years of the commencement of the project. The addition of a third unit, bringing total capacity to 1,200,000 tons, will depend on the proving of additional bauxite reserves and the market for alumina; but it is not considered very likely that this degree of expansion will eventuate.

Several problems arise because of the nature of this project. Included in these problems are the effect of mining on the environment, the disposal of the refinery tailings commonly known as "red mud," the emission of gaseous wastes from the refinery boilers and kilns, and the problem of restoring land after it has been mined or used for red mud disposal.

Each of these problems has been given serious consideration and has been the subject of detailed technical study. The agreement that I am about to outline in detail has been carefully drafted to take account of each of these hazards and to provide adequate means of control. I will deal with these control measures at some length

at a later stage of my address, but first I would like to outline, step by step, the principal features of the agreement.

The joint venturers will be required to submit proposals before the 30th September, 1972, setting forth details of all aspects of the project. These will be studied by relevant Government departments and, where appropriate, by other statutory authorities before being approved by the Minister. The joint venturers are not authorised to proceed with construction until their proposals are accepted. In considering these proposals, close attention will be given to measures to be adopted to ensure maximum protection of the environment.

The developers are required to complete the first refinery unit and commence operations at a capacity of not less than 300,000 tons per annum by the end of the third year after the approval of their proposals. Further construction must be completed not later than the end of the tenth year to bring capacity up to 800,000 tons. The economics of the project and the expressed intentions of the joint venturers indicate that the higher capacity will be achieved in a much shorter time.

The agreement provides in clause 8 that the joint venturers will be entitled to a mining lease over Crown land within the mining area shown in plan "C" which I have tabled and over alienated land within the same area where minerals are owned by the Crown. However, mining will not be permitted on alienated land unless the joint venturers have entered into a written agreement, approved by the Minister, for the adequate restoration of the land.

The lease will be at a rental of \$5 per square mile, and will be granted initially for 21 years, with two rights of renewal, each of 21 years. The lease rental will be subject to review every seven years, and may be escalated subject to the world selling price of aluminium.

The agreement provides that after 63 years the joint venturers may obtain a lease for a further 21 years, subject to new terms and conditions.

The mineral lease will be exempt from labour conditions imposed under the Mining Act. However, there will be no exemption from labour conditions on privately owned land, unless the owner has been advised of the terms and effect of the agreement and has expressly agreed in writing to the non-compliance with labour conditions. This provision is designed to ensure that property owners are not deprived of any royalty revenue that they may be entitled to because the joint venturers do nothing about working their property for a number of years.

Careful control of mining activities will be necessary to ensure adequate protection of flora and fauna and satisfactory reafforestation or restoration of land after mining. Members will appreciate the difference in the one case of planting trees and in the latter case of establishing pastures.

Control will also be necessary to eliminate pollution or erosion due to excess water run-off, increased salinity, or other causes. The agreement requires the company to give notice to the Conservator of Forests and obtain his consent before entering onto any forest land to remove timber and other forest produce. The conservator is empowered to direct the conduct of mining so far as it affects the removal and subsequent replacement of surface soil and vegetation.

The company will be required to stockpile all overburden, and upon completion of mining this will be replaced and spread to the satisfaction of the conservator who may also require deep ripping, contour ploughing, construction of concrete or earth sills, diversion channels, settling ponds, modification of drainage patterns, or other approved methods of soil conservation. Reafforestation will be under the control of the conservator, but will be carried out at the expense of the joint venturers. As an aid to reafforestation, the joint venturers will be required to establish a trial area or series of trial areas for the investigation of reafforestation methods.

In addition to these provisions the joint venturers will be required to pay the conservator a sum of \$250 per acre for the area of Crown land upon which the vegetation has been destroyed in the course of mining operations.

Mining in catchment areas will be subject to even more rigid control. Before any such mining is undertaken on a commercial scale it is intended to conduct a series of experiments during which the company will carry out mining operations on a limited scale under close supervision by engineers of the Public Works Department and Metropolitan Water Supply Board. These experiments are expected to furnish a valuable guide to the effect of mining, quarrying, and clearing operations of all types on the quality of water run-off. The joint venturers will make a direct cash contribution to the cost of this experimental programme in addition to co-operation in field work.

Provision is also made in the agreement for the reinstatement of privately owned land after mining. No mining will be permitted until the joint venturers have produced to the Minister a satisfactory agreement with the owners ensuring that the land will be adequately reinstated to the satisfaction of the Minister and at no cost to the State.

It is expected that the first area to be mined will be in the vicinity of Chittering. A spur line from the existing Millendon-Northam railway will be constructed to serve a central crushing plant. As mining operations move in a northerly direction it will be necessary to extend this spur line. Additional deposits are being evaluated by the company in order to decide upon progressive locations for crushing plants.

The actual mining of the bauxite will be carried out on an extremely selective basis. It will be an open-cut operation in which care will be taken to exclude all vegetable matter from the ore, and all overburden because any fall-off in average ore grades would seriously affect the economics of the alumina refinery.

After the ore has been crushed at the central crushing plant and railed to the refinery site, the process of recovering the alumina content from the ore is a relatively simple chemical task but one which requires the use of a considerable amount of high-volume equipment.

At the refinery the ore will be crushed and then milled with caustic soda as a thin slurry. This milled product is then heated with steam in pressure vessels called digestors where the mixture is kept agitated for some hours under steam pressure at a temperature of 150 degrees centigrade.

The contents of the digester are then allowed to settle in settling vats, the liquor being filtered and clarified, while the settled residue, known as red mud, is rinsed many times by a counterflow system to recover the caustic soda solution. Finally a slurry of red mud and water still containing about 2 per cent. caustic is pumped to disposal areas. I will outline later the special provisions that have been required of the companies in respect of the red mud disposal areas.

Mr. Court: On a point of information, I was wondering why the Minister was giving so much detail about the process. Is this because a slightly different formula from that used at Kwinana will be adopted?

Mr. GRAHAM: No. The detail is provided to give members a full appreciation of what is involved, and I think the significance of the explanation will be seen a little later.

Mr. Court: I thought a new system might be introduced to overcome the criticism from certain people. They seemed to think that a new system was to be used which would be more injurious than that used at Kwinana.

Mr. GRAHAM: No. One of the pitfalls that virtually no inquiries have been made of me seeking information with regard to any aspect of the proposed industry. I think very many people—perhaps well intentioned but not so well informed—have allowed themselves to believe all sorts of things for which there is no substance.

Mr. Court: I have sent the people concerned to see you. They said they had heard that a different process was to be used. I had not heard of any different process so I referred them to you.

Mr. GRAHAM: The clear solution of liquor filtered off from the settling vats contains the alumina in caustic. This is allowed to cool and is inseminated with fine crystals of alumina which induces massive separation of alumina from the solution. The alumina is settled off, washed free of caustic soda by a counter wash system, and is finally filtered with the alumina forming as filter cake, which is recovered.

This filter cake, known as tri-hydrate, must be dried and calcinated to expel both free and chemically combined water to make it suitable for export. The product is then aluminium oxide, Al_2O_3 , and is 99 per cent. pure with the principal impurities being caustic soda and moisture.

The refinery will be the major construction task associated with the project and it will achieve its ultimate capacity in stages of 400,000 metric tons a year capacity. On known reserves of ore, it is not planned that the refinery will be expanded past capacity for 800,000 tons of alumina a year, worth about \$50,000,000 per annum. However, to allow the companies latitude in their development plans the agreement will call for capacity of only 300,000 tons a year in the first stage.

The planned capacity of the Swan Valley refinery will make it small in comparison with Alcoa's plant at Kwinana which has expanded to 1,250,000 tons of alumina a year—in other words, half as large again as the anticipated output of the proposed refinery—and the Pinjarra refinery which will have a first stage capacity of 400,000 tons with an ultimate capacity of anything up to 2,500,000 tons a year, which will be approximately three times the size of the plant proposed for the Swan Valley. So the physical size of the Swan Valley project is not likely to even approach that of the Pinjarra project.

Mr. Moller: It is still very acceptable.

Mr. GRAHAM: I should hope so. I hope that will be the general feeling when there is a full appreciation of all that is involved. At this stage I would like to comment on the existing refineries. First of all, I hope that as many members of this Parliament as possible will take advantage of the bus trip which has been arranged for next Wednesday, leaving Parliament House at 8.30 a.m. Members will be able to see for themselves what is occurring, and they will be able to make inquiries from the principals of Alcoa and, accordingly, satisfy themselves in respect of anything about which, at the present time, they might be doubtful.

Those who join the tour will visit the refinery under construction near Pinjarra which, I understand, will be the biggest in the world. It is interesting to note that the refinery is being built three or four miles from the Pinjarra townsite, and a new townsite has been established a similar distance from the refinery. The new

townsite has been named Carcoola or, as the local authority prefers it to be called, North Pinjarra. The new town could have a population of between 3,000 and 4,000, and the area covered by Pinjarra and North Pinjarra could have a population of some 25,000 people.

I repeat: the townsites are within three or four miles of the refinery and I have not heard much in the way of protestations from that area notwithstanding the fact that the refinery, as I said earlier, will be several times larger than that contemplated in the agreement now before us.

Members who join the tour next Wednesday will see for themselves that the Alcoa people are establishing farms around the refinery and, indeed, in the shadow of the refinery plant. Stock is being raised in grassed paddocks and already the company employs a farm manager and a staff of eight who care for 3,400 head of cattle and 2,200 sheep. I hope the fact that the existing township is growing rapidly and the new township is being established almost adjacent to the refinery without causing any concern, and the fact that there is stock on the pasture at the very gates of the refinery, will go a long way towards disposing of the argument that the refinery will be harmful to people, vegetation, and stock.

Mr. W. A. Manning: What about when the plant is in operation?

Mr. GRAHAM: The Alcoa refinery people know so much of this that they have planned it as a permanent feature. Already they have that number of stock.

Mr. Lewis: At what stage will this be referred to the environmental authority?

Mr. GRAHAM: Already Dr. O'Brien has carried out some investigations. He has been in touch with the various departments and authorities, whether it be the Public Works Department, the Water Supply Department, the Clean Air Council, the Public Health Department, and so on. However, it is anticipated he will have a further look at it in the light of legislation to be introduced shortly which will govern this matter of environmental protection.

Mr. Lewis: Before this Bill is passed?

Mr. GRAHAM: It will be before the agreement is signed. The point is that meticulous care has been taken in every detail. Personally I have no doubts whatsoever it will be acceptable on all counts to the Director of Environmental Protection, but I suppose none of us should anticipate his viewpoint.

Mr. Court: While on the Pinjarra project and the contiguous farm areas, we were able to get Alcoa to buy so that they would be their own neighbours. Have you been able to do the same thing at the new site?

Mr. GRAHAM: The Pacminex company has purchased several thousand acres of land and has options on other areas. I will

come to this in detail presently. Another interesting fact is that the refinery at Pinjarra is right up against some State forest—very good State forest in fact—and to my knowledge there has not been any suggestion that the native State forest will suffer in consequence of that activity.

We are aware, too, of the refinery at Kwinana which, it is proposed, shall be visited by the parliamentary group next Wednesday. Doubtless members will have the same experience as I have had on a number of occasions; there appears to be nothing untoward whatsoever even in the matter of smells or odours. There is a faint suggestion of something which, to my nostrils, resembles lime mortar, but apart from that nothing at all. Members may be interested to see lawns, shrubs, and trees inside the grounds of the refinery. Some of the trees have been there for very many years before the refinery was established and none of them have suffered any deleterious effects.

Mr. Lewis: There have been some doubts expressed by the Conservator of Forests on reafforestation.

Mr. GRAHAM: Some doubts were expressed but the Minister for Forests, if he cares, can assure members that whereas there were some doubts and reservations, during this week such doubts have been removed without reservation.

Mr. Court: I hope the conservator says that publicly in view of the damaging remarks made by one of his deputies.

Mr. GRAHAM: That will be up to him.

Mr. Court: They were very unfair comments.

Mr. GRAHAM: It is true that at the Kwinana refinery there will be seen quite a fair amount of light white dust. This comes about not during the operations of the refinery but when loading the ships. It is rather elementary to state that when a substance is loaded into holds of ships in tremendous quantity this means the expulsion of vast volumes of air. As this is a light and fluffy substance a great deal swirls about in the air and, depending on the direction of the prevailing winds, so the dust is spread over a reasonable distance I am informed. Of course, none of this will occur in the Swan Valley area.

Mr. Lewis: Will it not occur when it is loaded into railway trucks?

Mr. GRAHAM: No, as will be seen presently. To round off my comments with regard to this aspect, a great deal has been said about the pollutants. I am not a scientist or chemist but I would hazard a guess there will be far less pollution offensive to man in the vicinity of the proposed refinery than there is in St. George's Terrace, Perth, because it is generally accepted that the exhausts of motor vehicles are the worst offenders. These are very

thick in the heart of the city, but this is an isolated area. However I submit that as the opinion of a layman.

The design of the Swan Valley plant will be closely examined by the Government when the joint venturers submit their proposals for the refinery. An essential requirement will be the minimisation of all forms of noxious waste—particularly the emission of gaseous wastes—and the control of the disposal of the red mud. Gaseous emissions will have to comply with the requirements of the Clean Air Council, particularly in relation to the chimney height which will have to be in the vicinity of 370 feet to ensure the optimum dispersal of sulphur dioxide if fuel oil is used. The Clean Air Council has advised that noxious emissions will be negligible under adequately controlled conditions.

The red mud will be disposed of in settling ponds within the refinery site; a series of these ponds will be constructed and lined with impervious material to prevent any possibility of seepage of caustic into the subsoil. The solids in the red mud precipitate very quickly from the liquid. This enables the liquid, which is a dilute caustic solution, to be recirculated through the refining process and thereby cuts down the amount of water required for processing. All other liquid wastes will be disposed of within the refinery site in a similar manner. No liquid from the plant site will be allowed to enter the local drainage system.

I emphasise this as I have heard of people claiming that drainage from the refinery will enter Ellen Brook and from there finish up in the Swan River. I can assure members that this will not be permitted.

There will be a comprehensive programme arranged in collaboration with the Public Works Department for the monitoring of ground waters by drilling beneath and adjacent to each individual red mud disposal area. Tests will be taken at three-monthly intervals, or more frequently if the Minister so requires, for sodium carbonate, sodium hydroxide, and other pollutants. These tests will commence before each pond comes into use and will continue throughout the life of the pond and so long after it ceases to be used as the Minister may require. In addition the Public Works Department will be conducting its own independent tests of nearby ground waters and streams.

In the event that pollution caused by the red mud is found, the joint venturers will be required to take corrective action at their own expense to prevent it. The joint venturers are also required to pursue investigations and examine new techniques for the disposal of red mud.

I would remind members that the State has now had seven years of experience in the management of red mud disposal

ponds serving the Alcoa refinery at Kwinana. The control measures adopted there have proved entirely successful, there being no discernable change in the quality of ground water.

Apart from the impermeability of the clay lining of the ponds, the consolidation of the settled red mud has a self-sealing effect which gives added protection against leakage. Even in the event of a calamity such as an earthquake, techniques have been devised for the drainage, excavation, and repair of a settling pond. Adequate spare ponds are to be kept available for diversion of the disposal system in the event of such an emergency.

Because provision is being made in respect of the circumstances outlined, I do not want the impression conveyed that there is any sort of likelihood of a break or leakage in the settling ponds and that action is therefore being taken to cater for that situation; quite the contrary. It is to reassure those who have been led to believe there is a danger that every precaution and double precaution has been taken so that there is, as far as man is able to see, no possibility whatsoever of any damage being done in the way envisaged by some people of whom I have spoken.

After all, on the question of what might happen during earthquakes, if we were so chicken-hearted in these matters we would forbid the construction of the towering edifices that are being erected in St. George's Terrace at the present time.

The refinery site, as defined by the agreement, covers a total area of just over 2,600 acres but the joint venturers have options over an additional 1,150 acres and are in the process of acquiring additional land adjoining the site. This area will be sufficient to enable them to maintain extensive buffer zones of natural bushland around the refinery varying from one and a half miles wide on the southern side to three-quarters of a mile wide to the north. The land chosen for the site is at present unproductive, being too poor for viable agricultural development. Preliminary planning of the site indicates that with the exception of the tops of the smoke stacks, the refinery will be completely hidden from the view of people using the Midland railway or the Great Northern Highway.

Mr. Lewis: Will there be any conflict with the Air Force base in regard to the smoke stacks?

Mr. GRAHAM: No. I will answer that point. One important factor in the choice of the site was its proximity to the R.A.A.F. air base at Pearce. The Air Force has a strong interest in the height of any structure close to the approach paths to its runways and has therefore been in consultation with the joint venturers and with the State Government. We have been able to ascertain that the expected height of

the highest smoke stack required in accordance with the Clean Air Act is well below the permitted limit. We have also been able to assure the Air Force that the concentration of gaseous wastes in the atmosphere will be insufficient to constitute a visibility hazard.

On completion of the refining process the alumina, which will then be in the form of a fine, dry, white powder, will be stored at the refinery, and as required for shipment it will be conveyed in totally enclosed railway wagons to a bulk storage area at Kwinana. This will be situated on land at present controlled by the Industrial Land Development Authority and the agreement provides for the sale or leasing of a suitable site to the joint venturers at a price sufficient to repay the costs of acquisition and development by the authority. The site will be served by a rail siding from the existing standard gauge line.

Buildings on the site will consist of a totally enclosed storage silo for alumina and a small cluster of storage tanks for caustic soda, which will be in liquid form for conveyance to the refinery in special rail tankers. Alumina will be conveyed from the storage to the wharf by a belt conveyor system. Present planning is for this conveyor to be placed underground to eliminate noise and interference with traffic.

There is also the matter of reducing, if not completely eliminating, the possibility of clouds of this fine alumina being taken by the winds and dispersed over people who might be in the locality. There is still, of course, the difficulty with regard to the final operation of loading into the holds of ships.

A new berth in the outer harbour will be necessary for the export of alumina. The current proposal is for an extension in a southerly direction of the existing bulk cargo jetty at Kwinana now being used by CSBP Ltd. However, the Government is now giving close attention to the whole complex question of providing and maintaining adequate facilities for the storage and handling of bulk cargoes as affected by this alumina project and other contemplated major developments. An inter-departmental committee exists to co-ordinate the planning of these facilities. This committee will maintain close contact with the joint venturers to ensure that their proposals for the wharf, when submitted to the Government, will conform with the overall plan for bulk cargo movement to and from the outer harbour.

The wharf will be built by the joint venturers in accordance with plans and specifications approved by the Minister as part of their proposals. Construction will be supervised by the Fremantle Port Authority. The cost of the wharf is estimated at \$1,800,000. A shiploader, capable of loading not less than 3,000 tons of alumina an

hour, will be constructed on the wharf, and pipelines for the discharge of liquid caustic soda will be installed.

To enable the Fremantle Port Authority to retain full control, it will lease the wharf from the joint venturers under a long-term agreement which will also give the authority an option to purchase it at a price equal to its cost. In return, the authority will undertake to maintain the wharf and make it available to the joint venturers to the extent necessary to meet their shipping requirements.

Wharfage will be paid by the joint venturers on all inward and outward bulk cargo at the normal rate prescribed under Fremantle Port Authority regulations. At the present time the appropriate rate for alumina would be 40c a ton, and for liquid caustic 30c a ton. The rent of the wharf payable by the authority will be equated to the interest on the capital outlay by the joint venturers but payment will be related to the tonnage of cargo handled. This will ensure that adequate revenue will at all times be available to the authority to allow it to meet its rent obligation.

Revenue from wharfage will also be sufficient to enable the authority to make annual provision for instalments of the purchase price. By this means it has been calculated that the State will not be faced with any cash outlay for the ultimate purchase of the wharf and will in fact receive, per medium of the Fremantle Port Authority, a fairly substantial amount of revenue after allowing for maintenance expenditure on the wharf.

Mr. Rushton: Is there any arrangement for the purchase of the homes in the Kwinana area, generally?

Mr. GRAHAM: No, not in this scheme, but the Industrial Land Development Authority, in conjunction with the nickel refinery, particularly, and other industrial establishments in the Kwinana area, has a progressive plan for purchasing homes when people desire to leave them. However, some people who are almost adjacent to these industrial establishments want to remain where they are.

The provisions of the agreement also enable the authority to retain full control of the wharf subject to the requirements of the joint venturers in accordance with their predetermined shipping programmes. Alumina shipments will not fully utilise the wharf space and it is expected, therefore, that the authority will gain additional benefit from this useful berthing facility. Naturally this will give rise to additional revenue for the authority.

As in all large extractive projects of this nature, a major transport task is involved. Transport costs constitute a high proportion of total operating costs and must therefore be kept to the lowest possible rate in order to ensure that the venture operates profitably. The joint venturers

have chosen to use rail for their major haulage operations; namely, the movement of bauxitic ore from their crushing plants in the hills to the refinery, the movement of alumina to the port-side storage at Kwinana, and the supply of caustic soda and other requirements to the refinery.

In order to make use of the existing standard gauge line passing through the Avon Valley and connecting with Kwinana, it has been decided to mount the whole operation in standard gauge. This will involve the progressive construction of a new railway leaving the Avon Valley line at about the 29-mile peg and extending to the crushing plant or plants to be established to the north of that point. In addition, a loop line will be constructed just south of the Swan River to connect the Avon Valley line with the 3 ft. 6 in. Midland line which will be converted to dual gauge for a length of about three miles from Millendon Junction to a point just north of the Upper Swan siding. From there a spur line will be taken into the refinery site. In addition, a siding will be provided at the bulk storage site at Kwinana.

All of this work will be carried out by the Railways Commission at the expense of the joint venturers. In addition, the joint venturers will provide all spurs, sidings, loading and unloading facilities, and other equipment at the crushing plant, refinery, and bulk storage site.

The Railways Commission will maintain the railways and operate them, using wagons supplied by the joint venturers. Provision is also made in the agreement for the joint venturers to provide locomotives and brake vans and lease them to the Railways Commission if required to do so.

In consideration of their capital contributions to the railway, the joint venturers will be granted a special scale of freights, which is set out in the first schedule to the agreement. The freight rates are calculated on the basis of present-day costs and are subject to half-yearly adjustment to conform with movements in wages and basic prices.

Some road transport will, of course, be necessary. The joint venturers will use heavy haulage vehicles on private roads within the mining areas and they are also to be permitted to use public roads, subject to adequate control, in areas where rail transport cannot be made available. Where any new road is required to be constructed or any existing road upgraded to meet the needs of their operations, the joint venturers will bear the cost. They will also be required to pay the cost of providing adequate protection at any level crossings at which the level of conflict between road vehicles and trains is significantly increased.

The water requirements of the refinery will be considerable and not all of these can be readily supplied from the Metropolitan Water Supply Board's resources. The agreement limits the amount to be supplied by the board to 1,500,000 gallons a day. To make this supply available, the joint venturers are required by the agreement to provide the full cost of the necessary pipeline extension and ancillary works. If the board wishes to install a pipeline larger than that required for the purposes of the project, the money paid under the agreement may be utilised in the construction of the larger scheme. It will be seen, therefore, that people without a public water supply will be able to tap this main if provision is made, as undoubtedly it will be.

To the extent that they require water in excess of 1,500,000 gallons a day, the joint venturers are to be permitted to obtain it from underground sources. It has already been indicated that they can obtain an adequate supplementary supply by boring on their refinery site. The drawing of water from underground sources will be licensed by the State, and in the event that it becomes necessary for water conservation or management purposes to do so, the State is empowered to limit the supply or to take over the control and operation of the supply. In such a case the joint venturers will be entitled to a total supply to meet their reasonable needs up to 3,000,000 gallons a day, but at all times the supply of this additional water will be subject to the availability of water, having regard for the requirements of the growing demands of the Perth metropolitan area. Maximum use will be made of recirculated water at the refinery.

Water requirements at the mine will not be great. There are to be no sluicing or jetting techniques used in mining, the main water requirements being for road maintenance, dust suppression, and domestic use. Local sources of supply are expected to be adequate.

Refining of bauxite into alumina requires considerable quantities of heat, and it is a normal practice of alumina refineries to use the necessary steam to generate electricity prior to its use in the refining process. Accordingly, the agreement provides that the joint venturers may generate their own electricity. However, their plant and installations will be required to comply with the requirements and conform to the standards of the State Electricity Commission.

This is necessary because the refinery will also require a supply from the commission to meet its requirements during construction and also to act as a standby during starting-up operations or in an emergency. The construction of power lines and the supply of power by the State Electricity Commission will be on the same

terms and conditions as the construction and supply by the commission for any other user in the same areas.

Because of the close proximity of the refinery to a major centre of population the joint venturers do not expect any difficulty in recruiting adequate staff. They do not propose to become involved in any major housing undertaking in order to attract workers to the immediate vicinity of the refinery, nor is this considered entirely advisable. It is likely that there will be an adequate number of suitable persons resident within easy travelling distance of the refinery to supply its labour force. If necessary, arrangements will be made for special transport to and from Midland. Some housing may be required at or near the mine, but again this is not expected to reach a significant total. Workers can be recruited within a convenient travelling distance from the mine.

On the other hand it is inevitable that the establishment of the refinery will create some pressure on social amenities in the immediate vicinity and the State can anticipate the need for some expenditure on schools, hospitals, and other public institutions. To the extent that additional population is attracted towards this area, so the pressure will be reduced in other areas. However, bearing in mind the concentration which will occur, the State has imposed a special royalty estimated to raise a sum of \$1,000,000 within the first five years of the operation of the refinery.

The joint venturers are conscious of the need for this type of public facility and have expressed their willingness to co-operate in making the funds available. To facilitate this, the agreement has been drafted in a manner which permits the joint venturers to make donations totalling \$1,000,000 in lieu of and in addition to the royalty based on production. I am confident of the full co-operation of the joint venturers in making available the best possible amenities in the locality.

Apart from this special royalty, a normal royalty will be payable on the basis of all alumina produced at a rate of 26.25c a ton which, after adjustment, is equal to the rates provided in similar alumina refining agreements. Provision is made for the escalation of this royalty in the event of any increase in the price of aluminium on the world market.

A royalty of 50c a ton on special grade refractory bauxite for export is provided in the agreement. However, it is unlikely that there will be any of this grade of bauxite exported from the present reserves.

Because there is a considerable proportion of the bauxite reserves in areas in which the mineral rights vest in the owner of the land, there is a provision in the agreement that where adequate royalties have been paid to the owner by the joint venturers a refund of the royalty in respect of that bauxite will be made.

In accordance with the pattern established in previous bauxite agreements, the joint venturers are obliged to undertake an investigation into the feasibility of establishing an aluminium smelter in Western Australia. The results of any such investigation must be made available to the State and the State reserves the right to make its own study to determine whether or not smelting in this State is economically feasible. Should it be established that an aluminium smelter is a viable proposition and the joint venturers are not willing to proceed with such an establishment, they may be required to sell alumina at a reasonable price to any other company or organisation which does commence to operate a smelter in this State. This provision is necessary to ensure that if a smelter is established it will not be restricted by the lack of raw materials.

Heavy emphasis has been placed on environmental protection in the proposed agreement. I have already dealt with the specific requirements relating to prevention of air pollution in the outline of the refinery construction, siting, and processes. Also under that heading I dealt with disposal of red mud waste, reinstatement of the disposal areas, and protection from contamination of underground water supplies.

Similarly, in the outline of the mining operations I dealt in detail with the controls imposed on mining operations and the requirements for the reinstatement of land disturbed in the mining operations. However, there are other considerations.

I would like to emphasise that the Government has included in this draft agreement a clause binding the joint venturers to compliance with all environmental protection legislation current in Western Australia. This clause also automatically binds the company to compliance with any future legislation that may be passed by the Government or any requirements of State agencies, instrumentalities, local authorities, or statutory bodies.

This is the State's ultimate protection from any possible adverse effects of allowing this project to proceed in the locations proposed. I think it is pertinent for me to point out at this stage that this clause, to which the company has already agreed, is far more binding and more wide-ranging in its implications than any imposed on a developer by the previous Government and, indeed, by this Government. It means, in fact, that the Government can in future prevent the company from doing almost anything in any area if what is proposed is likely to affect the environment in any adverse way.

There is a general provision in the agreement which prevents the company from mining any public reserves, regardless of the purpose for which they have been established. There are also specific provisions in clause 39, providing even more

specific protection for the Walyunga National Park and the two special reserves established to protect the habitat of the short-necked tortoise.

Clause 39 states that "the State may, in its discretion, prohibit any mining or ore transportation operations that are likely to threaten the natural state of Walyunga National Park." This provision extends the Government's area of influence and its degree of environmental control beyond the boundaries of the park without the need for additional future legislation should the need arise for restrictive or prohibitive action.

A similarly wide-ranging clause has been framed in the proposed agreement for the protection of the habitat of the short-necked tortoise, which is found within Reserves Nos. 27620 and 27621. The joint venturers will not carry out any operations, erect any structures, nor clear nor construct any roads within the boundaries of these reserves without the consent of the Minister. Naturally enough, as I stated at the beginning, there will be no mining operations of any sort in these or any other reserves; but these are other types of operations that can be forbidden also.

The wider implications of this section of the proposed agreement are that the joint venturers are required to do everything necessary to ensure that the flora and fauna on these reserves are not deleteriously affected by their operations.

To allow for the implementation of this clause, provision has been made for the joint venturers to sample and test the waters on the reserves to the Minister's satisfaction, and to submit the test results to the Minister.

The joint venturers are also required to join with the State in a programme designed to monitor, on a continuing basis, the condition and habitat of the flora and fauna on the reserves. The costs of this study will be shared on a basis to be mutually agreed upon between the Government and the joint venturers.

In view of the environmental controls that have been insisted upon for the proposed refinery, the Government is satisfied that its operation will not have any adverse effect on the vineyards in the Upper Swan Valley. In fact, the reverse is likely to be the case as far as the vignerons are concerned. In addition to adequate technical assurances of the lack of adverse effect on the growth of the vines, we have the assurance of the vignerons themselves, many of whom were among 114 signatories to a petition collected by residents of the Upper Swan which gives their approval to the refinery being established on the proposed site.

The Swan Shire Council, the governing local authority in the area surrounding the proposed refinery site, has gone to a

great deal of trouble to inform its members and ratepayers of the facts regarding the establishment of the refinery, and it, too, has accepted the proposal.

A lot of criticism that has been levelled at this project has been from people not likely to be directly concerned—let me interpolate here and now that they are entitled to express themselves; I am merely making the point that they are not likely to be directly concerned—and a lot of the argument against the project has been emotively based, or with very little foundation in fact, or relevance to this particular project. Those who have taken the trouble to inform themselves adequately of the effects that a properly controlled industrial undertaking such as this proposed refinery has on the environment have far more moderate views.

However, on the overall effects of this proposed refinery on the Upper Swan Valley, I would like to draw the attention of members to an article which appeared in the issue of *The Sunday Times* dated the 22nd August, 1971, under the headline "Sad story of a pretty sight—valley vineyards are selling out." This article pointed out that grape prices on the local market are low, and the overseas demand for Western Australian grapes is falling. The return to the grower for muscat grapes in the past season was only \$68 a ton—a mere \$8 higher than it was 25 years ago.

The article quotes the President of the Swan Valley Viticulturalists Union, Mr. Norm Taylor, as saying that costs and other prices had risen nearly 50 per cent. in the same time and that the return from grapes had remained almost static.

As most viticulture in the Swan Valley is on a small scale, the establishment of an alumina refinery nearby would provide new work opportunity for vignerons who could operate their vineyards on a part-time basis. In this way, the establishment of the alumina refinery on the proposed site could be a valuable source of additional income for vignerons affected by the current cost-price squeeze that their industry is experiencing, and at the same time could result in retaining in production very many of the vineyards which otherwise might be deserted because of their unprofitability.

Like all agreements of this nature, the present draft contains the usual regulatory and explanatory clauses necessary to safeguard the interests of the parties and to facilitate interpretation and operation of the agreement. There are provisions for the correct zoning of the land used for mining, refining, and bulk storage, and for the resumption of land where this is necessary for the purposes of the agreement.

In line with the Government's wholehearted support of local industry, there is an obligation on the joint venturers to make maximum use of local labour,

materials, and services. Other clauses regulate procedure in the event of delays, acts of God, or other unforeseen circumstances, and make provisions in the event of determination of the agreement.

The agreement provides for disputes to be settled by arbitration, and for its provisions to be varied by the mutual consent of the parties. However, the Government has followed the precedent set in the recent agreement with Poseidon Limited and insisted that any major variation should be referred by the Minister to Parliament, where it may be disallowed by a resolution of either House.

The benefits to the State from a project such as this are significant. They encompass employment, royalties, railway revenue, wharfage, and the construction of a new wharf at a cost of \$1,800,000. Direct employment at the mine and the alumina refinery will provide jobs for some 700 men, while hundreds more will be employed in consequential occupations such as the engineering industry, which will be called upon to provide mining equipment and replacements, and in the whole range of community service businesses meeting the normal everyday requirements of the industry and its new workforce.

The initial establishment cost will be around \$190,000,000, and a large proportion of this will be spent within Western Australia. Once the refinery reaches a capacity of 800,000 tons per annum, the project will inject about \$15,000,000 a year into the economy of the State through wages, royalties, transport charges, and its service and maintenance requirements from local industry. This figure will increase substantially if natural gas is available and is used as a fuel supply in place of imported fuel oil.

At current royalty rates, those which will be payable by the joint venturers, the direct return to the State will be a minimum of \$75,000 a year, rising to over \$200,000 a year when alumina production reaches 800,000 tons a year.

Bauxite, alumina, and caustic soda are to be transported by the W.A.G.R. on existing railways, extended as required by the W.A.G.R. at cost to the joint venturers, who will also provide the necessary wagons and, if called upon, lease locomotives and brake vans to the W.A.G.R.

The joint venturers propose using, at the refinery, wheat starch as a flocculant for the separation of the liquor containing the alumina. This process will require about 3,000 tons of wheat starch to provide for an annual output from the refinery of 800,000 tons of alumina.

This wheat starch requirement, when combined with the requirements of other alumina refineries operating or planned in Western Australia, will provide a valuable additional outlet for our wheat producers.

To give members some idea of the significance of this, it will require roughly 150,000 bushels of wheat to produce 3,000 tons of starch. Allowing an average yield of 15 bushels to the acre, the requirements of the alumina refinery will equal the annual production from some 10,000 acres of farmland.

This industry will also generate valuable export income for Australia at a time when declining prices for rural production are seriously affecting our returns from this traditional source. Operating at its planned capacity of 800,000 tons of alumina a year, the project would earn nearly \$60,000,000 a year in export income. This figure will increase if the joint venturers or any other company find it is feasible to undertake a smelting operation.

In the light of the recent vast expansion of our local economy, it is easy to be blasé or even cynical about the establishment of one more industry. But it should not be necessary for me to remind members that we can never afford to relax our efforts to ensure continuous development of the latent wealth of our State, and to create every possible job opportunity for our expanding population.

In recent years our school leavers have always been placed in jobs fairly readily, but the coming year is very much an unknown quantity. The downturn in agricultural and pastoral activity, coupled with necessary reductions in Government expenditure, have done much to reduce confidence in the employment field. I look upon the project, the subject of this agreement, as a very worth-while contribution to continued industrial progress, and one that we cannot afford to miss.

I therefore commend this Bill to the House.

Debate adjourned for one week, on motion by Mr. Court (Deputy Leader of the Opposition).

Message: Appropriations

Message from the Lieutenant-Governor received and read recommending appropriations for the purposes of the Bill.

FISHERIES ACT AMENDMENT BILL

Second Reading

MR. DAVIES (Victoria Park—Minister for Fisheries and Fauna) [5.52 p.m.]: I move—

That the Bill be now read a second time.

Only one matter in the Fisheries Act requires amendment during this session of Parliament. It is administrative in nature and provides power for the Minister for Fisheries to apply moneys from the Fisheries Research and Development Fund for the purpose of assisting industry and industry associations.

The Fisheries Research and Development Fund was established in 1965 after a meeting which the Minister for Fisheries and Fauna of the day had with processors and fishermen engaged in the fishing industry. At that meeting, the processors and fishermen accepted the view that industry would need to contribute finance to enable the Government to undertake exploratory surveys and in general encourage the development of new fisheries.

It was further agreed that the method of collecting the finance would be by way of a license fee for a license to operate a fish processing establishment. It should be mentioned at this point that the definition of fish includes all scale fish, rock lobsters, prawns, and marine animal life generally.

The Act, then, sets out that—

The fees payable in respect of processors' licenses granted or renewed under this part (i.e. Part IIIB of the Fisheries Act) shall be assessed as a percentage of—

- (a) the value of fish caught: and
- (b) the moneys paid or payable for fish purchased by or for the person operating, or causing or permitting to be operated on his behalf, a processing establishment, for processing on or in that establishment for purposes of sale.

The percentage is set out in the Act as that percentage, not exceeding 1 per cent. of that gross amount as the Governor by Order-in-Council determines. At the present time the percentage is three-quarters of 1 per cent., and this provides an annual income of approximately \$120,000 paid to the credit of the Fisheries Research and Development Fund.

In relation to the expenditure of moneys from this fund, section 35L subsection (3) of the Act states—

The moneys from time to time in the fund may be used and applied by the Minister only for all or any of the purposes of scientific, technological or economic research in relation to fisheries, or in the investigation, exploration and development of fisheries and the provision of extension services related to fisheries.

It is this purpose for which moneys may be used and applied by the Minister which the amendment seeks to expand.

When the 1965 amendment was introduced which established the Fisheries Research and Development Fund, the fishing industry throughout Australia consisted of a multitude of small groups and associations, but without any co-ordination either at the State or Federal level. However, resulting from a conference called the Australian Fisheries Development

Conference, arranged by the Commonwealth and State fisheries authorities and held in Canberra from the 20th to the 22nd February, 1967, an industry committee was elected and discussions were held with a view to the establishment of a Federal organisation of fishermen with State committees. The Western Australian elected to this committee was Mr. F. Pensabene, at that time Manager of Planet Fisheries Pty. Ltd. in this State.

Later in 1967 the Australian Fishing Industry Council was formed on a Federal basis, and on the 8th November, 1967, a Press release stated that the first meeting of the Western Australian branch of the Australian Fishing Industry Council had been held, and that Mr. F. Pensabene had been appointed chairman. In an address to the first meeting, the then Minister for Fisheries and Fauna expressed the support of the State Government for the council and the Western Australian branch. The Minister said he felt it would assist the Government in solving a number of problems confronting the fishing industry by being able to discuss policy matters with a united body representing the industry.

The W.A. Branch of the Australian Fishing Industry Council is now accepted by the Government as representing the fishing industry in this State. However, financing its activities has caused difficulties. The branch meets in Manufacturers Building and is serviced secretariats by the Chamber of Manufactures (W.A.) Inc. Also, the branch is required to meet other administrative costs and its annual contribution to the Federal council. The branch's only source of revenue is by way of subscription from the affiliated associations in the fishing centres of the State. However, this source provides only about \$1,300 per annum, which is less than that required for the efficient operation of the branch. Consequently, the branch has sought assistance from the Fisheries Research and Development Fund on the basis that their activities are in the better interests of the development of fisheries in Western Australia. With this I agree, but have found it difficult, if not impossible, to accommodate the request under the present purposes set out in the Act.

I am, therefore, seeking an amendment to the Act giving the Minister for Fisheries and Fauna power to authorise payment of moneys from the Fisheries Research and Development Fund for the purpose of assisting the fishing industry and any organisation whose objects include assistance to and promotion of the fishing industry. This type of assistance is provided for other primary industry associations established for the purpose of benefiting the primary producers. I refer to the administration of the Potato Growing Industry Trust Fund and the Fruit Growing Industry Trust Fund.

I believe that the better interest of the fishing industry will be served by granting the Minister power to assist the fishing industry association. I commend the Bill to the House.

Debate adjourned, on motion by Mr. Williams.

House adjourned at 5.56 p.m.

Legislative Council

Tuesday, the 14th September, 1971

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 4.30 p.m., and read prayers.

BILLS (7): ASSENT

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

1. Stamp Act Amendment Bill.
2. Bulk Handling Act Amendment Bill.
3. Clean Air Act Amendment Bill.
4. Snowy Mountains Engineering Corporation Enabling Bill.
5. Anatomy Act Amendment Bill.
6. State Electricity Commission Act Amendment Bill.
7. Industrial Arbitration Act Amendment Bill.

QUESTIONS (3): ON NOTICE

1. DAIRYING

Production and Imports

The Hon. N. McNEILL, to the Leader of the House:

- (1) For each of the years 1969-70 and 1970-71, what was the total quantity of—
 - (a) butter;
 - (b) manufactured milk;
 - (c) whole milk;
 - (d) manufactured milk products other than butter—
 - (i) produced in Western Australia;
 - (ii) imported into Western Australia; and
 - (iii) exported from Western Australia?
- (2) What was the value of all dairy products imported into Western Australia in each of those two years?