Legislative Council

Tuesday, the 28th April, 1970

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

QUESTIONS (5): ON NOTICE

1. EDUCATION

Deaf Education Training

The Hon. J. DOLAN, to the Minister for Mines:

(1) Has the Deaf Education Training Option at Claremont Teachers' College been disbanded because of the resignation of the Senior Lecturer, Deaf Education?

(2) If so, what provision has been made to re-establish the course?

(3) What steps are being taken to overcome the loss of the Senior Lecturer?

The Hon. A. F. GRIFFITH replied:

(1) The decision to disband the first year of the deaf education option was due partly to the resignation of the advisory teacher of deaf education and partly to the small number of students involved (4 only).

(2) The second year of the course is continuing but the future of the first year is still indefinite.

(3) The lecture work is being taken over by other suitably qualified teachers.

2. DROUGHT RELIEF

Applications from Pastoralists

The Hon. G. E. D. BRAND, to the Minister for Mines:

(1) Will the Minister advise if there have been any recent applications to the Government from pastoralists for drought relief, especially from the Lower North Province area?

(2) If so, how many?

(3) What help is available to pastoralists seeking aid to help them through the present dry season?

(4) If applications have been received, will the Minister please treat them as most urgent with a view to providing early assistance?

(5) Where no railway facilities exist, will the Minister grant permission for road transport to be used with the usual freight concessions applicable to goods carried by rail?

The Hon. A. F. GRIFFITH replied:

(1) Yes.

(2) Three.

(3) (a) Relief from payment of pastoral lease rentals, as provided in Sections 101A and 101B of the Land Act.

(b) Freight concessions:—

(1) In cases where applications are approved—

(a) Pastoralists will be required to pay full freight rates for stock railed away from the drought areas for agistment.

(b) Pastoralists will be refunded rail freight incurred on State railways upon return of stock to the drought area provided that such stock was transported from the area by rail.

(c) Rail freights incurred on State railways will be refunded on new breeding ewes freighted to the station by rail within two years from the time when the drought conditions terminate.

(d) Freight incurred on State ships will be refunded on new breeding ewes freighted to the nearest Port within two years from the time when drought conditions terminate.

(e) Fifty per cent of road transport cost on breeding ewes from approved rail head or portion to the station on contract rates approved by the Road and Air Transport Commission will be refunded provided that such stock is transported within two years from the time when drought conditions terminate.

(f) Fifty per cent of rail freight charges incurred on State railways in wagon load consignments on approved fodder for pastoral properties within drought-affected areas will be refunded.

(g) Fifty per cent of sea freight charges incurred on State ships on approved fodder for pastoral properties within drought-affected areas will be refunded.

(2) Applications may be lodged for freight concessions whether or not the area in which the station to which the application relates, is in an area which has been declared a drought area.

(3) When the pastoralist incurs expense in respect of which he desires to obtain railway freight concessions, he should obtain from the stationmaster, or nearest railway office, a statutory declaration form prepared for the purpose, fill it in and send it to the Under Secretary for Lands, accompanied by full particulars of the consignment concerned, and the receipt for the freight paid. The former could be obtained from the advice note which should be attached to the statutory declaration.

(4) The Committee, to whom the application will be referred by the Under Secretary for Lands, will meet and decide whether the station, considered as a separate entity if necessary, may be declared a drought-affected area under the scheme, and, if so, determine the extent to which rebates should be allowed.

(5) The Committee's recommendation will then be submitted to the Hon. Minister for Lands, and after his decision on it has been given, the Secretary for Railways and the pastoralist will be informed of that decision and, if any rebate of freight is allowed, payment of such rebate will be arranged.

(6) Applications for rebates from expenses incurred in connection with freight on State ships should be made to the Under Secretary for Lands who will refer the matter to the Committee. When the application is approved, the applicant will be advised accordingly.

(7) Applications for rebates for road transport costs should be made to the Under Secretary for Lands, who will refer the matter to the Committee. The applicant will be advised of the result of his application and a refund of approved rebates will be arranged.

(8) No applications will be considered after a period of twelve months from the date that the freight was due for payment by the applicant.

(9) Stations which have been declared drought areas for the purpose of this scheme shall be reviewed at about six-monthly intervals to ascertain whether drought conditions still continue. For a station in respect of which a concession has been granted, and which has thus been declared a drought area, the six months shall start as from the date on which the liability for payment of freight was incurred.

(10) Every application will be considered with due regard to the latest available profit and loss account and balance sheet for the station in respect of which the application is made. It will be necessary for a copy of each of these to be sent to the Under Secretary for Lands with the application for concessions.

(11) The concessional freights are applicable to fodder and stock which are to be used or depastured only on the particular station referred to.

(12) The Committee has power to determine the extent to which re-stocking is desirable and to be attempted where assistance with freight is given.

(13) The aforementioned conditions shall apply where re-stocking is necessary on account of losses by floods, but claimants will be required to supply stock and rainfall figures for the previous five years.

(14) Evidence of flood conditions must be produced by the pastoralist by Statutory Declaration.

(4) Yes.

(5) Freight concessions are available only through Government-owned transport authorities.

3. LAW

Increased Penalties for Certain Offences

The Hon. G. E. D. BRAND, to the Minister for Justice:

Will the Minister take prompt action to drastically increase penalties for offences committed by miscreants, thieves and vandals; and also sadistic misfits who crucify kittens, with the view of indicating that the Government and people of this State will not tolerate such behaviour?

The Hon. A. F. GRIFFITH replied:

The penalties for the offences listed in the question are generally considered adequate. It is difficult to determine whether penalties imposed by Courts are sufficient without full details of the facts and circumstances of the offences. The major problem is one of detection of offenders, and the maximum fine for cruelty to animals is to be substantially increased.

4. WATER SUPPLIES

Desalination Utilising Atomic Power

The Hon. G. E. D. BRAND, to the Minister for Mines:

(1) Has the use of atomic power ever been considered for the de-salination of sea water or salty bore water?

(2) Is it possible that atomic power will be used in the north at any time in the future for the augmentation of water supplies or for other purposes?

The Hon. A. F. GRIFFITH replied:

(1) Yes, many overseas authorities have carried out feasibility studies for dual purpose plants producing both electric power and de-salted water.

(2) Yes it is possible, particularly for electric power generation provided economic studies prove it favourable.

5. WATER SUPPLIES

Feasibility of Gascoyne River Dam

The Hon. G. E. D. BRAND, to the Minister for Mines:

(1) Has the Minister seen an article printed in the country edition of *The West Australian* newspaper of the 17th April last, stating that a Western Australian Government study had shown that it is not feasible to build a major dam on the Gascoyne River?

(2) If so, will the Minister advise—

(a) what steps are envisaged to ensure a stable supply by means of smaller dams; and

(b) when these could be in operation?

The Hon. A. F. GRIFFITH replied:

(1) Yes.

(2) (a) The Public Works Department is investigating a dam at Rocky Pool and underground water in the river bed sands of the Gascoyne River and in deeper aquifers.

(b) This depends on the outcome of investigations but additional water from the river bed sands is progressively added to the irrigation system as it is located and as finance becomes available.

SUPERANNUATION AND FAMILY BENEFITS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 22nd April.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [4.42 p.m.]: This Bill was foreshadowed when a similar measure was introduced in the parliamentary session some 12 months ago. The basis of it is merely to keep pensions in line with the rises in the cost of living as shown by the increases in the consumer price index in the last 12 months. Therefore this legislation is complementary to, and is part and parcel of, that which we passed last year on the clear understanding that in the future superannuation benefits would be brought into line with the adjustments which are made from time to time.

It is necessary to have this sort of legislation, because basically when the term "inflation" is used in relation to the purchasing value of the dollar we find that this purchasing value tends to decrease. On this occasion the Bill simply seeks to restore the purchasing value of the emoluments that are being paid to people who are on superannuation.

It is to be noted that the provisions of the Bill are to apply retrospectively from the 1st January this year. It is also to be noted that the Civil Service Association is in agreement with the principles contained in the Bill—as one would expect it to be—and that the Premier, in his contribution to the debate on this legislation, committed the Treasury to a cost of some $50,000 this financial year by way

of Government contribution. He has assured the public that such an amount has been earmarked. In those circumstances who could cavil with a Bill such as this?

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by The Hon. G. C. MacKinnon (Minister for Health), and passed.

PERTH MINT BILL

Second Reading

Debate resumed from the 21st April.

THE HON. F. R. H. LAVERY: (South Metropolitan) [4.48 p.m.]: The comments made by the Minister in introducing the second reading of the Bill do not leave very much room for any member to raise objection. That being the case the proposition proposed by the Government is acceptable to this side of the House.

However, I would like to make one or two comments in regard to this measure, because, as in the case of other legislation which has been passed in the last two or three years, in actual fact this Bill re-establishes a situation that has existed in Western Australia for some considerable time. In the case of the Perth Branch of the Royal Mint—that being its correct name—this Bill seeks not only to change the name to the "Perth Mint" but also to bring under its control the operations and administration of the Mint. This jurisdiction is to be taken away from the Crown. Western Australia has been the agent for the Crown in respect of the operations of the Mint; but it is now proposed to place the control of the Mint under the jurisdiction of a director and a deputy-director, both of them being officers of the body corporate.

This change has not been effected without some long and delicate negotiations. As far back as 1964, when the Mint was being established in Canberra, the staff of the Western Australian Mint received notice that there was likely to be a change.

The staff was employed by the British Civil Service and paid by the State Government, and the negotiations in 1964 caused the staff some concern with regard to their future.

To the credit of everybody concerned the Bill before us is the result of the delicate negotiations which have gone on for some considerable time. I have made it my business to find out how the measure would affect payments to staff, agreements on employment, holiday pay, concessions, etc. All of those matters are covered by this Bill.

As a matter of interest, as late as when the Bill was introduced into the Legislative Assembly it was found that one or two points required further clarification. The Treasury and the Department of Labour were good enough to consider amendments, but there is no thought of any further amendments at present. I spoke to a representative of the staff of the Mint and he is quite satisfied with the proposals in the Bill. The happy relationship which existed over the years will continue.

As I have already stated, the staff was under the jurisdiction of the British Civil Service and the formation of a union to cover them would not have been effective in looking after the interests of the staff. They seemed to be a group entirely unto themselves, and they had very little communication with London. Because of those circumstances the men formed a committee instead of a union and for a considerable time the committee has been responsible for communication between the Crown in London and the Mints established in Western Australia and in Melbourne. Sometimes the London branch was unable to understand why the conditions in Melbourne were different from those in Western Australia.

Between 1963 and 1965 very great improvements were effected to the wages of and the amenities provided for the staff. I would like to point out that the Mint in this State has not been producing coins for Australian circulation for some time. In fact, over a short period the Mint has produced 500,000 gilt pieces; 7,000,000 bronze alloy one-cent pieces; 8,500,000 pieces of cupro-nickel; and 79,500 silver copper alloy blanks for use in Asian areas. Whilst speaking of the Asian areas it might be of interest to say that one of our die-makers, Gordon McIntosh, was seconded from the Perth Mint to Singapore to help establish the die-making industry in that country.

Now that the Mint is to come under State control it should not be forgotten that the staff has always had a very happy relationship with its superior officers, and with the British and Australian Governments. The aim of the Bill is to ensure that in the changeover the staff will not be disadvantaged. All concerned should be congratulated on the result of the negotiations that have taken place—long though they have been. With that in mind it gives me pleasure to support the Bill.

THE HON. J. DOLAN (South-East Metropolitan) [4.57 p.m.]: I take advantage of the opportunity to supplement the remarks of Mr. Lavery by making a few observations about mints in general and the Perth Branch of the Royal Mint in particular. In the history of Australia

only three mints have been established. The first was in Sydney in 1858, and it closed in 1926. The Mint in Melbourne was opened in 1869, and that Mint was closed shortly after the establishment of a mint in Canberra in 1968. The Mint with which we are dealing was established in Western Australia in 1898.

I have found it extremely interesting to study the debate which took place in both Houses of Parliament in 1895, and I would recommend the exercise to any member who is interested. The purpose of establishing the Mint in Western Australia was not only to give prestige to the State, but also to assist the goldmining industry.

Gold was discovered in 1885 in the Kimberley, and the greatest discoveries occurred during 1892 at Coolgardie and 1893 at Kalgoorlie. So by 1895, when the original Bill was debated in both Houses of Parliament, the goldmining industry was well established.

John Forrest, who was the then Premier, when introducing the Bill indicated that it was to set up a branch of the Royal Mint in Perth. He pointed out that the establishment of the Mint was an indication of the confidence the Government had, not only in the State but also in the goldmining industry. I think his confidence was absolutely justified because in a matter of a few years the goldfields water scheme was put into operation and railways were constructed to the various mining areas.

I was interested to read the remarks of the man who introduced the Bill in the Legislative Council. The Hon. E. H. Wittenoom was then Minister for Mines. He was preceded by Mr. Marmion, and was succeeded by H. B. Lefroy. I am sure the Minister for Mines will appreciate that those Ministers came in for a tremendous amount of criticism from the local newspapers on the goldfields. The newspapers always had a lot to say about the peculiar circumstance that Ministers for Mines were always metropolitan members, and that they knew very little about mining. Of course, with that assumption I make no reference to our present Minister for Mines, or even to those previous Ministers who probably knew more about mining than the goldfields members.

I was interested to read a comment about Mr. Marmion which appeared in the *Coolgardie Miner*. It was claimed that the Minister for Mines knew as much about mining as a mangy camel knew about differential calculus. They were also sometimes critical of Mr. Wittenoom, who carried during his life, I think, the nickname of "Ten Foot Ned." He introduced an amendment to the Mining Act which provided that alluvial prospectors could not go down below 10 feet. It would not have mattered had there been a jeweller's shop at the bottom of a digging; when they got down to 10 feet they could not go any further. It can be imagined how incensed the prospectors were. They burnt Mr. Wittenoom's effigy in the main street and continued their protests until eventually that section of the Act was withdrawn.

The Minister who followed Mr. Wittenoom was responsible for the setting up of the Mint. Comment was made about him in rather amusing terms. When he was made Minister for Mines he claimed that although he had never been down a mine he had often been down a well. The papers waxed quite humorous about his lack of knowledge.

Following the passing of the Bill in 1895 the Perth Branch of the Royal Mint was built and the total cost of the establishment was only £15,000. One of the comments made in opposition to the proposal was that this State had to be responsible for finding the money for carrying on its operations. Although the State had to find the money, the Mint was generally run in such a way that the books were near enough to balanced, so it was no problem, and I do not think it has been a problem over the years.

Prior to the establishment of this branch of the Royal Mint all the gold from Western Australia—which at that time was the greatest producer of gold in Australia—was sent to Melbourne for refining and was there made up into coins, sovereigns, and half-sovereigns. The cost of freight, insurance, and so on, had to be borne by the State. It was argued that if we had our own Mint we could do our own refining and minting of coins, and so on, which of course eventuated over the years. In fact, I think the record production in one year was 15,000,000 sovereigns.

Perhaps I could claim to be one of the veterans of this Parliament. I can remember my father with a sovereign case containing sovereigns and half-sovereigns. I do not know whether or not he was particularly financial, but they were the coins of the realm. In those days I did not know of any such thing as a bank note. When the bank notes were introduced they had printed on them a guarantee that one could get gold for them upon returning them. I suppose some members wish that today, for a $2 note, they could get its equivalent in gold.

The term "Royal" associated with the Mint arose from the fact that the Sovereigns of England, or the Crown, reserved to themselves the right to determine the standards, the denominations, and of course the quality of the coins. It was quite a well-known feature in Roman times and in the time of Alfred the Great. Even at the time of William the Conqueror, in that well-known year, 1066, the Royal Mint was an established fact.

For centuries the London Mint was established inside the Tower of London. Whether it was for protection, because of the value of the gold that was stored there, I do not know. It was later moved to its present site at Tower Hill in 1810, I think. Those who know London will know Tower Hill. Now, because of its value from a real estate point of view, there is a proposal to remove the Mint to Wales, which has caused a great deal of controversy and strong comment. We are probably very fortunate here in that Western Australia is the only State that now has a Mint. Some of the functions it has carried out over the years have gone and now it generally makes coins, and so on, as a result of orders not only from the Commonwealth but also from other countries.

I think the purpose of this Bill is to effect a changeover of the staff from the Imperial Civil Service to the State Public Service. These men are highly skilled tradesmen and, as Mr. Lavery has said, some officers have been sent to Malaysia and Singapore to establish mints in those countries. They would not have been asked to do that if they had not been particularly well qualified. The Mint here also does a lot of the cutting out of some of our coins, without stamping the impressions on them. Our Mint makes only the blanks.

The first of the processes involved is the melting, in which tradesmen melt the metals and mix the alloys very carefully. They then do the rolling and the cutting. The strange thing is that coins are not struck from hot metal because of the danger of disfiguring them or making them in such a way that they will not conform to specifications. The cutting and stamping are done on cold metal, which has to be softened so that it will take the impression. At the same time they do the obverse and the reverse sides of the coin and, if necessary, the milling around the edges. The original purpose of the milling of the edges was to prevent mutilation. The 5c, 10c, 20c, and 50c coins have milled edges, but the 1c and 2c coins do not.

I have just been handed an impression of a half-sovereign note of the Commonwealth of Australia, which says that the Treasurer of the Commonwealth of Australia promises to pay the bearer 10s. in gold coin upon production of this note. I suppose we can hope for a state of Utopia in which again we find that printed on our currency.

The Hon. A. F. Griffith: Ten shillings worth of nickel would probably be just as valuable today.

The Hon. J. DOLAN: Ten shillings worth of anything is only worth 10s., whether it is nickel, or gold, or anything else.

I think the force that is used in striking the coins is the equivalent of 180 tons. Every gold coin used to be inspected by personal touch. The man who did the inspecting would drop the coin on an anvil, and he was so expert that he could tell immediately if the coin was a dud, in which case it would have to be discarded and go back into the melting pot.

The men who are concerned in this changeover fall into three categories. First of all there is the staff—people who have been at the Mint for a long time and who have a great many privileges, such as long service leave, bonus provisions, and pensions on retirement, under their contracts with the Imperial service. Then there are people who have been employed for more than ten years, who probably come into the same category, and who are referred to as "established employees." Then there is the third group of unestablished employees who have had less than 10 years' service.

The provisions of this Bill will ensure that all those employees are absorbed into the State Public Service almost on the same basis as present employees. Long service leave, contributions to superannuation, and all such matters have been carefully considered over a period of five or six years, and if there are found to be any defects or grounds for complaint I feel sure that they can be ironed out.

I do not apologise for taking up a few minutes of the time of the House. I think these questions are always worth discussing and if we get a bit of the history of them it makes us realise that the legislators of 75 years ago were very farseeing as regards the development that would take place in this State. I do not think that even Sir John Forrest and Mr. Wittenoom, who introduced the Bill in the respective Houses, could have foreseen the great mineral development of today. They were content to take on these propositions like railways, water supplies, mints, and so on, just because of what they could see looming ahead in the goldfields, without knowing of all the other things that were to come. We now have the opportunity to look ahead. We can afford to be optimistic and make provision for the future. I pay a compliment to those people who are so farseeing and I hope that this State will in the future become one of the great parts of the world.

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [5.12 p.m.]: On hearing the words "Minister for Mines" mentioned I might feel a little tempted to go into subjects other than the Royal Mint, in view of some of the names I have been called in the last 48 hours; but I shall confine myself on this occasion to thanking Mr. Lavery and Mr. Dolan for their obvious support of this Bill. I am happy to say that in neither speech were the remarks exaggerated, as they have been in some other directions. They have been very helpful in tracing the history of the

present Mint and I do not think it is necessary, with the obvious support that the Bill has received, for me to do more than acknowledge that.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (The Hon. N. E. Baxter) in the Chair; The Hon. A. F. Griffith (Minister for Mines) in charge of the Bill.

Clauses 1 to 11 put and passed.

Clause 12: How office of Director vacated—

The Hon. J. DOLAN: I would like clarification of paragraph (a) of clause 12, which says—

> The Director shall be deemed to have vacated his office if—
>
> (a) he engages, during his term of office, in any paid employment outside the duties of his office;

I would like the Minister to clarify whether the words "outside the duties of his office" refer to duties he carries out with the approval of the Government.

I say this because I have in mind that he could be sent overseas by the Government at the request of, say, some South-East Asian country, to establish a mint. Would the director be covered in that event?

The Hon. A. F. GRIFFITH: I think this is the usual sort of clause which is of a somewhat protective nature to ensure that a person such as the Director of the Mint confines himself to the activities of his office. On occasions I have had put before me minutes involving the temporary employment of a civil servant in respect of lectures at the University, for instance. This is done to give the officer concerned permission to draw the fees payable for such extra work. The clause in the Bill is to cover a person who may get another job without permission during the term of his office. In this case the principal function is to be the Director of the Mint and if he strays from that, without permission, then his office can be declared vacant.

The Hon. J. Dolan: Thank you.

Clause put and passed.

Clauses 13 to 18 put and passed.

Clause 19: Benefits under Imperial conditions—

The Hon. F. R. H. LAVERY: When speaking Mr. Dolan mentioned the changeover of employees from their present terms of employment to appointment under the State Civil Service conditions. The proposals in this measure satisfy the staff of the Mint because they retain the rights and privileges they have enjoyed under Imperial conditions. I thought I would like to mention that fact because no employee loses any of his present conditions.

In view of the reminiscences we heard a short time ago, I would like to mention that a person named Sergeant Lavery was the gatekeeper at the Mint for a great number of years. He passed away rather suddenly and, strangely enough, a Robert Lavery, who was my brother, took his place for a time. Now another Lavery is supporting this measure tonight. For the Laverys that is not too bad!

Clause put and passed.

Clauses 20 to 45 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Mines), and passed.

Sitting suspended from 5.22 to 5.30 p.m.

LOCAL GOVERNMENT ACT AMENDMENT BILL, 1970

Returned

Bill returned from the Assembly with an amendment.

Assembly's Amendment: In Committee

The Deputy Chairman of Committees (The Hon. F. R. H. Lavery) in the Chair; The Hon. L. A. Logan (Minister for Local Government) in charge of the Bill.

The DEPUTY CHAIRMAN: The amendment made by the Assembly is as follows:—

> Clause 2, page 2, line 10—**Insert** after paragraph (b) a paragraph as follows:—
>
> (c) by substituting for the word "is" in line thirteen of subparagraph (iii) of paragraph (a) of subsection (1), the word "are";

The Hon. L. A. LOGAN: I move—

> That the amendment made by the Assembly be agreed to.

It was brought to our notice that the word "is" should have read "are." This is an amendment to the Act itself and not to the Bill and that is why it might seem long and involved.

Question put and passed; the Assembly's amendment agreed to.

Report

Resolution reported, the report adopted, and a message accordingly returned to the Assembly.

COMPANIES ACT AMENDMENT BILL, 1970

Second Reading

Debate resumed from the 14th April.

THE HON. I. G. MEDCALF (Metropolitan) [5.35 p.m.]: This is a very short Bill which deals with two points. It seeks to remove building societies from the operations of the Companies Act and to include partnerships within that Act.

So far as building societies are concerned, the proposed amendment is contained in clause 2 of the Bill. The effect of this will be that the definition of a corporation in section 5 of the Act will now exclude any society registered under the provisions of the Building Societies Act, 1920.

In effect, this will mean that building societies will no longer be in fear of breaching any of the technical sections of the Companies Act—particularly those sections dealing with prospectuses—or any other sections which have not been enforced against building societies but of which, nevertheless, they were in technical breach.

As a result of the passage of this Bill the building societies henceforth will have no further fear that due to a technicality they might be breaching the provisions of the Companies Act when they fail to lodge prospectuses or to comply with other sections of that Act.

This point has given the building societies some concern in the past and has been the subject of representation. I am pleased to see that these societies are now to be exempted from the provisions of the Companies Act. This has been done because, as the Minister has said, a more comprehensive Building Societies Act is now in force.

We have passed amendments to the Building Societies Act which incorporate requirements which were not there previously and, in effect, impose controls on building societies. It is now possible to delete them from the Companies Act. I commend the Government for having taken this step.

Clause 3 has the effect, generally, of including partnerships in the provisions of the Companies Act, so that henceforth partnerships will be required to comply with certain parts of the Act.

The Hon. A. F. Griffith: Before you go on, I have had another look at this particular clause and for reasons which I will tell you when I reply, I was proposing to ask the Committee, when the Bill goes into Committee, to delete clause 3.

The Hon. I. G. MEDCALF: I thank the Minister for that piece of information. It will considerably shorten what I have to say.

The effect of clause 3 in the Bill is generally to require partnerships to comply with part IV, division 5. This is a complicated part of the Act which really refers to what is called an "interest." "Interest" is defined in the Act and the word as defined really means an interest or share in common property or in a common enterprise.

This is an all-embracing term and it can be seen how it would normally include partnerships and also a number of other things which are common enterprises, but for the fact that the Act at present excludes partnerships from the definition of an "interest." In other words, the Act as it stands at present excludes partnerships from the definition of an "interest," and the object of clause 3 is to include partnerships.

I am pleased to hear the Minister say that he proposes to delete clause 3 and, in the circumstances, there is nothing further for me to add.

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Justice) [5.40 p.m.]: I think the only matter upon which I need comment is clause 3 of the Bill. Since this is a Committee matter perhaps it would be preferable for me to wait until the Bill goes into Committee when I can give my reasons for asking the Chamber not to go ahead with this clause at this point of time.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (The Hon. F. R. H. Lavery) in the Chair; The Hon. A. F. Griffith (Minister for Justice) in charge of the Bill.

Clause 1 and 2 put and passed.

Clause 3: Section 76 amended—

The Hon. A. F. GRIFFITH: The amendment proposed in this clause is one that received endorsement from the Standing Committee of Attorneys-General at a meeting which I attended. No other State, nor the Commonwealth, in fact, has effected any change in the Companies Act or in any Ordinance of the Australian Capital Territory along the lines of this clause.

I would like to know why this is so. While it was intended that there should be a uniform approach there could be some reason for this. A number of representations have been made to me which lead me to suspect that the amendment I propose in clause 3 might cause hardship in the raising of money intended to help people with their housing problems—flat developments, etc., being some of the projects in mind.

I am not anxious to do this, as members will appreciate. Accordingly, subject to the agreement of the Committee, I propose to defer consideration of clause 3 by asking for it to be deleted. I will attend another meeting of the Standing Committee of Commonwealth and State Attorneys-General early in July when I will ask my colleagues in the other States of the Commonwealth why they have not proceeded with this matter; whether there has been any change of mind.

As members know, I could come back to this during the next session of Parliament which begins in July or August. I am a little unhappy with proceeding with this clause for fear it might cause some hardship in relation to property and developmental matters proceeding in the State. I ask the Committee to vote against the clause.

The Hon. W. F. WILLESEE: I am a little puzzled by the developments which have taken place concerning this legislation, although let me say at the outset that I agree with the Miinster that we should proceed cautiously.

The reason I supported the legislation was because an article appeared in *The West Australian* on the 11th April, containing the information that similar legislation would be introduced in other States. I am a little concerned now because my approach was that if people think they are subscribing, because of advertisements, to a limited liability organisation, when, in fact, they are not, then this legislation is necessary because it will prevent such a misunderstanding. If, by subscribing to a partnership, a person finds that everything he possesses is involved, then the sooner we stop this situation the better. That is the point that worries me at the moment.

I would not oppose the Minister's suggestion that he have another look at this clause, because I believe he must have good reasons for his hesitation. However, as I have said, it is our responsibility to guard against the possibility to which I have referred. People should not be misled into putting their money into a venture when, if they knew the full circumstances, they would not do so.

The Hon. I. G. MEDCALF: The point raised by Mr. Willesee—and he raised it during his second reading speech—is an interesting one. It must be clearly understood, however, that the sole purpose of this amendment was to bring partnerships under division 5 of part IV of the Companies Act, and not under the Companies Act generally. The effect of bringing partnerships under division 5 was purely because of interests. It does not mean that partnerships would henceforth be treated as companies for all the other purposes of the Act.

This is a very small portion of the Companies Act and the whole point of it is contained in section 81, under the same part and division, which states that no person other than a company may issue to the public or offer to the public for subscription or purchase or shall invite the public to subscribe for or purchase any interest. We are dealing with this matter from a limited area known as interest, which is the interest in a common enterprise and it does not include shares in a company, nor debentures in a company.

The Hon. W. F. Willesee: I was clear on that.

The Hon. I. G. MEDCALF: The amendment proposes that henceforth there shall be no advertising by partnerships because section 81, in effect, prevents advertising or circularising the public inviting the public to purchase a share in a partnership or subscribe for an interest in it. The only way to avoid the advertising would be by complying with division 5 of part IV, which would mean that a public company would have to be appointed as a management company, which would have to have an approved trustee and registered shareholders. In addition, it would have to supply annual reports and comply with the prospectus provision.

So we are dealing with only one area. It is not intended that this provision should apply to anything except advertising an interest in a partnership. Therefore the question of unlimited liability in the general company sense does not come into the matter.

The Hon. W. F. Willesee: The partnership sense.

The Hon. I. G. MEDCALF: That applies only in a case of advertising the sale of a share in a partnership.

The Hon. W. F. WILLESEE: I must, of course, accept what Mr. Medcalf says, but I am still puzzled. I do not see how, once an advertisement has been made and a person has subscribed to a partnership, he can be absolved unless he is part and parcel of a company. If it is intended to bring partnerships under the Companies Act and still retain the total liability concept, the public would be misled because they would think they were subscribing to a limited company.

The Hon. A. F. GRIFFITH: It has been represented to me that the clause would prevent a syndicate member advertising his assets for sale. It would prevent a home unit owner advertising his property for sale unless his property consisted of shares in a company or he had a strata title. Likewise it would prevent the owner of half a duplex from advertising his property for sale, and it would prevent an executor of an estate from advertising a duplex for sale. I do not want to do these things.

The Hon. W. F. Willesee: I agree. I do not either.

The Hon. A. F. GRIFFITH: However, I am anxious to stop the sort of thing we have seen occurring from time to time. I feel compelled to say that we just cannot legislate against the gullibility of some members of the public. I am also anxious to prevent a con man representing his case in some way and then filling his bag with money and getting out. However, in trying to prevent that, I am, under this clause, apparently preventing all the other legitimate matters to which I have referred. Perhaps there is another way my objective can be achieved.

It often amazes me how people will sign their names to anything. But, there it is. I am going to look further into this, of course. I certainly do not want to prevent the other sort of transaction I have outlined.

The Hon. W. F. WILLESEE: I want to conclude by saying that the point I have raised is valid. People are misled by advertising. In many cases they are misled because of the trust they place in the legislation which is in operation. I do ask the Minister to consider closely the point I have made; that is, that by advertising, however productive or successful in fund-raising it may be, many poeple are misled. The office concerned could close and the directors disappear overnight. Those who have subscribed to the particular enterprise would then find themselves in desperate straits. I hope that point will be considered together with all the other problems which to me are secondary.

The Hon. I. G. MEDCALF: I see the point Mr. Willesee is making. I think it must be borne in mind that a partnership is a fairly close form of association which, generally speaking, should be distinguished from a company. I know Mr. Willesee has made the distinction quite clearly, but we are inclined to look upon all these things as being much of a muchness. A partnership cannot consist of more than 20 persons, which is a fairly small number of people, and normally they would band themselves together in the pursuit of some common enterprise for the purpose of making a profit. They are governed by the Partnership Act of 1895, and whilst vague in one or two details, to the extent that it is hard to decide whether a syndicate has become a partnership or whether it is some common enterprise—

The Hon. W. F. Willesee: That is the point.

The Hon. I. G. MEDCALF: —nevertheless, I think that partnerships are fairly well recognised in business circles as being quite distinct from the holding of shares in companies. It may well be that members of the public do not make such a distinction and that therefore when they get shares in a partnership they think they have shares in a company. This could well be and it would indeed be unfortunate. However, I do not agree that that point in itself is a sufficient reason for making all partnerships comply with the Companies Act because they are in fact what we might call different animals. They are a different type of association and they have quite a number of various requirements.

Partnerships do not have directors. They are usually much smaller than companies. However, there are occasions and I can concede this point—particularly in the case of some land development syndicates—when people may generally not know whether they are partnerships or companies simply because they do not take the trouble to inquire sufficiently before they invest their money. It may be that there is a case for action in this regard. However, it is not a sufficient reason for bringing all the *bona fide* partnerships within the ambit of the Companies Act. That would be going too far and be such a revolutionary change that it would dislocate business generally.

Clause put and negatived.

Title—

The Hon. A. F. GRIFFITH: In his usual efficient way, Mr. Ashley has suggested to me that the title needs amendment. I move an amendment—

> Delete the words "sections five and seventy-six" and substitute the words "section five".

Amendment put and passed.

Title, as amended, put and passed.

Bill reported with an amendment and an amendment to the title.

ADJOURNMENT OF THE HOUSE: SPECIAL

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [6.1 p.m.]: With your indulgence, Sir, I should like to make a few remarks. We have reached the point where there is one item on the notice paper.

The Hon. F. J. S. Wise: Is it the point of no return for the Chamber?

The Hon. A. F. GRIFFITH: Obviously, we shall receive more business from the Legislative Assembly. Therefore, I propose to move, at the appropriate time, that we adjourn until Thursday. There would be no purpose in coming back tomorrow if we did not receive any Bills from another place. I am not sure whether we would receive any tomorrow, but I think we ought to attend on Thursday to take care of any business which might come to the Council from the other House. I move—

> That the House at its rising adjourn until Thursday, the 30th April.

Question put and passed.

House adjourned at 6.3 p.m.