

Legislative Council

Tuesday, the 24th October, 1961

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BILLS (6): ASSENT

Message from the Governor received and read notifying assent to the following Bills:—

1. Bank Holidays Act Amendment Bill.
2. Totalisator Agency Board Betting Act Amendment Bill.
3. Betting Control Act Amendment Bill.
4. Churches of Christ, Scientist, Incorporation Bill.
5. Church of England (Northern Diocese) Bill.
6. Coal Miners' Welfare Act Amendment Bill.

QUESTIONS ON NOTICE

1. *This question was postponed.*

DRIVING OFFENCES

Disparity in Penalties

2. The Hon. J. G. HISLOP asked the Minister for Mines:

(1) As, in some recent motor-vehicle accidents in which a fatality has occurred, the driver of one of the cars has been charged with the minor offence of negligent driving and found guilty, and in such cases the penalty has been a small monetary one, and as in a recent case, which is not an isolated one, when the coroner expressed the view that the accident had been due to the manner in which the charged driver drove his car, and the driver pleaded guilty in the traffic court of negligent driving, the resultant fine being six pounds, will the Minister advise—

- (a) Why is there this disparity of the penalty in a case where a life has been lost imposing suffering on a family, and the penalty incurred by drivers who have committed no other breach of driving except to exceed a speed limit?
- (b) (i) Why is not a criminal charge or a charge of dangerous driving causing death laid; and
- (ii) is a minor charge laid because the Police or Crown Law Department feel that, in view of the fact that even the most careful driver may be involved in a fatal accident, it would be impossible to obtain a verdict on a criminal charge?

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

- (c) (i) Why does the driver so frequently admit negligent driving in these cases; and
- (ii) is this admission associated with third party insurance so that the relatives of the deceased may make a claim?
- (d) If a driver is found guilty of negligent driving causing a fatal accident, can a more serious charge be later laid against such driver?
- (2) Will the Attorney-General have investigations made into the effect upon a family where the husband or father of the family is killed in a motor accident and where the widow or family, owing to the absence of solatium, has found it impossible to win a claim against the Motor Vehicle Insurance Trust?

Inquiry into Charges and Compensation Claims

- (3) As there is concern in many quarters regarding the number of fatal motor accidents, will the Attorney-General set up a committee to review—
 - (a) charges against motor-vehicle drivers; and
 - (b) compensation claims arising from motor-vehicle accidents?

The Hon. A. F. GRIFFITH replied:

- (1) (a) All penalties for offences are set out in the appropriate sections, usually as a maximum. The particular penalty imposed is a question to be decided by the judge or magistrate, and the amount is entirely in the discretion of such judicial officer.
- (b) (i) and (b) (ii) Where death results from the driving of a motor-vehicle an indictment for manslaughter is invariably presented to the court if the evidence justifies a person being so charged. The law requires evidence of gross or culpable negligence, which has been described by various judges as recklessness, foolhardiness, wilful omission and utter disregard for the safety of other road users.

If the evidence does not disclose such a high degree of negligence no indictment should be, nor is, presented. Where an indictment is not presented but the evidence

discloses negligence which justifies a charge being laid under the provisions of the Traffic Act, then such a charge is proceeded with. The Crown Law Department considers the evidence disclosed at committal proceedings or inquest and the evidence determines the type of proceedings which are taken.

- (c) (i) and (c) (ii) The reason for an admission of negligence in these cases must be known only to the person making the admission.
- (e) In strict law a person could be charged with a more serious charge but the policy for many years has been that if a person is charged and convicted of the lesser charge referred to, then further proceedings on the same facts are not taken.
- (2) During the course of the Address-in-Reply debate I made available to the House information which was given to me by the Attorney-General in regard to the question of the courts awarding a solatium in cases of fatal accidents. I would refer the honourable member to page 538 of *Hansard* of the 24th August, 1961.
- (3) This will be considered.

ROAD BOARD RATES

Total Revenue for Year Ended the 30th June, 1961

- 3. The Hon. N. E. BAXTER asked the Minister for Local Government:

What was the total amount of rate revenue received for the year ended the 30th June, 1961, by each of the following road boards:—

Armadale-Kelmscott;
Beverley;
Brookton;
Darling Range;
Dowerin;
Gingin;
Kellerberrin;
Koorda;
Kununoppin-Trayning;
Mt. Marshall;
Mukinbudin;
Mundaring;
Northam;
Nungarin;
Quairading;
Tammin;
Toodyay;
Wanneroo;
Wyalkatchem; and
York?

The Hon. L. A. LOGAN replied:

	£
Armada-Kelmscott	27,486
Beverley	21,419
Brookton	15,717
Darling Range (Kalamunda)	36,192
Dowerin	17,400
Gingin	10,938
Kellerberrin	21,772
Koorda	12,562
Kununoppin-Trayning-Yelbeni	10,333
Mt. Marshall	15,400
Mukinbudin	9,797
Mundaring	21,428
Northam	12,254
Nungarin	8,865
Quairading	16,227
Tammin	7,931
Toodyay	13,072
Wanneroo	26,444
Wyalkatchem	10,652
York	9,647

In the case of Kalamunda, Dowerin, Kununoppin-Trayning-Yelbeni, Mt. Marshall, Mukinbudin, Quairading and Tammin, the figures given have been based on budget statements, and have not yet been verified by audit. They are considered to be reasonably correct. All other figures have been verified by audit.

TELEVISION

Station on Eastern Goldfields

4. The Hon. W. R. HALL asked the Minister for Mines:

In view of the statement in *The West Australian* of the 19th October, 1961, by the Postmaster General that it was the intention to establish national and commercial television stations in three country areas in Western Australia, will the Government make immediate representations to the Postmaster General and/or the Australian Broadcasting Control Board to give consideration to having a television station established on the Eastern Goldfields where the population is approximately 23,000?

The Hon. A. F. GRIFFITH replied:

Mr. Peter Browne, M.H.R., Federal member for Kalgoorlie, has given notice of his intention to move a motion in the Federal Parliament to have Kalgoorlie and Geraldton included in the TV expansion programme. The State Government is sympathetic and the Premier has discussed the matter with Mr. Browne. I suggest the honourable member should also lend Mr. Browne his support.

SUPPLY BILL (No. 2), £22,000,000

Standing Orders Suspension

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [4.43 p.m.]: I move, without notice—

That so much of the Standing Orders be suspended as is necessary to enable a Supply Bill to pass through its remaining stages at any one sitting.

THE PRESIDENT (The Hon. L. C. Diver): I have counted the House, and there being an absolute majority present, and there being no dissentient voice, I declare the motion carried.

Question thus passed.

DOG ACT AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by The Hon. L. A. Logan (Minister for Local Government), and read a first time.

BILLS (2): THIRD READING

1. Bulk Handling Act Amendment Bill.

Bill read a third time, on motion by The Hon. L. A. Logan (Minister for Local Government), and passed.

2. Entertainments Tax and Assessment Acts Repeal Bill.

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

IRON ORE (SCOTT RIVER) AGREEMENT BILL

Third Reading

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [4.45 p.m.]: I move—

That the Bill be now read a third time.

I would like to take this opportunity to clear up two or three points which were raised by members in the course of the second reading debate. One of the points was raised by Mr. Wise, who doubted the capacity of the Bill to effect the excision of a Class "A" reserve. I have had an opportunity of looking into this question. I refer to Class "A" Reserve A25373 (National Park) mentioned in clause 10 of the agreement which is set out in the Bill. It is very evident from reading this clause of the agreement that the Government is under an obligation, because of this agreement, to make available to the company on a freehold basis, free of cost, and as soon as possible after the notice date, a portion of this reserve comprising 195 acres, or thereabouts.

Although that clause appears only in the agreement, it becomes with the passing of this measure a part of the statute, because clause 3 (2) of the Bill states—

Notwithstanding the provisions of any other Act or law, the Agreement shall be carried out and take effect as though its provisions had been expressly enacted in this Act.

It follows that with the passing of this Bill into an Act, clause 10 of the agreement which will empower the Government to excise some of this reserve for use by the company, will provide, in addition, power for excision of that area from the Class "A" reserve.

The Hon. H. K. Watson: Without any further legislation?

The Hon. A. F. GRIFFITH: Yes. It is expressly stated in clause 10 of the agreement.

The Hon. F. J. S. Wise: I quoted that clause in the agreement.

The Hon. A. F. GRIFFITH: The Crown Law Department is quite satisfied on this particular point. Another point was raised by Mr. MacKinnon in connection with the bulldozing, instead of the cutting down of trees. That matter will be taken up with the company.

The only other point to which my attention was drawn was that raised by Mr. Baxter as to the possible pollution of the countryside and streams as a result of the charcoal treatment of the ore. I am pleased to say that the company has advised that it is proposed to burn all the pyroligneous gases and tars produced in the production of charcoal, to prevent the pollution of streams and pastures. If the honourable member refers to clause 15 of the agreement he will see that it provides that all industrial wastes are to be disposed of in such a manner as to avoid pollution of surface and underground waters. I do not think there was any other point raised. I have taken this opportunity to answer those that were raised.

THE HON. H. K. WATSON (Metropolitan [4.50 p.m.]): I was under the impression that when Mr. Wise raised the question of the Class "A" reserve being transferred to the company under this Bill, the Minister indicated that in accordance with the Land Act this particular Class "A" reserve would be included in the Reserves Bill which it is customary to present at the end of each session.

The Hon. A. F. Griffith: I did not indicate that at the time. I thought it may be, but I have had opportunity to inquire about it since and am advised by the Crown Law draftsman that this is all right.

The Hon. H. K. WATSON: It just strikes me that whilst it may be all right in one way it is all wrong in principle, because the Land Act distinctly states, with the obvious view of preserving Class "A" reserves, so that they will not be whittled

away, that no Class "A" reserve shall be alienated, and that they will be forever dedicated to the Crown unless by an express Act it is specified in that Act that they shall be taken out of the description of Class "A" reserves.

It is by virtue of that particular provision, and it is a very explicit provision, that Parliament goes through the motion each year of bringing down a special Bill in which each clause refers to a particular Class "A" reserve.

I think it would not only be a pity, but disorderly, in a parliamentary sense, if we were to depart from that old established safeguard. We find that subclause (2) of clause 4 of this Bill is very general. It says—

(2) The State may grant to the Company the whole or part of any land, including land the subject of Class A or other reserve . . .

What I am concerned about and what prompted me to rise was the Minister's reference to clause 10 of the schedule.

The Hon. A. F. Griffith: Which describes the Crown land.

The Hon. H. K. WATSON: If I understand his explanation correctly it would seem that notwithstanding the express provisions of the Land Act, and notwithstanding the sanctity of Class "A" reserves, the Crown or any Minister can merrily go ahead and, by an agreement with any company, alienate Class "A" reserves. I understand from the Minister's explanation it would have been possible to do that, even if subclause (2) of clause 4 of the Bill had not been included.

The Hon. A. F. Griffith: Have a look at subclause (2) of clause 3.

The Hon. H. K. WATSON: That is the point I am coming to. Although, as I have said, if subclause (2) of clause 4 had not appeared in the Bill alerting us to the question of a Class "A" reserve being alienated, it would appear by virtue of subclause (2) of clause 3 that the Class "A" reserve would have automatically gone overboard, because of the obscure clause in the agreement to which Mr. Wise very wisely drew our attention.

The Hon. A. F. Griffith: There is nothing obscure about clause 10 in the agreement, surely.

The Hon. F. J. S. Wise: I think it is.

The Hon. H. K. WATSON: When I say obscure, I mean that we know that a Bill which has a long agreement annexed to it as a schedule, not infrequently goes through without many members knowing the full contents of each clause of the agreement. Subclause (2) of clause 3 reads—

Notwithstanding the provisions of any Act or law, the Agreement shall be carried out and take effect as though its provisions had been expressly enacted in this Act.

Therefore I feel this House should not sanction any practice which gets away from the provisions clearly set out in the Land Act dealing with Class "A" reserves.

THE HON. F. J. S. WISE (North) [4.57 p.m.]: I am entirely unsatisfied with the comments of the Minister relating to the opinion of the Crown Law Department on this matter. In my recollection of 28 years in Parliament I can recall no instance where the sanctity of a Class "A" reserve was not held to be inviolate unless in the Reserves Bill itself at the end of the session specific provision was made for the alteration to that reserve.

Here we have a loose method entering in; and I interpolate to say that I have no objection whatever to this portion of a Class "A" reserve being excised, converted into freehold, and the freehold given to this company. That is not the point at issue; it is this loose method of achieving it—and it is a loose method.

As I pointed out last week, we have a most important Act on our statute book—the Land Act—which everyone in this Parliament would do his utmost to preserve. I quoted last week from vol. 12 of the reprinted Acts of Parliament, page 22, in which section 31 of the Land Act appears and reads as follows:—

(1) (a) Whenever the Governor has reserved or may hereafter reserve to His Majesty any lands of the Crown for the purpose of parks, squares, or otherwise for the embellishment of towns, or for the recreation or amusement of the inhabitants, or for cemeteries, or for any other public purpose, the Governor may, by proclamation, and subject to such conditions as may be expressed therein, classify such lands as of Class A; and if so classified, such lands shall forever remain dedicated to the purpose declared in such proclamation, until by an Act of Parliament in which such lands are specified it is otherwise enacted.

We need to be very generous in our interpretation of clause 10 (1) (a) (ii) of the agreement which specifies the lands to be excised, because those lands include a portion of Class "A" Reserve A25373 (National Park) comprising 195 acres or thereabouts.

I can imagine the result of any move to excise 195 acres or thereabouts from Kings Park by such wording within an agreement, a schedule to a Bill! And I think we are deviating violently from what is the proper, straight course in dealing with public lands, especially those for which there is specific provision in the Land Act.

I raised the point the other evening when discussing this matter, and I said there was no objection to all of the lands mentioned in the schedule being handed over in freehold title. I assume that in order to do this it will only be necessary

to make special provision in a Bill for an Act for that purpose; and that is how simple it is.

I would sit down and say no more if I could get an assurance from the Minister that that is what will be done: that section 36 of the Land Act will actually and absolutely be complied with, so that this area will be surveyed and a certificate accepted by the Titles Office, and so that a plan will be embodied in the Bill relating to reserves to be dealt with two or three weeks hence.

The Hon. H. K. Watson: The Minister has told you categorically that that is not going to be done.

The Hon. F. J. S. WISE: It is a very bad thing if—

The Hon. A. F. Griffith: I did not say anything of the kind, as it happens.

The Hon. F. J. S. WISE: I do not think the Minister did. I thought the Minister's assurance was given the other way.

The Hon. A. F. Griffith: I did not say anything of the kind. I do not know whether it will be done that way.

The Hon. F. J. S. WISE: I think the Minister assured me previously it appeared that that is what would be required, and if so it would be done.

The Hon. A. F. Griffith: Referring to roads and reserves.

The Hon. F. J. S. WISE: Yes; and I will be quite happy if it is done that way. But I object to its being done by this Bill, in spite of the Crown Law ruling which the Minister has quoted to us.

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [5.3 p.m.]: One sometimes gets into trouble trying to make an explanation. The interjection I made on the occasion of the second reading debate, when Mr. Wise was speaking, was this: What about a roads and reserves Bill? I made that interjection because I did not then understand the situation.

The Hon. H. K. Watson: I think you did then.

The Hon. A. F. GRIFFITH: I think I did not; and I think I know what my own mind tells me. I posed the question: What about a roads and reserves Bill? And that implied that it might be done by some other Bill, but frankly I did not know. I talked about this matter with the Chief Parliamentary Draftsman this morning and he pointed out that, under clause 10, the Government is under an obligation to make this land available free of cost to the company. The agreement becomes part of the Act, of course, and the obligations under the agreement are part of the Act. The Chief Parliamentary Draftsman pointed out to me that because the agreement is specific upon the point, the Government is under an obligation to make this land available.

The Land Act uses the words "until approved of by an Act of Parliament" or some such words; and this is an Act of Parliament approving of the excision. The Land Act does not say, in the section which Mr. Wise read to us, that an excision shall be by means of an amendment to the Land Act, but that it shall be by an Act of Parliament; and this is an Act of Parliament.

I realise that I have the last say, and I do not want to sit down and leave members in grave doubt about this matter. I think the situation will be—must be—that this land will be surveyed, because it does form, as we all know, portion of a Class "A" reserve. I have walked over it. The reserve was created a long time ago, but it so happens that the company requires this portion of it.

The matter has been discussed with the Lands Department, which has no objection to the excision of the land from this particular reserve, because it is only a small one and will have no real detrimental effect upon the total holding. I want to say this: I do not remember having received an explanation other than that clause 10 of the agreement gives authority to excise portion of this "A"-class reserve; and I do not know whether the authority will be given in a roads and reserves Bill.

The Hon. H. K. Watson: Is there any reason why it should not be?

The Hon. A. F. GRIFFITH: I do not know that, either, but I will confer with my colleague, the Minister for Lands, and see whether it is necessary—and whether it can be done—for provision to excise this portion of the reserve to be included in the Bill that he will bring down a little later in the session. I cannot go beyond that. The advice given to me by the Chief Parliamentary Draftsman upon this point is very deliberate and concise.

Question put and passed.

Bill read a third time and passed.

SUPPLY BILL (No. 2), £22,000,000

Second Reading

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [5.7 p.m.]: I move—

That the Bill be now read a second time.

I desire to express my appreciation to members for their ready agreement to the suspension of Standing Orders in order that this second Supply Bill may be debated without delay. It is hardly necessary for me to remind members that the introduction of this measure provides yet another means of discussing perhaps constituency matters, many of which, of course, have a financial background.

Although the Budget is being debated in another place, the condition of the Treasury purse leaves us with no alternative

but to request the immediate granting of further Supply to the Government to meet its many commitments.

Members will recall that an amount of £25,000,000 was made available some little time ago, and expenditure from this source for the three months ended the 30th of last month, was as follows: Expenditure from Consolidated Revenue Funds, for which £18,000,000 had been made available, amounted to £18,141,018. An expenditure figure which, on the surface, appears to exceed the amount of Supply made available is possible because of the continuous expenditure provided for under special Acts. Such expenditure accounts for £4,118,755.

Expenditure against the Supply of £18,000,000 has, in effect, been £14,022,263. The revenue collected during the three months ended the 30th September, amounted to £17,329,684, and the deficit in the fund at that date was £811,334. Expenditure during the same period from the General Loan Fund was £3,320,436.

The additional Supply required by the Government at the moment amounts to £22,000,000, of which £17,000,000 is needed to meet the expenditure from the Consolidated Revenue Fund, and £5,000,000 from the General Loan Fund, to enable the services of the State to operate effectively until the Estimates have been passed in another place.

Debate adjourned, on motion by The Hon. H. C. Strickland (Leader of the Opposition).

PAINTERS' REGISTRATION BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. G. E. Jeffery, read a first time.

MINING ACT AMENDMENT BILL

Returned

Bill returned from the Assembly without amendment.

MEDICAL ACT AMENDMENT BILL

Second Reading

Debate resumed from the 18th October.

THE HON. J. G. HISLOP (Metropolitan) [5.12 p.m.]: Certain organisations of the medical profession have for some little time, looked forward to this Bill, but when it arrived in the House they felt some dismay. However, the amendments suggested by the Minister for Local Government have removed some of the difficulties. It is quite obvious from this measure, that some trouble has arisen in relation to the Medical Board providing registration for medical men, and that there has been some difficulty in relation to medical men who have been given regional registration.

The amendments in the Bill will make the Act read in a very curious manner, because if the amendments are agreed to, section 11 will provide—

Every person who after the commencement of this subsection applies to be registered as a medical practitioner under this Act shall be entitled to be so registered if and when he complies with the following provisions, that is to say:—

Those words are now to be followed by this negative provision—

(a) not being a person referred to in paragraph (c) of subsection (2) of this section, he

It seems curious that in a Bill for registration we should commence by providing that a person who seeks registration has to prove that he is not a person to whom a later section applies.

I am wondering whether some of our legislation might not be renewed as a whole rather than be amended by inserting words here and there in order to overcome difficulties that arise from time to time. The method of inserting words here and there certainly does not make a Bill easy to read.

One of the main reasons for the measure is to allow the board to make application to the Minister, who shall have absolute discretion, to grant registration for a period of time to a person who satisfies the board he is of good fame and character, and has the necessary qualifications to do certain things. These certain things were originally stated in the Bill to be teaching and research in medicine or surgery under the direction or control of a teaching or research institution. The omission of the words on page 2, line 23, "of a post-graduate scholar" will cause some difficulties in a matter which, I think, is of great importance to the State.

Without mentioning any names I would like to inform the House that a member of the College of General Practitioners has generously provided a sum of money for the purpose of bringing an Indonesian graduate to Western Australia; and this fund will assist with his fare and maintenance in order that he may have a period of post-graduate training within this State. Without these words it would be impossible for this to happen. The generosity of this individual must be rewarded; because if we review the situation properly we must realise that we have here a medical school of quality, and we must be ready to provide teaching for our neighbours.

The universities of the East have already had students and post-graduate scholars from South-East Asia, under the Colombo Plan—and even without the Colombo Plan—and they have been provided with teaching. But we have not been able to follow their lead, and will not be able to without an alteration being made to the Medical Act. I believe that in the near future

there could be a tremendous increase in the number of post-graduate scholars coming down from Indonesia, Malaya, and portions of South-East Asia, in order that they may learn of the work being done in this University; and they will return to their own areas much better fitted to carry on their work.

It will also be a stimulus to those doing teaching of post-graduate work within this State; and I believe it would really sound the commencement of a future post-graduate school of medicine in Western Australia. Somewhere in Australia there will eventually be a school of post-graduate medicine; and in the East I feel certain it will start with graduates from Australia. But here we have the opportunity of providing such training for the countries to the north of us. With the words in question to be added to the Bill I think we could achieve that objective.

The other portion of the clause as it reads in the original Bill would also assist greatly in certain ways. We were in the position previously where, if a famous surgeon came to visit our State and undertook post-graduate training, it was quite impossible for that surgeon to demonstrate his surgical methods to the profession. We had Professor Israel here who many will remember is probably one of the greatest speakers and orators we have had in the medical field; he afterwards became—if my memory serves me aright—President of the American College of Obstetrics and Gynaecology. Yet we were unable to do more than hear him describe his methods, because he was not able to demonstrate to his colleagues in this State his approach to these matters.

Under this Act it would be possible for application to be made to the board. What I envisage will happen is this: When the post-graduate committee in medicine is aware of the person who will be arriving in our State and from whom we would wish a demonstration of his surgical methods to the profession, notification will have to be made to the Medical Board which will then notify the Minister. I hope that at times some quick approach may be made on such request.

It is possible, of course, that the Medical Board may be given the right to delegate such requests to the secretary or chairman of the board, who may then approach the Minister; because these people who will be coming in will be well known to members of the profession, and in many cases they will bear the seal of the Post-Graduate Federation of Australia. The Post-Graduate Federation of Australia meets at regular intervals and issues invitations to overseas visitors and also inquires into those wishing to visit Australia, and into the representations from all around Australia by senior medical officers, both of medicine and surgery, within the profession in Australia. This will mean

that these people will be known before they arrive or are expected as visitors. The result will be that when they do arrive they will have the seal of the federation.

This can be made known to the Medical Board and through the board to the Minister. Sometimes we have visitors in this State who stay with us for up to 14 days; but on many occasions these visitors are only in the State for two, three, or four days; so the time for which they are given registration will be a short one. But it is vitally necessary in the interests of the profession that this clause be passed and become portion of the Act, and that the words to be added by the Minister for Local Government be added, because then the measure will give to us the right to ask men of standing to demonstrate their methods to the profession. It will also give us the right to offer training to post-graduates from the countries to our north; and the commencement of a school of post-graduate medicine in the future will do an immense amount of good to those countries from which the graduates come, and to our own students.

In this State we are doing work in many sections of surgery and medicine, and members of the profession in other parts of Australia would quite willingly attend courses in such work were we able to formulate them. Therefore, it is with pleasure that I support the Bill. I have one comment to offer the Minister in regard to page 3, paragraph (c), by which Commonwealth officers are to be allowed to become registered under this Act without payment of any practice fee.

Some of the Commonwealth officers stay here for quite long periods, and if this is simply to allow them registration here without the payment of a fee in Western Australia—they continue to pay in their home State—it does not worry me very much. But if they are people who are passing through, as visiting lecturers are, then I think it is justifiable not to ask for a registration fee. I would like to be satisfied on this. For instance, there are departments of public health under the Commonwealth in respect of which the individuals are here for quite long periods at a time, and I would ask if they would be allowed to be free of a registration fee.

There are members, for instance, in the Chest Clinic who are probably appointed by the Commonwealth but whose salaries, I believe, are paid by the State, and therefore, they should be regarded as State medical officers. But it is really intended, I think, for members of the armed forces, such as the Army, Navy, and Air Force. It will, however, still apply to members of the Commonwealth Health Department. Also, I would like the Minister to clarify the point whether members of the Tuberculosis Branch of the State Public Health Department are regarded as Commonwealth officers; not that I have any great objection to their being so regarded, but I would like to know to whom the Act applies.

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [5.25 p.m.]: I think the House will have a better understanding of this measure now that Dr. Hislop has given his comments on the second reading debate. It was by an oversight in the first place that the words to which he referred were left out. I have a copy here of a letter which the B.M.A. sent to Dr. Hislop, and that is why we took action to ensure that the words in question were included in the Bill.

Dealing with paragraph (c) on page 3, I should say that any Commonwealth medical officer operating in Western Australia would come under the provisions of this paragraph. But he must satisfy the board he is such an officer and then, if the Minister in his absolute discretion thinks fit, he may be registered as a medical practitioner under the Act without payment of any practice fee. If the Minister thinks some of these people are overstaying their time, or getting away without paying their registration fee, he would no doubt invoke the provisions of the Act to ensure such payment.

Question put and passed.

Bill read a second time.

In Committee, etc.

The Chairman of Committees (The Hon. W. R. Hall) in the Chair; The Hon. L. A. Logan (Minister for Local Government) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Section 11 amended—

The Hon. L. A. LOGAN: I move an amendment—

Page 2, line 23—Insert after the word "research" the passage ", or of a post-graduate scholar."

Amendment put and passed.

The Hon. L. A. LOGAN: The next one is purely consequential. I move an amendment—

Page 2, line 34—Delete the words "of, teaching or research" and substitute the words "of teaching or research, or of a post-graduate scholar."

The Hon. J. G. HISLOP: I have no objection to this but I remember that when we were younger, Mr. Chairman, we would never allow words to be taken out and then put back again.

The Hon. L. A. LOGAN: I noticed the same thing, but if members will look at the amendment they will notice the word "of" with an apostrophe after it. The amendment removes the apostrophe.

The CHAIRMAN (The Hon. W. R. Hall): I ask the Minister to resume his seat. After the word "of" there is a comma.

The Hon. L. A. LOGAN: I should have said a comma, not an apostrophe. I think that is the reason for this amendment being on the notice paper.

The CHAIRMAN (The Hon. W. R. Hall): That is correct.

Amendment put and passed.

The Hon. L. A. LOGAN: I move an amendment—

Page 3, line 1—Insert after the word “research” the words “or as a post-graduate scholar.”

Amendment put and passed.

Clause, as amended, put and passed.

Title put and passed.

Bill reported with amendments.

STATE HOUSING ACT AMENDMENT BILL

Second Reading

Debate resumed from the 19th October.

THE HON. F. J. S. WISE (North) [5.33 p.m.]: I think this small Bill is here mainly for one purpose. While the Act is being amended advantage is being taken to add one or two other things. I think that would sum up the situation.

The Hon. A. F. Griffith: That is quite right.

The Hon. F. J. S. WISE: One clause in the Bill alters the word “three” to “two”; and in that same clause mention is made of a person with a wide knowledge of and experience in housing conditions. That is obviously to provide that instead of three, as now prescribed, being members of the public service, in future there will be two, but the board will be similarly constituted. This will mean that Mr. A. E. Clare, although no longer a public servant, will be a member of the board. I think that is an important and fine thing to do in the interests of the State—

The Hon. A. F. Griffith: He will still be chairman.

The Hon. F. J. S. WISE: —because of his service and experience. I know of no one who would do other than applaud the fact that provision is being made to retain his services and knowledge for the benefit of the State. However, as the Act is worded, it would not have been possible to retain him in that position.

The clause dealing with the statutory requirements to give authority to the commission to administer the housing scheme where it applies to employees in country districts is found necessary because of attention being drawn by the Auditor-General to the fact that the commission itself had not the authority which is now given to it by this small amendment to section 21 of the Act.

The amendment dealing with funds is, on examination of the Act itself, a very simple one, because the provisions were made when there were many hutments and things of that kind, and separate accounts were kept; but now these things

have dwindled and little income is derived from them. Therefore a separate fund is not to be used, and the money will be paid into the general funds of the commission.

The only other matter dealt with in this Bill is one to raise the limit to meet the circumstances of increasing values of land, homes, and buildings. From time to time, it has been found necessary to do that in the past, and I think it is something that should be supported. In short, I support the Bill as it stands.

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.

RAILWAY STANDARDISATION AGREEMENT BILL

Second Reading

Debate resumed from the 19th October.

THE HON. H. C. STRICKLAND (North—Leader of the Opposition) [5.39 p.m.]: This agreement has a very desirable objective. It is something which Western Australia has been keen to adopt for quite a number of years—that is a standard gauge railway connecting Western Australia with the Eastern States.

It will be remembered that following the war, the Commonwealth Government endeavoured to reach agreement with the State in order to finalise financial arrangements to lay the 4 ft. 8½ in. gauge railway from Kalgoorlie to Perth. However, unfortunately, in those days agreement was not reached. Governments changed and the railway appeared to have been forgotten for a number of years. It was revived again in 1956 when the Commonwealth Government set up a Government parties committee to inquire into the economics of rail standardisation.

Quite a different story of the economics of rail standardisation could be told in 1956 as against the story which was put up in 1945, 1946, and again in recent years. I think the urge following the war to construct standard gauge railways throughout Australia came from the sad effects which Governments found in moving troops and goods around during the war years. The break of gauge in the States made a tremendous call upon the time and finances of the Commonwealth Government.

In 1956 the urge stemmed from the competition of road transport. The railways throughout Australia were then in a very poor financial condition. Their finances had deteriorated tremendously, and, with the exception of the Commonwealth Railways, they were a tremendous drag on loan funds. Until recent years the Commonwealth Railways did not use loan

funds; they used funds supplied from Consolidated Revenue with the result that their annual interest bill was nowhere near what it would have been had loan funds been used.

Today, we have a different set of circumstances. There is the urge to assist a very big industry in this State. It will also assist, to a very large extent, the comfort of interstate travellers by rail; and it will, in general, be a great thing for the State as it will bring the standard gauge railway through Perth and Fremantle to Kwinana.

The only criticism that one can offer in connection with this agreement is the unfortunate—I say that purposely—financial arrangements which the two Governments have entered into. Whether the Commonwealth Government forced the stringent financial arrangements on the State Government, or whether the State Government was so keen in its anxiety to comply with the Broken Hill Pty. Ltd. agreement that it was prepared to accept any terms from the Commonwealth, I do not know. But in my opinion, and in the opinion of very many others throughout Australia, this financial arrangement is one of the worst arrangements that two Governments have entered into.

It is a different proposition when we have a Government and a private organization entering the State. One could expect a State Government to be generous—or perhaps over-generous—in enticing big industry into the State. But one should never expect—or the taxpayers of Australia should never expect—the Commonwealth Government to force upon a State Government—if it did—the exacting requirements of this financing arrangement.

The Minister has told us that the Commonwealth Government will make available a certain proportion of the estimated total cost, and the State Government will have to find the remaining portion. When one looks at the arrangement affecting the apportionment of cost, and compares it with the financial arrangement between the Commonwealth Government and the South Australian Government in regard to the standardised railway, the apportionment, from the point of view of Western Australia, looks pretty good. The Western Australian Government is bound, once this agreement is passed, to meet three-twentieths of the total expenditure, and the Commonwealth Government will meet seventeen-twentieths.

Under the South Australian agreement the Commonwealth Government has to meet seven-tenths—which is fourteen-twentieths—of the apportionment; and three-tenths—which is six-twentieths—is to be met by the South Australian Government. It would therefore appear, on the surface, that the Western Australian Government has made a reasonable deal.

But when one analyses division III, which sets out the financial arrangements in this agreement, one comes to the conclusion that the apportionment of seventeen-twentieths and three-twentieths really means very little. It does not matter what fraction is used; after analysing the whole of division III one comes to the conclusion that the State will be paying more than the total estimated cost back to the Commonwealth Government.

Terms such as seventeen-twentieths, and so on, become rather confusing. The apportionment of seventeen-twentieths of the expenditure is, in effect, 17s. in the pound. The Commonwealth Government is going to pay 17s. in the pound, and the State Government is going to pay 3s. in the pound as a basis upon which to work. The total cost is estimated to amount to approximately £41,000,000. Clause 10 of the agreement sets out the apportionment; but when we move on to clause 12 of the financial division we find that the State Government is required to pay 10 of the seventeen-twentieths back to the Commonwealth over two different periods.

This means that of the 17s. in the pound which the Commonwealth Government is providing, the State is required, under the agreement, to repay 10s. over a total period of more than 50 years; plus interest, which amounts to upwards of 1s. in the pound. The Minister told us that at the present moment it is £5 7s. 6d. per cent. We find that of the 17s. in the pound, the Commonwealth Government is going to have 11s. in the pound repaid to it.

I cannot, for the life of me, call that a satisfactory agreement or a satisfactory financial arrangement from the taxpayer's point of view. In the first place, the Commonwealth Government will be using money collected from taxes and other revenue—the Consolidated Revenue Fund. It will make a portion of that money available to the State, and it will have almost all of that money paid back to it. In fact, it will have more than its apportionment paid back to it.

It is laid down in the financial arrangement that the State must pay back that money from Consolidated Revenue—not from loan funds. The State cannot use loan funds to repay that money—it must use its own Consolidated Revenue Fund; which means that the people of Western Australia—the taxpayers—are going to pay that back.

The Government—any Government—will need to increase its charges rather than reduce them, in order to meet these extra commitments. The Minister did not tell us how much per annum these extra commitments will amount to, but according to calculations they will amount to quite an enormous sum.

The Hon. A. F. Griffith: What sort of calculations?

The Hon. H. C. STRICKLAND: It is calculated that under the first portion of the repayment—the repayment of equal amounts over a fifty year period; including the repayment over the forty half-yearly periods, which is another twenty years included in the fifty years—the State will be repaying to the Commonwealth Government £20,000,000 in principal—£20,000,000 of the principal advanced. And according to the Treasurer, the interest to be payable over the full period of the financial agreement will amount to another £20,000,000. So we find that in the long run the Commonwealth Government is going to collect back from Western Australia £40,000,000; and it is contributing, in round figures, £35,000,000. The Commonwealth Government is going to make a profit of £5,000,000.

As I said in my opening remarks, I think that an arrangement of this sort between this State and the Commonwealth Government is rather a shocking state of affairs. I have said before in this House that the Commonwealth Government strangles Western Australia financially, and there is not the slightest doubt about it. If the Commonwealth Government forces such an arrangement on to a State Government which has already entered into commitments with a very big firm to establish a most desirable industry here, one can only come to the conclusion that, to say the least, it is most unfair—very unfair indeed.

It is most unfortunate for this Government, and for any succeeding Government, because, as I understand it, if £40,000,000 is to be repaid to the Commonwealth Government over 50 years—and those figures are almost beyond dispute—it means that four-fifths of £1,000,000 a year will have to be found. Four-fifths of £1,000,000 a year is £800,000 which has to be met from Consolidated Revenue. That is another £800,000 which has to be met from Consolidated Revenue. That is another £800,000 which will have to be raised by the State by taxes, charges, and revenue. The State cannot use loan funds.

While I congratulate the Government on achieving the objective of a standardised railway—of bringing this standardised railway into the State, and also the big industry that is going to be on the end of it—I must condemn the Government for entering into a financial arrangement of this kind.

The Hon. A. F. Griffith: How do you think the Grants Commission will view it?

The Hon. H. C. STRICKLAND: The Grants Commission, I understand, pats the Government on the back. Why should it not do so? It works for the Commonwealth Government. The Grants Commission has no need to worry about anything.

The Hon. L. A. Logan: The Grants Commission works for the State.

The Hon. H. C. STRICKLAND: The Grants Commission has nothing to worry about, because the Commonwealth Government is spending £35,000,000 and will receive £40,000,000 in return.

The Hon. A. F. Griffith: Do you not think that the Grants Commission is going to have some regard for this?

The Hon. H. C. STRICKLAND: Regard for what? In 10 years or 50 years, is this State still going to be a mendicant State and require the blessing of the Grants Commission to carry it along? I do not think so, and I am sure the Minister does not think so; and I am sure none of us hopes so. We all hope that, because of the pace at which Western Australia should go ahead and can go ahead, Western Australia will not be a claimant State. I would say that in another 10 years the Grants Commission will not be worried very much with Western Australian deficiencies. It should not be, anyway. When mention is made of the Grants Commission in connection with this matter, I think it is more or less flying a kite.

The Hon. A. F. Griffith: I think you are flying a kite.

The Hon. H. C. STRICKLAND: The Minister is entitled to his thoughts, as I am.

The Hon. A. F. Griffith: You are discrediting the agreement.

The Hon. H. C. STRICKLAND: I would presume to say it is a hypothetical case when we start thinking of what the Grants Commission would be required to do. But I understand that according to the Press the Grants Commission is very pleased with the agreement. Why should it not? This agreement should not worry the Grants Commission. The £35,000,000 to be expended by the Commonwealth Government is going to return £40,000,000. That is a very good objective. I feel that the Grants Commission will be required less and less as the future prosperity of Western Australia develops.

Speaking of kites, I also studied very carefully what the Minister had to say in connection with the expected profits that are going to be returned as a result of this standardised railway.

The Hon. A. R. Jones: That is where the extra money will come from.

The Hon. H. C. STRICKLAND: Mr. Jones interjects and says that is where the extra money is going to come from. I do not know where the extra money is going to come from. Does it mean that shipping is going to stop and that all goods will be transported by rail from the Eastern States? Does it mean that aircraft are no longer going to carry goods; that all goods are going to be transported by rail? Does it mean that road transport is going to cease—particularly when a bitumen road is to be laid down in the same direction?

The Hon. A. F. Griffith: You are against that, too.

The Hon. H. C. STRICKLAND: Where is this extra trade going to come from? I had it said to me by way of advice—during my period as Minister for Railways, at a time when the Commonwealth Government parliamentary committee was in Perth in 1956—that overseas shipping could be expected to turn around at Fremantle. This was told to me by some of our railway representatives. It was said that goods would be off-loaded at Fremantle, transferred to the railway at the wharf, and taken across Australia by rail. I thought at the time that I had heard of nothing so ridiculous.

However, we must give some credit to people in high places; and I made inquiries from shipping people—I was Minister for Supply and Shipping. Like the road transporters, shipping authorities do not want to use the railways, as they are all in competition with the railways. To talk of ships turning around at Fremantle and transporting cargoes by rail is too fantastic. Shipping companies want more business. So one does not take much notice of that.

To get back to the fantastic profits that the Government visualises, Mr. Jones says that they will come from the use of the standard gauge line. I believe that those profits will not eventuate, for more than one reason. The Government claims that the railways will be showing a profit of £3,000,000 a year.

The Hon. F. D. Willmott: Better than in your day, isn't it?

The Hon. H. C. STRICKLAND: I have never been so mesmerised or so stupid as to suggest such a thing.

The Hon. A. F. Griffith: I bet you hope you will be Minister for Railways when it happens.

The Hon. H. C. STRICKLAND: I would advise the Government that the community of Western Australia—the rural community, anyway—will never allow the W.A.G.R. to show a surplus of £3,000,000 a year. They will want the freights reduced; and it is just too fantastic to suggest a profit like that. These are just the kites that are being flown; but I sincerely hope the day will come when some Government, no matter what its political colour may be, will be able to show a profit of £3,000,000 a year from the railways.

However, from my experience in Parliament I would say that the users of the railways will not expect to pay freights which will allow the railways to make a profit of £3,000,000 a year. After all, the railways are not there to return fabulous profits; the railways are there to give an essential service, and with the price of wheat as it is today, just exceeding the cost of production, one can expect the wheatgrowers to raise very serious opposition to any increase in railway freights or fares, or to allow the Government to

make exorbitant profits from the railways. I would be glad to see the railways make a profit of £3,000,000 a year, because then those who use the suburban railway service in travelling to and from work could expect to have the fares reduced.

A member: There would be no doubt about that if there was a profit of £3,000,000.

The Hon. H. C. STRICKLAND: I am sure nobody would object to spreading the benefits and reducing the freights on milk—that is if the railways carry any milk these days—and on other commodities. I do not think the railways carry any milk, but the reduction could apply to livestock, wheat, and so on. But it is a little too ridiculous to contemplate a profit of that magnitude.

There was one other query that crossed my mind in relation to the Minister's speech. He claimed that there would be a great saving, running into millions of pounds, in regard to rolling-stock. He said there would be millions of pounds worth of rolling-stock available for use on other lines, which would not be used on the new broad gauge. The rolling-stock that is used throughout the system travels over all lines, and the main line will finish up with the lot of it. The line from Northam, or Clackline, down to Fremantle, anyway, will finish up with the whole lot, except that used on the south-west lines.

These trucks do not run only between Kalgoorlie and Perth; they are used all over the State, and they will continue to run all over the State. Consequently, it is hard to see how the Minister can claim a saving of £5,000,000 in that regard. In fact, the Government will have to spend millions of pounds. It is mentioned somewhere in the agreement that large sums of money will have to be spent on additional rolling-stock and locomotives. Therefore I cannot see where there will be a saving on something which we already have.

All the locomotives and rolling-stock that the W.A.G.R. now has are paid for; so how can there be a saving on them? All it will mean is that the trucks will last a little longer.

The Hon. A. F. Griffith: Will you have a look at my notes to see what I did say about that? Have a look at the bottom of page 11 of the notes with which I supplied you.

The Hon. H. C. STRICKLAND: The Minister said—

Also about £5,362,000's worth of narrow gauge rolling-stock will become available for replacement of antiquated equipment still in use in parts of the system.

In the Minister's own words, is not that a saving in money? But I say that the Government already owns that equipment; it is being used now and it will be used in the future.

The Hon. A. F. Griffith: You tried to tell me that I was attributing that to a saving.

The Hon. H. C. STRICKLAND: That is so.

The Hon. A. F. Griffith: You were using your own words.

The Hon. H. C. STRICKLAND: That is what the Minister said.

The Hon. A. F. Griffith: I simply said the stock would be available and it is now being used on the system.

The Hon. H. C. STRICKLAND: The Minister went on to say—

These advantages represent some £7,293,000 the State would otherwise need to spend on the betterment of its existing railway system.

The Hon. A. F. Griffith: Yes.

The Hon. H. C. STRICKLAND: That is very hard to explain. There is one other—

The Hon. F. D. Willmott: Only for those who do not want to understand.

The Hon. H. C. STRICKLAND: —matter I wish to raise and that concerns transshipment. The Minister claims there will be a saving in transshipment charges. From memory he said the transshipment charges now cost something like £40,000 and that this will be offset by a saving of £50,000. That is a bit hard to understand, too, because there will be more transshipment points. There will be one at Coolgardie, and it will be quite a large point.

There will be points at Coolgardie, Merredin, and Northam and, added together, they will be much larger than the present transshipment point at Kalgoorlie. Apparently the advice the Government has received is to the effect that not as much freight will be transhipped as is the case now. I am not prepared to dispute that fact, because I do not know what quantity of goods is carried by the trans-train these days, but in my time as Minister not a great quantity of goods was carried; the amount would certainly not be as much as the figures seem to indicate.

I do not think there is anything further I can say about the agreement, but I point out to the Government that whether it was the Commonwealth Government or the departmental officers in Canberra who worked out the agreement, they have certainly driven a hard bargain with the Government of this State in relation to the financial aspects.

The Hon. F. D. Willmott: The Queensland Government didn't think so.

The Hon. H. C. STRICKLAND: When the transcontinental line was laid, the Commonwealth bore the whole cost of the line from Port Augusta to Kalgoorlie. That Government also bore the cost of converting the line from Augusta to Alice Springs; and it found 14s. in the pound,

without any tags, in respect of the agreement with the South Australian railways. Just after the war the Commonwealth Government was also prepared to observe the same conditions in respect of Western Australia under a proposal put forward by Sir Harold Clapp. That proposal was to have a standard gauge right through, and his idea was that it was to be on a basis the same as that agreed upon with South Australia.

I am speaking from memory, but I understand that the Wodonga-Melbourne section, which the Commonwealth undertook to put forward as a No. 1 priority under the present standardisation scheme, was also on a 14s.-in-the-pound basis, or seven-tenths to be met by the Commonwealth and three-tenths by the States, with no tags and no repayments. I am not conversant with it but I understand that was a standard arrangement. The Commonwealth Government committee, composed of Country Party and Liberal Party members of the Menzies Government, made a certain recommendation in 1956 to the effect that the lines from Wodonga to Melbourne, from Broken Hill to Port Pirie, and from Port Augusta to Fremantle, in that order, should be standardised and that the Commonwealth should find the whole of the cost.

The Hon. F. D. Willmott: When? Next century?

The Hon. H. C. STRICKLAND: That was the committee's recommendation, but apparently the Government has not pushed the issue too far. One would have expected that two Governments of the same political colour would be able to do something about it. On page 41 of the report of the Rail Standardisation Committee of the Commonwealth of Australia, dated October, 1956, the committee made this recommendation—

The committee recommends that the whole cost of these present proposals should be borne by the Commonwealth Government.

The present proposals were the standardisation of the three lines I mentioned; and, in the order of priority, the Western Australian section was to be last. It will be remembered that the Hawke Government was in office in those days, and when the report became available, the Government pressed, on more than one occasion, for the Kalgoorlie-Fremantle section to be standardised at the same time as the other two sections were being standardised; in other words, there was to be no priority, but our section should be standardised at the same time as the work in the other States was being proceeded with. We did that because at the time unemployment was rife throughout Australia. We had our problems of unemployment, the same as the present Government has.

The Hon. A. F. Griffith: Much greater than ours.

The Hon. H. C. STRICKLAND: No greater. The Minister is a little bit out there.

The Hon. A. F. Griffith: Much greater. We have the lowest unemployment rate in Australia.

The Hon. H. C. STRICKLAND: I might say that in those days we did not have a constructive Opposition.

Sitting suspended from 6.15 to 7.30 p.m.

The Hon. H. C. STRICKLAND: I was saying that the Hawke Government had approached the Commonwealth-Menzies Government on more than one occasion following the report of the committee on the standardisation of rail. The object of Mr. Hawke's approach, of course, was to have the standard gauge rail brought through to Fremantle, and it was pointed out to the Prime Minister that there was some unemployment in this State and the Government of Western Australia was anxious to provide work for the unemployed as well as employment for those engaged in the production of steel in the Eastern States.

I consider that this rail standardisation scheme is a national undertaking and at least the major part of the expenditure, if not the whole of it, should be borne by the Commonwealth Government. For instance, the Commonwealth does not ask the States to provide money for Army, Navy, and Air Force installations which are recognised as being vital services. Further, the Department of Civil Aviation could, to some extent, be compared with the railways. That Commonwealth department provides the aerodromes and the essential associated services, such as the appointment of meteorologists, the installation of radio communications, and the men required to maintain those projects. But the Commonwealth Government does not ask the States to repay the capital cost of providing those services.

So I believe the Government has been more or less outsmarted once again. I say "once again" because, in my opinion, it was outsmarted in regard to the sale of the State Building Supplies from a financial point of view. In this instance, we find that whilst the Commonwealth Government is actually advancing its revenue with one hand it will receive 21s. for each pound it does advance. It is certainly not such a handsome handout as would appear at face value, as one of the members of the Grants Commission pointed out to the Treasurer. Indeed, it will be a financial burden on the State for many years to come.

Nevertheless, we know that it will bring in train some financial advantages to the State; but in the actual capital cost of the project there is not the slightest doubt that Western Australia has been asked to meet a much greater proportion of the expenditure than should be necessary. Even if it had to repay only

the £35,000,000 which the Commonwealth Government is subscribing as a base upon which to commence the work, that would not be so bad—although bad enough—but for the State to be charged interest on money which the Commonwealth raises free of interest appears to be out of the question altogether.

THE HON. G. C. MacKINNON (South-West) [7.37 p.m.]: It is peculiar that this aspect of the agreement seems to have been stressed and that the words have echoed from one end of this country to the other by members of the party represented by Mr. Strickland.

The Hon. H. C. Strickland: Her Majesty's Opposition.

The Hon. G. C. MacKINNON: Yet, surely those gentlemen have not a complete monopoly over the analytical ability to appreciate what is contained in any agreement. All the members of our party who know finance and who have studied it have lauded this agreement as representing a magnificent effort on the part of the Government. We want loan funds; we are constantly screaming for them. Yet when the Treasurer returns to this State with £40,000,000 to spend in it, he is roundly criticised. Let us accept for a moment the general analysis of the agreement that has been put forward by Mr. Strickland in that half of the expenditure has to be recouped. The fact still remains that the Treasurer has returned to Western Australia with £40,000,000 to spend within this State. Surely that alone is a meritorious achievement!

The Hon. E. M. Davies: It is a marvelous achievement!

The Hon. G. C. MacKINNON: Surely it is a meritorious achievement because that amount is well and truly in excess of what we would otherwise be likely to get. I have heard from the other States something similar to what Mr. Strickland has said to-night; namely, the argument that this is a 100 per cent. standardisation plan. However, it has never been accepted on that basis. It is a 50 per cent. standardisation plan and a 50 per cent. developmental plan because part of the project is in connection with the establishment of a steel industry in this State. Therefore, that is a developmental project, and not part and parcel of the rail standardisation scheme. The rail standardisation project, as such, we actually get, so Mr. Strickland should be happy about that.

However, he is referring to it as if it were an entire standardisation project that should be paid for by the Commonwealth Government. Let me assure the honourable member that it is being paid for by the Commonwealth Government, and the developmental project is, in a way, being paid for by us; but, in actual fact, it is being paid for by the Commonwealth Government. It is all very well to say that

within a matter of a few years we will no longer be a claimant State. If we do reach that happy stage we will be able to afford to pay our part of the expenditure.

It is a developmental project to be formulated on a soundly-based scheme of transport of ore, and therefore it is guaranteed to be a successful business proposition and, in fact, will return us the wherewithal to make our payments.

Some indication of the analysis of this whole set-up to which we have listened can be gained from the way the Minister's words in regard to the use of the surplus rolling-stock have been twisted around. It is obvious that if one has material and equipment worth £5,000,000 on one line which is no longer needed, this scheme must result in the saving of money, regardless of the fact that the Minister did not say it would save us money. He said that such equipment would be made available for use on other lines. Of course it will! In transporting ore and sulphur to the Mt. Lyell-Cuming Smith works in Bunbury, we may be able to afford a few better trucks than the Blue Cross trucks used at present; and we must also be saved the expenditure for a few odd diesel locomotives here and there.

In regard to the subject of transshipment points, I would expect that there would be an increase in the freight carried between East and West and it will certainly mean that we will not have to tranship everything coming into Western Australia as we do at present. In future that portion of the cargo that has to be transported to the metropolitan area, and the freight which is delivered to any point along the line between Kalgoorlie and Fremantle will not be transhipped. Obviously, therefore, there will be less transshipment, proportionately, between towns.

Of course, it may be that there will be an increase in the freight which Esperance needs from the Eastern States, and that there will be a physical increase in what has to be transhipped now. But that is beside the point. The proportion of goods transhipped must be less than it is at present.

We have heard a great deal about the difference between this agreement and the South Australian agreement. May I remind members that the South Australian agreement is the subject of litigation at present and the railway in that State has yet to be started! In fact, at the moment there is no likelihood of its being started, whereas when this legislation is passed our railway will be factual; and, indeed, it will be commenced without being the subject of any litigation.

I repeat that, apart from anything else, the Treasurer has brought back to this State £40,000,000 for expenditure within the State.

The Hon. L. A. Logan: By 1968.

The Hon. G. C. MacKINNON: Yes, by 1968. The sum is over and above our normal allocation of loan funds and other advances. There is also the fact that we have received the beneficial treatment under the betterment clauses, for which we will not have to pay. To say that the State has had the gun held at its head, or that the Government has had the wool pulled over its eyes, is surely stretching the imagination a little far. One has only to estimate the calibre of the two men in this State who implemented this agreement to realise how ludicrous such an assertion is. It is completely ludicrous!

Irrespective of whether or not we have 50 years in which to make repayments, I should have thought that the availability of such moneys to be spent in this State would be welcomed by all parties. Those who have been throwing cold water on this project have been screaming about the unemployment situation in this State. The fact remains that this is not to be an entire standardisation of the railways in this State, and the agreement was not negotiated on that basis. A proportion of the amount required for standardisation will be paid by the Commonwealth Government and the cost of the rest of the project, other than standardisation, will also be paid by the Commonwealth to a major degree.

The agreement is so clear-cut and so potentially beneficial to this State that it takes a very short time to enumerate its advantages to Western Australia. Anyone approaching the project with a reasonably objective and clear mind will take an equally short time to hail it as a very great agreement indeed. I support the measure.

THE HON. C. H. SIMPSON (Midland) [7.46 p.m.]: There are really two Bills which deal with the project under consideration. The first, in regard to standardisation of the railway gauge, seeks to ratify an agreement entered into between the State and the Commonwealth; and the second is to implement a Bill which under the Railways Act must be passed to give Parliamentary sanction for the construction of a new line. As the two Bills are part and parcel of the one proposition it is quite possible that I may say something which is more relevant to the second than the first. We should understand at the outset that the two measures are part and parcel of the same project.

I am wholly in support of it, and I think that applies to every member in this House. This project means the key to the opening up of a new era of development, expansion, and prosperity for Western Australia. It will bring about increased employment and opportunities for careers for our youth. Apart from the establishment of associated works which will involve a tremendous amount of money

to be spent in Western Australia, and from the construction of the line itself, there will be many associated industries which will owe their birth to the commencement of steel processing in the State.

It is interesting to review the steps leading up to this standardisation agreement; and those steps were not apparent until recently. Some years ago it looked as if this project was to be a dream unlikely to be realised. For instance, the first obstacle that was overcome was the lifting of the embargo on the export of iron ore. Years ago the Commonwealth Government had compiled a list of strategic minerals, and upon their export it placed a rigid embargo. Iron ore was the first-mentioned mineral in that list. The embargo has now been lifted, and this action has opened the way for Broken Hill Pty. Ltd. to establish a steel rolling-mill in Western Australia, and for approaches to be made by the Government of this State to the Commonwealth Government for the standardisation of the railway line between Kalgoorlie and Kwinana.

These were obvious steps which had to be taken. Of course, a most attractive offer was made by the Commonwealth Government in agreeing to provide the necessary finance.

I shall deal with some of the points raised by Mr. Strickland in regard to the attitude of the Commonwealth on that question. Up to a short time ago I was one of those who opposed the standardisation of the railway link between Kalgoorlie and Fremantle. That was before the advent of the proposition made by Broken Hill Pty. Ltd. to establish a steel works in Western Australia. That proposition altered the whole situation. I submit that in the first place there had to be a build-up of traffic on the line from 1,000,000 tons, which are now carried on that section, to at least 3,000,000 and possibly 4,000,000 tons within a measureable space of time.

Another reason why the body to which I belong was not very keen on standardisation of the railway line was this: It is a recognised railway fact that to introduce a foreign gauge into a domestic gauge spells all sorts of trouble.

We have the example of South Australia, which at the present time has three different gauges. The train-mile rate in that State is the highest of any in the Commonwealth; Western Australia, even with its narrow gauge, happens to have the lowest figure.

When we examined the proposals that had been planned by the present Commissioner of Railways we found there would not be so much dislocation with the introduction of the standard gauge line into the network of this State, which has a 3 ft. 6 in. gauge. We thought that by avoiding one break of gauge at Kalgoorlie with the

standard gauge line we would create eight other breaks of gauge with the lines feeding into that new gauge, at centres between Kalgoorlie and Perth. Under the existing plans there will be only four points of transshipment along the standard gauge line between Kalgoorlie and Kwinana.

As most of the traffic offering at those transshipment points is in bulk form, and can be handled much more cheaply by the railways than by transport in any other form, the cost of the new proposals will be cheaper, taking into account the transshipment costs in total at the four points mentioned, than the transshipment cost which is now involved in transferring the goods at Parkeston.

It is of interest to consider the plan for transshipment of goods along the proposed line. There will be transshipment points at Perth, Northam, Merredin, and Coolgardie. Transshipment at Perth is necessary to enable timber and miscellaneous goods from the south-west to be transhipped on to the standard gauge railway for completion of the journey to Kalgoorlie or to the Eastern States. The tonnage affected is 59,000 tons, and the estimated cost is £13,090.

At Northam there is comparatively little transshipment. It is mainly tomato traffic from Geraldton, amounting to 3,000 tons a year, and the estimated cost of transshipment is £225. The estimate in respect of miscellaneous goods is 1,500 tons costing £860.

By far the largest point of transshipment is Merredin where there is a network of 3 ft. 6 in. lines converging from both the north and south. A tremendous amount of superphosphate and grain has to be handled at that point. At Merredin the tonnage is 205,000 tons, and the estimated cost—because it is nearly all transported in bulk form—is the astonishingly low figure of £13,352—almost as low as the cost for Perth, despite a tonnage nearly four times as great. At Coolgardie the tonnage is 92,000 which requires transshipment, and the estimated cost is £22,000. The total estimated cost at the four points is £49,533.

Quoting figures from memory, the cost of transshipping goods at Parkeston of a smaller tonnage than is involved in the four transshipment points I have referred to is £55,000. So, there will be a saving of nearly £6,000, which will of course be to the benefit of the State.

On the question of finance I admit at first glance that the picture painted by Mr. Strickland does seem to put the matter in a different light from what it really is. We can make this comparison: There was a railway line built by the Commonwealth Government in arrangement with Victoria and New South Wales between Albury and Melbourne. This was to be part of the

standard gauge system. The arrangement was on a 70 per cent. to 30 per cent. basis, with the Commonwealth paying 70 per cent. of the cost and each of the two States paying 15 per cent.

Comparison can also be made with the line running from Maree to Stirling North in South Australia. This caters for the coal traffic between Leigh Creek to Port Augusta, where the South Australian Government has established a very big electricity plant. If we were to compare these two lines with the one proposed for Western Australia, we would find that the line between Albury and Melbourne is a straight run with no stops. It involves merely the construction of the line, and there is already a junction at Albury and another at Melbourne. There are no terminal charges, and practically the whole cost lies in the construction of the line itself.

In the line running from Maree to Stirling North, terminals are already provided at each end. There again the actual cost which had to be met was solely the cost for the construction of the line. In Western Australia the position is very different. We planned—and had planned a very long time ago—that certain ancillary works had to be established in addition to the building of a broad gauge line from Kalgoorlie to Kwinana. I think originally the suggestion was to build a link between Perth and Kalgoorlie.

This factor did not arise in Victoria, but, in respect of the line which could be pulled up between Kalgoorlie and Northam, the value of materials recovered and the rolling-stock which was set aside for servicing that line—amounting to over £7,000,000—would revert to the State Government under the agreement, obviously for use on other lines. There was the construction of the line between Koolyanobbing and Southern Cross; there was the building of a new passenger terminal; there were new carriage sheds at East Perth, and new station buildings; there was further land resumptions, equipment for transferring operations and workshops; and the marshalling yards at Kewdale were involved. These were all associated with the building of a trans-line on the score of immediate necessity, and on the score of cheaper construction costs, because the whole project could be carried out at the one time.

There was also the construction of the line from Northam to Perth to enable the 3 ft. 6 in. gauge line to terminate at that point. There was a coupling up of the Albany line to join the line at Northam, as well as the Wongan Hills line.

This would enable the line which had been retained to transfer its traffic over a new 3 ft. 6 in. section between Northam and Perth, so located that the grade was 1 in 200 instead of 1 in 40. That means that an existing loss of £500,000 on the

traffic section between Perth and Northam will be converted into a profit of £90,000 odd. Therefore there will be an immediate saving there.

Members will see from the agreement that £41,210,000 will be required, the State immediately assuming responsibility for three-twentieths of that amount, or £6,000,000 in round figures, and the Commonwealth's portion being £35,000,000 approximately. I presume the Commonwealth will find all the money. In fact I imagine that it will probably come through the Grants Commission, as that is hinted at in the agreement; because until the line begins to return revenue, obviously the State will not be in a position, as far as railway earnings are concerned, to meet the moieties. So Commonwealth help will have to be sought.

Reverting to the agreement between the Commonwealth, New South Wales, and Victoria in connection with the Albury-Melbourne line, obviously those States, being standard States, would be expected absolutely to bear their own proportion of the total cost. But that is allowed for in the agreement as far as Western Australia is concerned; and if necessary Commonwealth help will be forthcoming to cover the early payments.

Of the remaining seventeen-twentieths, the State has to assume responsibility for ten-seventeenths and the Commonwealth will make an outright gift of seven-seventeenths. Actually it can be put this way: If the whole amount is divided into 20 parts, the State has to assume responsibility for 13 parts and the Commonwealth seven parts of the total.

However, there is a provision which makes repayment possible over a period of 40 years in regard to some of the advance and 50 years in regard to the remaining part. I don't know whether members have worked out the value of the system under which so much each year is paid off the debt until it is extinguished at the end of the required term. It is rather astonishing to find out how the interest payments are reduced until they reach vanishing point at the end of the term.

Let us put it this way: A man borrows, say, £100 at 5 per cent. over 50 years. At the end of 50 years he has paid £250 and still owes the original £100 borrowed. But, under this system where a lot of interest is paid on the first payment and is then gradually reduced to the point where the last payment consists of practically all repayment of principal and very little interest, it is astonishing to realise the low rate of interest which applies to the whole amount that way. Therefore it is a very wise provision to be included.

Nevertheless, while I think some help may be sought from the Commonwealth Government during the first period of construction and until the line becomes fully productive, I am quite sure that the

financial position of the State will so benefit from this and will so build up that we will probably change from a claimant State to a standard State in a very few years. This position will have been achieved by this rather wonderful arrangement which has been made now.

It is not stated in these exact words, but it is set out in the Bill that betterment so far as the old system is concerned will still have to be paid in full by the States although they might be subsidised and it might be part of the total agreement. Whilst on the face of it the agreement does not seem as good as it should be, taking into account that the Commonwealth is assuming responsibility for a lot of projects which we could not undertake on our own, and with the certainty that help will be forthcoming to us as a claimant State, I think that the proposition will work itself out and will, instead of being a burden too heavy to bear, be of benefit to the State.

THE HON. E. M. HEENAN (North-East) (8.6 p.m.): The first thought that appeals to me is that this proposal to build a standard railway line from Kalgoorlie to Kwinana by the end of 1968 at a cost of approximately £41,000,000, is undoubtedly a proposition of the greatest magnitude. I think it must be hailed by every person in Western Australia as a major step in the history of this State.

When one realises that in addition it is going to mean the establishment of a steel industry at Kwinana involving the use of 2,000,000 tons of iron ore each year from Koolyanobbing, one cannot help but realise the staggering possibilities involved.

It is undoubtedly going to mean an intensification of the progress which we have dreamt of for years past in this State. However, I wholeheartedly agree with the criticism made by Mr. Strickland about the financing of the proposal and that such financing arrangements could impose an unfair burden on the people of Western Australia; especially when one realises—as Mr. Strickland pointed out—that this project is altogether in the category of a national project.

In my opinion it would not have been unreasonable for the Commonwealth to accept the whole of the financial liability. I have been looking through the second schedule and, just to quote a few of the items, it is envisaged that £250,000 is to be spent on making structural alterations to the Midland Junction Workshops; £100,000 is to be spent on a new terminal at East Perth; £150,000 is to be allowed for new carriage sheds at East Perth; and so on.

Whilst applauding the proposal I want to voice the hope that when this work is planned and undertaken the engineers

and others who are responsible will bear in mind the necessity for the continued maintenance of centres such as Kalgoorlie. It looks as if the junction at Coolgardie is going to mean some stability to that town, which is a good thing. It also appears as if Southern Cross will benefit in some large way.

I am a little anxious, however, as to the ultimate effect that the standardisation of the railway is going to have on Western Australia's most important inland town, Kalgoorlie. As I was saying, I hope that the engineers and those concerned will bear in mind the importance of Kalgoorlie in all of their plans, because, as things have been over the years, through the break of gauge at Kalgoorlie a lot of work has been created necessitating the expenditure of a lot of money. As I see it, this present employment will naturally cease to exist because of the progress that will be made.

I hope that is not going to have an adverse effect on Kalgoorlie. We all know the world must progress, some places benefiting and others suffering to some extent. But it does seem to me that there is going to be centralisation of a lot of industry around Kwinana and in the metropolitan area which will create a great amount of employment—more than there has been in the past.

As we know, the goldmining industry cannot be described as being in a flourishing condition at present. The outlook appears to be that the price of gold will remain as it is but that costs will continue to rise.

I am naturally concerned about the welfare and the future of this important centre. I hope the engineers will be able to construct works there which will more than compensate for the loss of the present employment that I have mentioned. I hope that when the time-tables are worked out, the vast numbers of tourists and other passengers who will travel on the railway will be given an opportunity of spending some little time at Kalgoorlie and, perhaps, of spending some money.

Those are just a few thoughts that have occurred to me. Whilst applauding the proposal in every way, and wishing it success, I hope that my remarks may influence those who will be in power in a few years so that they will consider the well-being of the inland towns which might suffer if thought is not given to some of the propositions I have outlined. I support the Bill.

THE HON. F. R. H. LAVERY (West) (8.17 p.m.): In supporting this very laudable Bill, I really only want to ask the Minister one question, and that is: Has any thought been given, in the planning of this railway as it enters Perth, to the tie-up with the Fremantle wharf? I have in mind the pick-a-back system which has

reached a very high standard and which has become a very valuable and economic type of transport.

About three years ago, when I was attending a conference in Melbourne, the suggestion was made that if this railway did go through—it is planned now, but then it was just in the offing—it would be possible for a great number of ships to unload at Fremantle and not go on to the Eastern States with their cargoes. I do not know whether the Minister has any idea at the moment whether anything has been done in regard to this matter, but he may be able to let me know later.

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [8.19 p.m.]: Actually there is not a great deal for me to reply to. I would like to say, however, that I very much appreciate the constructive attitude taken by Mr. Simpson, who, of course, has for a long time made a study of this problem of broad gauge. In saying that, I do not wish to suggest, of course, that the Leader of the Opposition did not give the Bill the credit to which it was entitled; because he did, and he criticised the financial arrangement made by the State and the Commonwealth.

The honourable member traced, briefly, the history of the attempts by various Governments to bring about standardisation; but I wonder what would have happened to Western Australia if we had gone to the Commonwealth on this occasion and said that we were basing our claim for standardisation on the fact that it would be beneficial for transport and defence. I do not think the Commonwealth—no matter what Government had been in office in this State—would have taken much notice of that proposition. But the fact that the agreement is tied to a £40,000,000 integrated iron and steel industry in Western Australia armed the State with the necessary ammunition to argue the case with the Commonwealth.

Mr. Strickland said that in his opinion this is the worst financial arrangement or agreement that he has ever known. But there are many other people in the State, and for that matter in the Commonwealth, who disagree with him. Some of the other States disagree with him, and they quite forcibly said so when they saw the particulars of the Western Australia agreement.

Much of the criticism Mr. Strickland directed at the Bill was in regard to the financial arrangement, because it was tied to the Consolidated Revenue Fund; and I tell the honourable member that it was tied to the Consolidated Revenue Fund for a very good reason. The State and the Commonwealth got around the table on this point, and the Commonwealth agreed that there should be written into the agreement a provision that it should have application in respect of the Consolidated Revenue Fund as distinct from the loan fund.

I think it is quite erroneous to say that the Commonwealth Grants Commission works for the Commonwealth, because on a previous occasion—I was just trying to take my mind back and I think it was somewhere around 1954 or 1955, or perhaps a little later—Mr. Wise was very outspoken on this point and told us of the great benefit the Grants Commission had been to Western Australia; and I think he was quite right.

The Hon. H. C. Strickland: It was in 1956.

The Hon. A. F. GRIFFITH: I thank the honourable member. The reason this matter is dealt with on the basis of the Consolidated Revenue Fund is that the Grants Commission will be expected to meet the deficit in the same way as it meets the deficit today. It meets the deficit on the railways today, and we have every reason to believe it will meet the deficit in connection with this arrangement. The Grants Commission, as Mr. Strickland said, has expressed satisfaction with the agreement that has been entered into. The interpretation that the honourable member placed upon the Grants Commission's satisfaction was that the arrangement would act adversely as far as Western Australia is concerned. If that is the honourable member's interpretation, I do not think it is right.

The Hon. H. C. Strickland: I did not say that.

The Hon. A. F. GRIFFITH: The honourable member said the Grants Commission worked for the Commonwealth, and it was pleased with the arrangement, and that, of course, it would be pleased with it because it acted in an adverse manner to Western Australia.

The Hon. H. C. Strickland: I did not say that.

The Hon. H. K. Watson: I cannot see Sir Alex Reid taking that stand.

The Hon. A. F. GRIFFITH: I cannot, either.

The Hon. H. C. Strickland: He said it was not a hand-out.

The Hon. A. F. GRIFFITH: I still cannot see Sir Alex taking that view.

The Hon. H. C. Strickland: That is what he said.

The Hon. A. F. GRIFFITH: Professor Prest said this was a good agreement. I cannot imagine any member of the Grants Commission not having regard for the fact that the Grants Commission would be reasonably expected to live up to the obligations it has shown to the State in connection with its railway deficits.

The Hon. H. C. Strickland: We hope you are right.

The Hon. A. F. GRIFFITH: The other point the honourable member raised was: Will Western Australia be a claimant State in 20 years? I sincerely hope it will

not; but we cannot have our cake and eat it. If Western Australia is a claimant State in 20 years and the Grants Commission is still fulfilling its obligations in this respect, what will—

The Hon. F. J. S. Wise: You will still have section 96 of the Constitution.

The Hon. A. F. GRIFFITH: Yes.

The Hon. H. C. Strickland: Did you say the Grants Commission has undertaken to meet this?

The Hon. A. F. GRIFFITH: The honourable member knows as well as I do that I did not say that.

The Hon. H. C. Strickland: I am asking: Did you?

The Hon. A. F. GRIFFITH: No; and the honourable member knows I did not. I said it could be reasonably expected that the Grants Commission would meet the deficit as it does at present. I am not going to be drawn off the trail in that respect.

The Hon. H. C. Strickland: I do not want to draw you off, but to keep you on it.

The PRESIDENT (The Hon. L. C. Diver). Order!

The Hon. A. F. GRIFFITH: I will keep on it without any difficulty. That is the situation; and there is too much of a tendency, I am afraid, to take away any credit that might justly be given both to the Commonwealth and the State for the arrangement or the agreement that has been entered into. The Under Treasurer of this State has given his views pretty definitely upon the point, and he is quite satisfied that it is a worth-while agreement. I do not think many people realise just how important—

The Hon. H. C. Strickland: It is a matter of what the taxpayers think.

The Hon. A. F. GRIFFITH:—this project is to Western Australia, and the great value it will be to the State.

In connection with the comments made by Mr. Heenan, I think Kalgoorlie will continue to play its part in the scheme of things. If the employment position there is affected, no doubt there will be any amount of other employment opportunities with a scheme as grand as this one. In respect of the question asked by Mr. Lavery in connection with the tie-up with the Fremantle wharf, I understand there will be a tie-up both on the north and the south side of the harbour. I feel quite certain that the engineers will see to that particular matter.

I believe there is no necessity for me to say any more except to point out that an arrangement of this nature will, I am sure, be of benefit to Western Australia; and, I repeat, we cannot have our cake and eat it in regard to these things.

An arrangement has been made, and it is all very well to say that it is going to act adversely in this way and that way, but we know the spirit in which it was entered into, and I feel quite sure it will be successful.

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.

BILLS (3): RECEIPT AND FIRST READING

1. Industry (Advances) Act Amendment Bill.

Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Mines), read a first time.

2. Education Act Amendment Bill.

Bill received from the Assembly; and, on motion by The Hon. L. A. Logan (Minister for Local Government), read a first time.

3. Explosives and Dangerous Goods Bill.

Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Mines), read a first time.

RAILWAYS (STANDARD GAUGE) CONSTRUCTION BILL

Second Reading

Debate resumed from the 19th October.

THE HON. H. C. STRICKLAND (North) [8.34 p.m.]: This Bill is necessary to authorise the construction of railways in the State. It covers quite a number of railways which will be served by the standard gauge line from Kalgoorlie to Kwinana. One interesting feature about the measure is that if one picked up the Bill and wanted to link the route with the standard gauge railway, one would find there was a gap between Midland Junction and Welshpool.

The Midland Junction-Welshpool railway was authorised by a Bill in 1957. That Bill authorised the construction of that railway and the marshalling yards at what is now known as Kewdale. The present measure covers the Kalgoorlie-Kwinana railway and brings the railway down from Kalgoorlie to Kwinana. There is also a spur line which will run out from Southern Cross to Koolyanobbing. The Bill also gives a description of the Midland Junction-Kewdale-East Perth railway. Perhaps the broad gauge line along that route has to be authorised, but when the construction of the line was passed in 1957, provision was made to take in enough land to provide for the eventual broad gauge

railway. An area of about 600 acres was taken in at the same time as the Kewdale marshalling yards area was resumed to provide for a terminal there.

The authorisation sought in this measure is necessary to fit in with the financial agreement we have just passed, because the route was surveyed and authorised by this Parliament back in 1957. Another interesting feature is the railway from Kalgoorlie to Kamballie—a length of approximately five miles. I wondered why that railway was included in the standard gauge system; and when explaining the Bill to the House the Minister did not give us the reason why it was included. I have made some inquiries, however, and I find it is necessary that this railway should come under the financial agreement for a standard gauge line because there will be no 3 ft. 6 in. gauge line between Coolgardie and East Northam; and it is necessary to have this railway to cater for the stores which constitute the bulk of the traffic to Kalgoorlie and the goldfields. The Kalgoorlie-Kamballie section runs out through the mining area, so it is very necessary to have this line to serve the industries in that area. That is the reason for the spur line running out in that direction.

None of us can object to the provisions in this Bill. It is necessary for us to pass these authorisations in order to complete the agreement with the Commonwealth which we have just discussed and passed.

While on the question of railways, I would like to take this opportunity to make some comment on the financial condition of the railways today as compared with 1956-57. On looking at the accounts I find that the predictions I made in this House when moving the motion for the closure of certain railways throughout the State have materialised. The predictions I made were that financial benefit would not be felt to any great extent over the early years; that it would be a matter of a few years before any improvement in the railway finances would be shown through the accounts.

I am very pleased to be able to inform the House that that position has now been reached. At the close of the financial year ended June, 1961, we find that for the first time since 1946 the revenue of the railways exceeds the operating costs; and that, I suggest, is due to the action taken from time to time by the Hawke Government in connection with railway administration. I can justly claim that.

The Hon. A. F. Griffith: You can claim it.

The Hon. H. C. STRICKLAND: I can justly claim that, because the disgraceful position the railways were in, both financially and mechanically, will be remembered. The railways were bankrupt both from a mechanical and financial point of view. Although several members of Parliament did not agree with the appointment

of Royal Commissioner A. G. Smith, I must say his inquiries and investigations have proved invaluable to the railway system of Western Australia. The inquiries he made were quite exhaustive and from the evidence adduced and from the facts he was able to glean, he compiled his reports which were instrumental in the dismissal, resignation or retirement of the three-man commission appointed by the McLarty-Watts Government. It can be truthfully said that this three-man commission ran the railways into financial disaster. There is no doubt about that. The figures and accounts will show it to be a fact.

Although Royal Commissioner Smith was criticised by members in both Houses of Parliament—those who were in Opposition at the time—I feel that a lot of the criticism levelled at him then was quite unwarranted. He should have been commended on his achievements in relation to railway finances.

I have already said that for the first time since 1946 the railway accounts show a surplus of revenue over operating expenses. I would like to quote some figures from the report of 1960. We all know that the report for the year 1961 is not yet printed; but the papers laid on the Table of the House show there is a slight surplus for the year ended June, 1961.

At the end of June, 1946, there was a surplus of something like £80,000—not very much—of earnings over operating expenses. The following year, 1947, showed the first deficit—the first time the railways had not earned sufficient to cover operating expenses. The reason for that was the railway strike—I think it was known as the Garrett strike.

The Hon. F. J. S. Wise: I remember it.

The Hon. H. C. STRICKLAND: Mr. Wise should remember it, because he was the then Premier. That strike brought about a deficiency in earnings as compared with operating costs of something like £250,000. The position deteriorated drastically from then until we had the record deficit for the year ended June, 1952-53, when the difference between earnings and operating expenses showed a deficiency of £4,500,000.

The Hon. C. H. Simpson: Was not that the year of the strike?

The Hon. H. C. STRICKLAND: As Mr. Simpson has just said, there was another strike in that year. The Minister would know. I criticised the then Government very much for keeping the strike prolonged. That strike cost the railways a lot of money and was prolonged for months by the Government, not the men. The Government refused to discuss the position.

The PRESIDENT (The Hon. L. C. Diver): I hope the honourable member will connect his remarks to the Bill before the House.

The Hon. H. C. STRICKLAND: I was endeavouring to discuss the financial position of the railways; but if I am out of order there is nothing I can do about it.

Before I sit down I must repeat: I take great satisfaction in seeing the condition of the railways now, both financially and mechanically, as they are in a much better position than they were in 1953, when the Hawke Government took over. I say quite justifiably that when members of the then Opposition supported my motion to discontinue services on certain lines, that was the beginning of the rehabilitation of railways finance.

It is interesting to speak of one other aspect about which I was criticised at the time and attacked by some Country Party members. This was in regard to the future of railway employees. I explained that none would be dismissed, and that the position would automatically look after itself. Retirements would not be replaced where they were unnecessary. Today that has brought about a reduction of over 1,000 employees as compared with the number employed in 1957. Nobody was disturbed; the position automatically adjusted itself over the years; and the railways saved from that aspect alone something in the vicinity of £1,000,000 per annum in the wages bill. In addition, freights and fares have been increased to bring the finances up to a better figure.

I think the overall picture can be attributed to Royal Commissioner Smith; and Parliament should be grateful for the work he put in and the results achieved from his investigations.

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [8.48 p.m.]: The only comment I would like to make is this: The Bill before us is one to authorise the construction of a broad gauge railway line. I appreciate the attitude of the Leader of the Opposition in taking the opportunity of talking about the 3 ft. 6 in. gauge.

The Hon. F. J. S. Wise: He used to listen to you when you were over here.

The Hon. A. F. GRIFFITH: In that case, he must have had a good lesson.

The PRESIDENT (The Hon. L. C. Diver): The honourable member was speaking on finances associated with the State railways.

The Hon. A. F. GRIFFITH: I am not suggesting he was out of order because, had he been, I am sure that you, Sir, would have told him. This is the second time this session that Mr. Strickland has talked about railway finances. He spoke either on the Address-in-Reply or the first Supply Bill, I am not sure which. I, in turn, dealt with the matter in some detail. This is reported in *Hansard* and I am not going to weary the House by going over the figures again.

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.

NORTH-WEST: COMMONWEALTH AID FOR DEVELOPMENT

Resolution from Assembly

Debate resumed from the 17th October on the motion of The Hon. H. C. Strickland to concur in the Assembly's resolution as follows:—

That, in view of the satisfactory result obtained from the case presented by the all-party committee to Canberra in 1955 (as a result of a motion moved in this Parliament in July, 1954), and the works completed and in progress in the Kimberley area of the State, in collaboration with the Commonwealth Government, this House is of the opinion that if the Commonwealth by the 31st March, 1962, has not agreed to the appointment of a joint Commonwealth-State committee to examine and recommend development projects for the north of this State, or alternatively agreed to assist the State in further substantial development projects to accelerate progress in the north, a further all-party committee should be appointed to present as soon as possible after the 31st March, 1962, to the Commonwealth Government a case for the development of the north generally and with specific projects within the area lying between the 20th and 26th parallels of south latitude.

It further requests—

- (a) that if an all-party committee has to be appointed under the foregoing proposal, a programme for development of this portion of the State be drawn up by a committee consisting of the Premier, Deputy Premier, Minister for the North-West, and Leader of the Opposition in the Legislative Assembly; the Minister in charge of the Legislative Council, and the Leader of the Opposition in the Legislative Council;
- (b) that this committee submit such programme at an interview with the Right Hon. the Prime Minister, and the Federal Treasurer;
- (c) that a special Federal grant of an amount considered necessary for this work be requested in order to stimulate and carry out this vital development.

THE HON. A. R. JONES (Midland) [8.53 p.m.]: I do not want to let this opportunity pass without making some comment because, as was pointed out by Mr. Strickland, some years ago I introduced a motion in this House and it was very similar to the one which is now before us. The only difference was that the original motion dealt with the whole of the north-west, whereas this one deals with the area between the 20th and 26th parallels of latitude. This area has been singled out for more concentrated attention. The Kimberley part of the north-west of Western Australia is now being catered for in some degree, so the honourable member confined his motion to a classified area. I think that is the full purport of the motion.

One cannot help but agree that that part certainly wants further attention; and I am only too happy to associate myself with the motion as I believe any Federal Government, whether it be the one that is there at the present time or one of another colour, would not object to a further deputation from this State. I believe there has been an awakening of political parties, not only in the State sphere, but also in the Federal sphere, to the fact that Western Australia is a large State; that it needs developing; and that it is part of Australia.

I feel that any committee which might be set up comprising members who know the north-west of Western Australia, together with the Premier, the Deputy Premier, and the Minister for the North-West, should be able to present a very good case to the Federal authorities—a case which, to my mind, will further the greatest need in Western Australia at the present time. We find that all the other parts of the State, whether they be from Esperance along the coast to Albany or extending westward and northward are receiving attention and are being developed in the main by private capital.

I feel that that cannot be the position so far as both the north-west and the Kimberleys are concerned. While some private capital will go in, a lot of public money must be spent there to make it worth while for private capital to be invested. It is far easier, in my opinion, to do something in the area that is receiving attention at the present time than it is in the area referred to in the motion moved by Mr. Strickland, because in the Kimberleys there is a great amount of rain in excess of that received in the lower plains. It is better type country; it grows timber, and there are many reaches of the rivers which can be dammed. It is a totally different proposition from the one further south.

But even there, from the little I have seen of it and the little I know of it, there seems to be ample scope for the impounding of water. We also want Commonwealth money for research work particularly, so that we can find out just what

can be done in that country in the future. I believe that if research were carried out thoroughly and the vermin eradicated, new types of grasses could be grown there; and in 10 or 20 years, development could become comparable to that of some of our agricultural areas, as we have known those areas over the last 10 or 20 years.

We find that the Department of Agriculture or the C.S.I.R.O. within Australia comes up with something which really rejuvenates the country and puts the agricultural industry on a totally different footing. In recent times, discoveries have been made by our own Department of Agriculture; and the boys from the Agricultural Institute of the University of Western Australia have also weighed in with helpful things by way of plants and techniques.

Even at the present time in Western Australia we have something which has received approval—I refer to Cyprus clover. I think all members who saw the one plant I brought here recently will agree that it will mean a terrific thing for the drier areas and possibly the wetter areas of this State. It has proved itself—up to date, anyway—in those areas, where the rainfall is less than, say, 15 in.

There is a great part of the State which we have to develop; and who can say now just what sort of plants will be bred from cross-breeds and grown in the north-west—plants that will provide foliage and fodder which might suit the type of terrain in that area. With sufficient money to investigate all these things—and this money can only be provided by the Commonwealth Government—we might be able to reorient the area in question. If that comes to pass, where today we have one station, I am hopeful that in the future we will have 10 stations. That is quite possible. If it is possible to do something of that nature, we must have the money spent on that area. For that reason, if for no other, I think Mr. Strickland's motion is one we should all support.

As I said previously, no matter what political colour the Federal Government might be, the Prime Minister, the Deputy Prime Minister, and the Treasurer would gladly have discussions with the committee, the members of which would have first-hand information of the needs of this area. I have much pleasure in supporting the motion.

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [9.2 p.m.]: For the purpose of dealing with Mr. Strickland's motion, I have studied his speech, and have picked out six or seven salient points he raised. It is upon those matters that I would like to make some comment.

I wish to preface my remarks by saying that I support the motion in the words as they appear on the notice paper at the

moment. Mr. Strickland said he was not aware of the reason why the date—the 31st March, 1962—had been put into the motion in another place. It is appreciated, of course, that the motion was amended in the Legislative Assembly and those words were put in.

The reason for the date the 31st March, 1962, was to allow ample time for discussions with the Commonwealth Government to see whether the Commonwealth Government would agree to the setting up of a joint Commonwealth-State committee to examine and recommend development projects in the north of the State; or whether it would agree to assist the State in further substantial development projects in order to accelerate progress in the State. Obviously if it agreed to either one of those two matters before the 31st March, the committee as proposed in the present motion would be, to say the least, redundant.

Mr. Strickland said he knows the Government holds the view that the northern area of the State, overall, could be better considered, with the object of gaining Commonwealth financial assistance, by Commonwealth-State committees. That is so. The Government does hold that view, and the Government considers we would get further with joint Commonwealth-State deliberations. Many of the inevitable "references back," and the reassessing of projects, would be unnecessary if a Commonwealth-State committee or authority made recommendations.

Mr. Strickland went on to refer to the fact that the State could not develop its resources through its own finances. The 1954 motion served its purpose and achieved much of this. It is too soon to go into the question of using the same formula again. No-one has suggested that the State can handle these problems with its own resources, but there is more than one way of dealing with this particular matter. The all-party committee could wear thin if overdone after approaching the Commonwealth Government. Mr. Strickland said he was not objecting to the wording of the motion—and I do appreciate again that the motion has been amended in another place. He was merely pointing out that he was unable to explain why the original motion was so amended; that it still hinged upon certain conditions being fulfilled.

The main reasons for the rewording of the original motion included the fact that it was originally restricted to a part of the north. A project not directed at the broader idea of northern development is destined to end up on the rocks because it is too parochial; and, furthermore, to allow time for a reasonable time for further Commonwealth-State discussions to take place, the 31st March, 1962, was decided upon.

Mr. Strickland observed that the Commonwealth Government had been generous in acknowledging other requests for assistance for north-west development. The honourable member is acknowledging the considerable aid already made available by the Commonwealth Government over a number of years both by subsidising services such as the Department of Civil Aviation, and the State Shipping Service; and by straight-out grants for roads, and projects like the Ord River diversion dam, and so on.

By virtue of the projects already commenced, such as the Ord River scheme and the beef road, the Commonwealth Government is obviously committed to make further advances as we demonstrate our capacity to manage and develop these and other new schemes.

Mr. Strickland mentioned the loss connected with the State Shipping Service. He went into some considerable detail over this. Whilst the losses are understood, I hardly think they are relevant to the motion. The honourable member also raised the question of representatives; that all parties were called together and decisions were made on the projects which were put forward. I propose to give some details of the projects which were put forward at the time—in 1954—in order that members might see what they were and what is the current position in respect of those projects.

The Ord River scheme, for instance, is already well in hand. Extensions to the Wyndham jetty are completed. Commonwealth subsidy to the States on the capital cost of ships (a) being built in Australia and (b) on order from Denny Bros. is covered by the existing Commonwealth Government policy of subsidising ships built in Australia. The surfacing with bitumen of the Great Northern Highway between Ajana and Carnarvon has been completed. The deep-water port at Black Rocks is held in abeyance pending final decision on the deep-water port for West Kimberley.

The committee raised the question of income tax concessions. All Commonwealth Governments seem to have balked on this one, and the present Government is still baulking. With regard to assistance for the blue asbestos industry at Wittenoom Gorge, this industry is flourishing and expanding. With regard to the Roebourne-Wyndham road, the Government provides for the progressive improvement of the roads in the north, and good progress has been made in that regard.

It will be seen from the foregoing that the committee—Mr. Strickland was a member of it—did not place great emphasis on the area below the 20th parallel, but rather looked at the matter from an overall northern viewpoint. A considerable proportion of the projects was actually confined to the Kimberley area. This became apparent when the Commonwealth

Government gave a grant of £5,000,000 to the north, and restricted it to the use of the area north of the 20th parallel. It is also interesting to note that the 1954 committee was not brought together until May, 1955, to deliberate the proposals of the north. I do not say that in any critical term, but it is a good example of the fact that this date—the 31st March, 1962—is a reasonable time to allow for the matter to be taken up.

Another point is the difficulty at arriving at specific projects for that part of the State between the 20th and 26th parallels. Most of the work that requires to be done is work that falls within the normal sphere of the State. We must take into account the tremendous impetus to the area which is expected to be achieved through mineral development in the north commencing with Mt. Goldsworthy. Unfortunately I am still not in a position to make any comment with regard to the Mt. Goldsworthy tenders except to say that they constitute a difficult position, and the matter is still receiving very close consideration.

I think it is competent for me to say, at this point of time, that the present Government is concentrating to a very large extent on development in the north; and it is interesting to have a look at the Consolidated Revenue Fund, or the loan fund, or both, to see the amount of expenditure that has taken place over the last three or four years and what the estimates are for the present year.

I do not want to bore the House unduly, but in 1957-58, £1,238,086 was expended in connection with loan expenditure. In 1958-59, £831,140 was expended. In 1959-60, £949,720 was expended. In 1961 there was a remarkable increase to £1,661,094; and the estimate of loan expenditure for 1961 is £2,101,169, which shows a very marked increase over previous years.

When one looks at the Consolidated Revenue Fund expenditure one sees similar examples. In 1957-58 the amount was £1,790,333. In 1958-59 the amount was £2,191,071. In 1959-60 it continued to grow; namely, £2,322,443. In 1960-61 it was £2,655,558; and the estimate for 1961-62 is £3,005,195. Over the period of the last three or four years this expenditure in the north has been constantly increasing.

The Hon. H. C. Strickland: For the past six or seven years.

The Hon. A. F. GRIFFITH: I have just got the figures from 1957-58, and those are what I have quoted. It is interesting to see the percentage of the total allocation for northern roads, and to note how it has increased in recent years. In 1955-56 the percentage was 11.2; in 1956-57 it was 12.4; in 1957-58 it was 12 per cent.; in 1958-59 it was 12.4 per cent.; in 1959-60 it rose to 17.1 per cent.; and in 1960-61

to 19.8 per cent. The estimate for 1961-62 is 22.9 per cent., which, again, shows a very marked increase in the expenditure in the north-west.

Closer to home, so far as my own activities are concerned as Minister for Housing, in the year 1957-58 the Government built 29 houses in the north-west and the Kimberleys for a total expenditure of £108,471.

The Hon. H. C. Strickland: Is that completed houses?

The Hon. A. F. GRIFFITH: Yes.

The Hon. H. C. Strickland: What was the programme that year?

The Hon. A. F. GRIFFITH: I do not know. The programme I should say would have been to build 29 houses for that particular year.

The Hon. H. C. Strickland: More than that. You are giving completed houses.

The Hon. A. F. GRIFFITH: Yes; I am merely giving the number of completed houses for each financial year.

The Hon. H. C. Strickland: Not houses under construction.

The Hon. A. F. GRIFFITH: Naturally there will be what we in the Housing Commission refer to as a spill-over from one year to the other. But if we take it off one end we have to put it on the other; and so it really does not matter which way it is. The number of houses completed in the year is what really counts. Against that we have to take into consideration those that are part completed at the end of any particular financial year. In 1957-58 there were 29 houses; in 1958-59 there were 49 houses; in 1959-60 there were 75 houses; in 1960-61 there were 69 houses; and it is interesting to note that the estimate for 1961-62 will be a record of 102 houses for an expenditure of £545,141.

The Hon. H. C. Strickland: Very good.

The Hon. A. F. GRIFFITH: I thought members might like to know the extent to which the Government is building houses in the north, and the money that is being spent in this connection. Apart from drawing members' attention to those interesting and important figures in connection with north-west development, it indicates that the Government is constantly aware of the importance of the north.

I would say in conclusion that there is no doubt that the north-west is going to play a most important part in the development of this State. As I said when I dealt with some other legislation the other night, the pattern of mineral development in the north will, I feel sure, be of such consequence and importance in the next 10 years that it will be regarded as of vital importance to Western Australia, and Western Australia will see much benefit as a result of this development. I support the motion.

THE HON. H. C. STRICKLAND (North—Leader of the Opposition) [9.19 p.m.]: I thank Mr. Jones for his contribution to the debate; and we know that after his initial trip through the Kimberleys and the north-west of the State he came back here and moved a motion in 1954 somewhat along the same lines as, or with similar objectives to, this one. I also wish to thank the Minister for his support of the motion. I had no doubt about his support, but I thank him for some of the statistics which he has given us.

Of course it is wrong to suggest that the 1954 committee had no regard for the areas south of the 20th parallel because some millions of pounds worth of work has been completed in that area; and the work embraced projects that were in the proposals submitted to the Commonwealth Government in June, 1955.

The Minister mentioned the road to Carnarvon. The sealing of that road cost a lot of money, and the proposal was to ask for assistance on a pound for pound basis to cover the work. The other proposal was the deviation out to Wittenoom Gorge to the Wittenoom blue asbestos mine. That proved to be not warranted from the Commonwealth's point of view because that Government, by Act of Parliament, tied the expenditure to the area north of the 20th parallel. However, the State on its own behalf, after consultation with Australian Blue Asbestos, offered a subsidy of £5 a ton on 6,000 tons of asbestos. That was the asbestos the company had at grass and could not sell.

The company's complaint was that there was a difference of £5 a ton in its costs and world market prices. Its costs were £5 a ton above world market prices and so, with a subsidy of £5 a ton, the company thought it could sell its product on the world's markets and would not be forced to close the project down. The company had reached the stage where the directors thought the best thing to do was to cut their costs and get out, although they had spent £1,500,000. The Government agreed to the subsidy provided the company looked to overseas markets. In its application to the Tariff Board for protection from the importation of South African asbestos, the company claimed that it could find overseas markets, and the State Government put its proposition to the company. We all know the result.

The company was given £30,000 of State money and the Prime Minister was advised by Premier Hawke of what the State had done. He had to do that to keep within the provisions of the financial agreement. When the Prime Minister was advised he was asked whether his Government would contribute the same amount, and it did. So Australian Blue Asbestos received £60,000 and it secured overseas markets for its products. Its problem now is to

produce sufficient quantities of fibre from the plant which it has—and it is quite a good plant—to meet its orders. It has orders for a total exceeding 20,000 tons a year; and that is very good.

The Commonwealth made a grant to Western Australia of £2,500,000 and followed that up with a further grant of £2,500,000. But on both occasions the Bill referring to this grant, when being passed through the Federal Parliament, contained a restriction to the effect that the expenditure must be on areas north of the 20th parallel.

During the 1959 general elections the then Leader of the Opposition, when asked from the body of the hall at a public meeting at Carnarvon why part of the sum of £5,000,000 could not be used for the conservation of water in the Gascoyne River—the area was very short of water at the time—replied that he did not know. He did not know why all the money should be spent in the Kimberleys and he felt that some of the money certainly should be used in the search for water to help the planters in Carnarvon.

The Leader of the Opposition at the time knew very well that the Bills which had been passed through the Federal Parliament restricted the expenditure of money to areas above the 20th parallel. That is a sidelight on what happened. But fortunately, when I arrived there a few days later from the north, I had a copy of the Federal Bills in my possession and I was able to answer the questions that were put to me, and I was able to tell the people why the money could not be spent there.

One could go on for hours talking of the projects which are possible in the lower north-west, but I think I covered the most important aspects of development in the north when I suggested that the all-party committee might ask for financial assistance to concentrate endeavours on the harnessing of water in the rivers that run through that area. That is vital to its development. The Minister told us that mineral production will be vital to the development of that part of the State, but it is development of a different type. The development of the Mt. Goldsworthy iron ore deposits, for instance, should not require any State expenditure.

There is no need for us to go to Canberra and ask for financial assistance to help develop a big ore body like Mt. Goldsworthy, or any other ore body. But there certainly is an unanswerable case for financial assistance to help develop our rivers in the north, and to develop agriculture. But rather than go into details on that aspect, I will leave it to the committee which is to be formed when the motion is passed.

Question put and passed.

BILLS (2): RECEIPT AND FIRST READING

1. Companies Bill.
2. Spearwood-Cockburn Cement Pty. Limited Railway Bill.

Bills received from the Assembly; and, on motions by The Hon. A. F. Griffith (Minister for Mines), read a first time.

CIVIL AVIATION (CARRIERS' LIABILITY) BILL

In Committee

Resumed from the 17th October. The Chairman of Committees (The Hon. W. R. Hall) in the Chair; The Hon. A. F. Griffith (Minister for Mines) in charge of the Bill.

Clause 3: Interpretation—

The CHAIRMAN: Progress was reported after the clause had been partly considered.

The Hon. A. F. GRIFFITH: I am sorry to place you in this position, Mr. Chairman, but I have only just remembered that I had a request not to proceed with the Committee stage of this Bill this evening, and as I wish to honour the promise which I made I ask that progress be reported.

Progress

Progress reported and leave given to sit again, on motion by The Hon. A. F. Griffith (Minister for Mines).

METROPOLITAN REGION IMPROVEMENT TAX ACT AMENDMENT BILL

Second Reading: Amendment to Motion

Debate resumed from the 18th October on the following motion by the Hon. L. A. Logan (Minister for Town Planning):—

That the Bill be now read a second time.

To which The Hon. H. C. Strickland (Leader of the Opposition) had moved an amendment—

Delete all words after the word "That" and substitute the words "as it is provided that the proposed tax will not be paid into the Consolidated Revenue Fund and thereafter appropriated as required by section sixty-four and other relevant provisions of the Constitution Act, 1889, in the opinion of this House this Bill is not proper to be given a second reading."

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [9.37 p.m.]: The necessity for my having to make a contribution to this debate arises from the fact that my colleague, the Minister for Local Government, has already spoken and, as a

result, cannot speak again. He has therefore asked me to advise the House that the Government has gone to the trouble to obtain an opinion from one of the State's leading Q.C.'s on the matter. With the indulgence of the House, I propose to read the opinion which has been given to us by Mr. Robert Ainslie, Q.C.

I am afraid it is rather lengthy, and I hope that members will bear with me during my reading of this opinion, because I consider it must be read in view of the fact that this is an extremely important matter. If the House were to take the view as presented by Mr. Strickland, and as supported by Mr. Wise and Mr. Watson, we might find ourselves in quite a deal of trouble. The opinion is as follows:—

The validity of the Bill to amend the Metropolitan Region Improvement Tax Act 1959 has been questioned in the Legislative Council by the Hon. H. C. Strickland on the ground that "the proposed tax will not be paid into the consolidated revenue fund and thereafter appropriated as required by Section 64 and other relevant provisions of the Constitution Act 1899".

For the purpose of this Opinion I have assumed the Bill is, in fact, contrary to section 64 and dealt with the broad issue raised by the debate namely, whether Parliament can pass an Act which is contrary to the "flexible" provisions of our Constitution without first amending the Constitution.

In 1890 the West Australian Constitution Act 1890 (53 and 54 Victoria see Chap. 26) was passed by the Imperial Parliament and authorised Her Majesty to assent to the Bill conferring a Constitution on Western Australia. The act which was subsequently passed is known as the Constitution Act 1889 of this State.

The validity of the Hon. member's objection to the Bill must, in the end, depend upon the proper construction of section 5 of the Imperial Act which provides as follows:

It shall be lawful for the legislature for the time being of Western Australia to make laws altering or repealing any of the provisions of the scheduled Bill in the same manner as any other laws for the good government of that Colony, subject however, to the conditions imposed by the Scheduled Bill on the alteration of the provisions thereof in certain particulars until and unless those conditions are repealed or altered by the authority of that legislature.

The only conditions imposed by the Scheduled Bill are those set out in section 73 which require that Bills changing the constitution of the Legislative Council or the Legislative

Assembly must be passed with the concurrence of an absolute majority of the whole numbers of the members for the time being of the Council and Assembly respectively before being presented for Her Majesty's assent.

There were other provisions which required that certain Bills should be reserved by the Governor for the signification of Her Majesty's pleasure thereon. It will be noted that under section 5 of the Imperial Act Parliament may alter or repeal any provision in the Constitution in the same manner as any other Act may be altered or repealed and there is no express provision in the section which requires that before any Bill which is contrary to the Constitution can be validly passed the Constitution must be amended.

The powers of a State Legislature have been a matter of controversy for over 100 years and came to boiling point in South Australia almost exactly 100 years ago. The Imperial Law Officers at that time referred to the "unfortunate disposition manifested upon the Bench of South Australia to favour technical objections against the validity of Acts of the Colonial Legislature" and the "confusion and general sense of insecurity which it must be the tendency of such a state of affairs to produce" and recommended an Act of the Imperial Parliament be passed to clarify the position. It was as a result of this report that the Colonial Laws Validity Act of 1865 was passed. That Act, however, did not conclude the legal controversy and in *Cooper v. The Commissioner of Income Tax for the State of Queensland* (4 C.L.R. 1304) the High Court consisting of Griffiths, C.J., Barton, O'Connor, Isaacs and Higgins, J.Js., unanimously held that the power vested in a State Legislature by its Constitution to enact constitution alterations must be exercised by direct legislative provisions and that so long as the Constitution remained unaltered any enactment inconsistent with its provisions was invalid.

At p. 1315 of the report, Griffiths, C.J. said:

I think that, if the legislature desires to pass a law inconsistent with the existing Constitution it must first amend the Constitution. This would be done by a Bill for that purpose, to which the attention of the legislature and the public would be called, and the passing of and assent to which would obviously depend upon considerations very different from those applicable to an ordinary law passed in the exercise of the plenary powers of the legislature under the existing Constitution.

Cooper's case was followed by the majority of the High Court in *McCawley v. The King* (26 C.L.R. 9), but in a dissenting judgment Isaacs, J. (as he then was) recanted from his approval of the reasoning in Cooper's case. In the joint judgment of His Honour and Rich, J., their Honours referred to clause 22 of the Order in Council which established the Queensland Constitution (which is in the same terms as section 5 of the Imperial Act of 1890) and said:

It becomes evident now on full comparison of the Act and the Order in Council that clause 22 was inserted for the very purpose of making it incontestibly clear that as we have said, the Order in Council was only to start the young Colony on its way and equip it with the essentials of corporate and independent existence as a member of the Imperial family; and that its future regulations, with the express exceptions set out in clause 22, were left to its own discretion and were not to be considered as Imperial regulations. Further, in order to prevent possible misconception, any alteration or repeal of the provisions of the Order in Council could—apart from express exceptions—be made (in the same manner as any other laws for the good government of the Colony), that is, any other laws within clause 2.

It is difficult now for us to see how any doubt could ever have existed that the Order in Council, so far from requiring a label marked "Constitutional Amendment," studiously expressed the very opposite apart from express exceptions the mention of which strengthens the affirmative words—because, since a specific manner of passing the accepted classes of laws is stated, it is clear no other condition is to be implied.

The judgment of Isaacs and Rich, J., was expressly approved by the Privy Council (Lord Birkenhead, Viscount Haldane, Lord Buckmaster, Lord Dunedin and Lord Atkinson) in *McCawley v. The King* (1920 A.C. 691).

In delivering the advice of the Privy Council, Lord Birkenhead referred to the distinction between constitutions which may be modified or repealed with no other formality than is necessary in the case of other legislation, and constitutions which can only be altered with some special formality, and continued (at p. 703):

The difference of view, which has been the subject of careful analysis by writers upon the subject of constitutional law, may be traced mainly to the spirit and

genius of the nation in which a particular constitution has its birth. Some communities, and notably Great Britain, have not in the framing of constitutions felt it necessary or thought it useful, to shackle the complete independence of their successors. They have shrunk from the assumption that a degree of wisdom and foresight has been conceded to their generation which will be, or may be, wanting to their successors, in spite of the fact that those successors will possess more experience of the circumstances and necessities amid which their lives are lived.

His Lordship, in referring to clause 22 of the Order in Council, said:

Their Lordships are unable to conceive how real doubt can exist as to the language used.

and at p. 714:

The Legislature of Queensland is the master of its own household, except in so far as its powers have in special cases been restricted. No such restriction has been established, and none in fact exists, in such a case as is raised in the issues now under appeal.

Since this decision it is beyond controversy that the Parliament of this State may in the exercise of its powers pass an Act which is contrary to the Constitution Act of 1890 without first amending the Constitution Act itself.

McCawley's decision was followed by Evatt, J., in *The State of New South Wales v. Bardolph* (52 C.L.R. 455). At p. 466 His Honour said:

Certainly, the New South Wales Constitution Act does contemplate that subject to the payments to be made in pursuance of the Constitution Act itself, the Consolidated Revenue Fund should be subject to be appropriated to such 'specific purposes' as may be prescribed by any Act in that behalf (section 45). But this section is necessarily subject to the terms of any subsequent Act passed by Parliament, this part of the Constitution of New South Wales being of a flexible character.

For the principle of *McCawley v. The King* (1) is that, in dealing with public moneys or indeed any other subject not governed by a special method of law making, Parliament is not bound to adhere to the letter or spirit of section 45, but is, on the contrary, empowered to make any provision it thinks fit, whether consistent or not with section 45.

and on appeal this ruling was not disputed by the Full Bench of the High Court.

In my opinion the Act of 1959 was a valid exercise of the powers of the State Parliament and the amending Bill is likewise not open to attack.

(Signed) Robert Ainslie,

23rd October, 1961.

Sitting suspended from 9.46 to 10.6 p.m.

The Hon. A. F. GRIFFITH: Before the supper suspension I had just concluded reading the opinion obtained from Mr. Robert Ainslie. In support of that opinion I would like to say that it is in conformity with the actions of this Parliament over a good many years. We have a number of Acts in similar circumstances to this one where a rate, tax, or imposition is struck, and such rate, tax, or imposition is put into a special fund.

For instance, if we study the Traffic Act Amendment Act (No. 3) of 1959 we will find the following words which are about fees:—

... shall be paid into the Treasury to the credit of an account called the Metropolitan Traffic Trust Account.

A further amendment in the same Act reads as follows:—

On the coming into operation of the Traffic Act Amendment Act (No. 3) 1959, there shall be established and opened in the Treasury, an account to be called the Central Road Trust Fund which Fund shall be administered by the Commissioner of Main Roads in accordance with the provisions of this section.

Section 6 of that Act reads this way—

Subject to the provisions of section eleven A and section twenty-three of this Act, all fees paid each year for licenses or transfers of licenses or registrations in the metropolitan area under this Act or any regulation shall be paid into the Treasury to the credit of an account to be called the Metropolitan Traffic Trust Account.

In the Vermin Act in section 59 we find the following:—

For the purpose of creating a fund for carrying out the provisions of this Act the board in each district shall in every year (subject as hereinafter provided) make and levy a vermin rate on every rateable holding within the district.

Then in section 74 of the same Act is the following:—

All moneys received by a board under this Act shall be paid into a fund called The Vermin Fund of the District, and shall be applied for all or any of the purposes following, that is to say:

and then it sets out the purposes. Section 19 of the Potato Growing Industry Trust Fund Act contains the following provision:—

For the purposes of this Act there shall be established a fund, to be called The Potato Growing Industry Trust Fund, which shall be administered by the Committee.

Section 6 of the Bee Industry Compensation Act has the following provision:—

For the purposes of this Act there shall be established and kept at the Treasury an account to be called the "Bee-keepers' Compensation Fund."

If we study section 9 of the Agriculture Protection Board Act we will find the following:—

The funds necessary for the effectual exercise by the Protection Board of the powers conferred and duties imposed upon it by this Act shall be—

and then it mentions the purposes. Sub-section (2) is as follows:—

All such moneys shall be placed to the credit of an account to be kept at the Treasury and called The Agriculture Protection Board Fund and shall be applied to the purposes of this Act.

In regard to the Fruit Growing Industry (Trust Fund) Act, if we study section 15 we will find the following words:—

For the purposes of this Act there shall be established a fund, to be called "The Fruit Growing Industry Trust Fund," which shall be administered by the Committee.

Then it goes on to say how they shall administer it and for what purposes.

The Hon. H. K. Watson: What tax was levied for that?

The Hon. A. F. GRIFFITH: This is for the administration of the Fruit Growing Industry Act in connection with fruit-fly and diseases.

The Hon. H. K. Watson: Yes; but what tax was levied?

The Hon. A. F. GRIFFITH: The tax was recently amended in this House, I think. I cannot remember the amount of tax we pay now. We pay a fee of 2s. or something like that.

The Hon. H. K. Watson: That is a license fee or an inspection fee. That is not a tax.

The Hon. N. E. Baxter: It is an impost, not a tax, which also comes under section 64 of the Constitution.

The Hon. A. F. GRIFFITH: It is money to be paid into a fund as an impost. If we look up section 15 of the Poultry Industry (Trust Fund) Act we will find the same sort of provision.

The Hon. H. K. Watson: Is there a poultry industry tax?

The Hon. A. F. GRIFFITH: It is an impost in the same way for the purpose of stabilising the industry. Section 15 reads—

(1) For the purposes of this Act there shall be established a fund, to be called "The Poultry Industry Trust Fund, . . ."

(2) All moneys from time to time belonging to the Fund shall be deposited in an account, to be called "The Poultry Industry Trust Fund Account," which shall be kept at the Treasury.

If we have a look at the Bill before the House—

The Hon. L. A. Logan: Not the Bill before the House.

The Hon. A. F. GRIFFITH: No; not the Bill before the House. I mean the Metropolitan Region Town Planning Scheme Act. If we look at that we find that the words in the Metropolitan Region Town Planning Scheme Act, for the purposes of giving effect to the scheme, are that a fund called the Metropolitan Regional Improvement Fund shall be established at the Treasury.

Mr. Wise gave us some interesting information the other night on his impressions of the matter. He quoted much of the legal opinion that I quoted, inasmuch as he mentioned the judgments. But if my memory serves me correctly, he did not go all the way and say that the judgment had been reversed as the Queen's Counsel's opinion says.

The Hon. F. J. S. Wise: Pardon me, but I did.

The Hon. A. F. GRIFFITH: I would certainly pardon the honourable member if he said that.

The Hon. F. J. S. Wise: Pardon me, I said that the judgment prior to McCawley's case was so and so.

The Hon. A. F. GRIFFITH: That brings us closer to agreeing upon Mr. Ainslie's point of view. In conclusion, I would like to say that here we have a Bill not to amend the Metropolitan Region Town Planning Scheme Act, but to amend the Metropolitan Region Improvement Tax Act.

If the Metropolitan Region Town Planning Scheme Act had been introduced not in 1959 but 30 years before, in 1929, and at the time the taxing Act had imposed a tax of 3d. in the £1, and for 30 years people had been paying that tax, would anybody suggest that if my colleague, the Minister for Town Planning, were to bring a Bill to this House to reduce the tax from 3d. to half that amount, objection would be taken to it?

Would anybody suggest that if we brought a Bill to Parliament to reduce the amount of tax, impost, or whatever anyone likes to call it, in respect of any of the Acts I have mentioned, there would be

objection in the same way as this Bill has been objected to? I venture to say there would not.

I would say that the time to take exception, in the manner that objection has been taken to this Bill, is not in the year 1961; it should have been in the year 1959, when the legislation was introduced. Apart from that fact the legal opinion of the Crown Law Department has been fortified by the opinion of Mr. Ainslie, Q.C. He says that the Bill before the House is in order; but even if that were not so, all the things that were done in the past should have been objected to at the time.

The Hon. H. C. Strickland: That does not follow.

The Hon. A. F. GRIFFITH: I say that the action taken was quite valid; it is valid in the opinion of the Crown Law Department's officers and also in the opinion of Mr. Ainslie, Q.C.

The Hon. L. A. Logan: And the actions are valid in the opinions of Parliament.

The Hon. A. F. GRIFFITH: That is so, because Parliament has passed them over a long period of years. The Acts I mentioned were presented to and passed by this Parliament. I hope the House will not agree to the amendment moved by Mr. Strickland for the reasons I have given; and also for the final reason that if the House does agree to the amendment the effect will be to kill the Bill.

Adjournment of Debate

THE HON. E. M. HEENAN (North-East) [10.19 p.m.]: I move—

That the debate be adjourned.

Motion put and negatived.

Debate Resumed

THE HON. J. G. HISLOP (Metropolitan) [10.20 p.m.]: This is a matter of extreme interest to many of us. Whereas previously we regarded any alterations to the Constitution as something to be made with great hesitancy, and only with complete certainty, it now looks as if our elasticity is growing considerably. Just to add another point of interest to this matter, I remember that in 1958, when the Cancer Council was appointed—because I happened to be a member of the original committee appointed by the Minister to draw up all of the arrangements in relation to the future of the council—the Minister inserted into the Bill a clause making it possible for me, as a member of the Legislative Council, to hold the office which was obviously an office of profit, because the legislation allows fees to be paid to members of the Cancer Council.

If we look at the Cancer Council of Western Australia Act we find this section—

The offices of members of the Council or their deputies shall be deemed not to be offices of profit from the

Crown on acceptance of which offices by a Member of the Legislative Council or the Legislative Assembly, his seat becomes vacant.

The Constitution Acts Amendment Act, section 38, subsection (6), states—

Accepts any pension during pleasure or for term of years other than an allowance under section 71 of "The Constitution Act, 1889" or any office of profit from the Crown, other than that of an officer of Her Majesty's sea or land forces on full, half, or retired pay.

I decided not to take the office because I could not see how anybody could contract out of the Constitution simply by a provision in an ordinary measure. If I remember rightly, about 12 or 18 months afterwards, a Bill—I cannot just recall the particular measure in question—was brought before the House, and the opinion generally expressed then was that one could not contract out of the Constitution Act simply by having a section put into an ordinary Act.

Where do we stand? If Mr. Ainslie's opinion is correct, surely the fact that we put into legislation a provision that such and such is not an office of profit under the Crown is contracting out of the Constitution. I think we have reached the stage where we should wonder just where we are going; and it makes me hesitate about what to do. I have no desire to hold up the legislation, but I do have a desire to preserve the dignity and efficiency of Parliament. I just wonder whether it can be done on the one hand and not on the other. Some decision must be reached emphatically and definitely by the Legislative Council as to what our relationship as a Council is to the Constitution Act; and at present it must surely be in doubt.

Adjournment of Debate

THE HON. W. F. WILLESEE (North) [10.26 p.m.]: I move—

That the debate be adjourned.

Motion put and negatived.

Debate Resumed

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

Ayes—11.

Hon. W. R. Hall	Hon. R. Thompson
Hon. E. M. Heenan	Hon. H. K. Watson
Hon. R. F. Hutchison	Hon. J. F. Willesee
Hon. F. R. H. Lavery	Hon. F. J. S. Wise
Hon. H. C. Strickland	Hon. G. E. Jeffery
Hon. J. D. Teahan	(Teller.)

Noes—11.

Hon. C. R. Abbey	Hon. R. C. Mattiske
Hon. N. E. Baxter	Hon. C. H. Simpson
Hon. A. F. Griffith	Hon. S. T. J. Thompson
Hon. J. G. Hislop	Hon. J. M. Thomson
Hon. A. R. Jones	Hon. G. C. MacKinnon
Hon. L. A. Logan	(Teller.)

Pairs.

<i>Ayes.</i>	<i>Noes.</i>
Hon. G. Bennetts	Hon. J. Cunningham
Hon. J. J. Garrigan	Hon. F. D. Willmott
Hon. E. M. Davies	Hon. J. Murray

The **PRESIDENT** (The Hon. L. C. Diver): The voting being equal I will have to declare my vote in favour of the Noes for the following reason: That to support the amendment would defeat the Bill whereas if the amendment were defeated a further decision could be taken on the Bill when all members were present.

Amendment thus negatived.

Debate adjourned, on motion by The Hon. S. T. J. Thompson.

JUDGES' SALARIES AND PENSIONS ACT AMENDMENT BILL

In Committee, etc.

Resumed from the 10th October. The Chairman of Committees (The Hon. W. R. Hall) in the Chair; The Hon. A. F. Griffith (Minister for Mines) in charge of the Bill.

Clause 2: Section 6 repealed and re-enacted with amendments—

The **CHAIRMAN**: Progress was reported after the clause had been partly considered.

The Hon. H. K. **WATSON**: I desire to move an amendment in terms somewhat different from my amendment on the notice paper. I wish to leave out paragraph (a) in the amendment I have on the notice paper. I move an amendment—

Page 2—Insert after subsection (2) in lines 8 to 24 the following new subsection:—

(3) If a person entitled to receive or in receipt of a pension under this Act—

(a) holds any judicial or other office or commission under the Crown, whether in Western Australia or elsewhere, for which he is remunerated out of the moneys of the Crown; or

(b) is in receipt of a pension received by him by reason of having held such office;

then the pension otherwise receivable under this Act by the said person shall be reduced by the amount of the salary remuneration or pension received by the said person as mentioned in paragraphs (a) or (b) of this subsection.

It is unnecessary to further explain the point, because I dealt with it in my second reading speech, and the amendment is self-explanatory.

The Hon. A. F. **GRIFFITH**: The amendment is acceptable to me. I am glad Mr. Watson omitted the reference to a member of Parliament. I think it is unlikely in the circumstances, as I said in my reply to the second reading debate, that the paragraph he has omitted from his amendment would have had an effect.

In the question of a pension to the widow, raised by Dr. Hislop, I would say that the Government, while not overlooking the matter, does not propose to take any action this session, but will consider the point next year.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 3 put and passed.

Title put and passed.

Bill reported with an amendment.

House adjourned at 10.39 p.m.

Legislative Assembly

Tuesday, the 24th October, 1961

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