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[1933.

ROYAL COMMISSION

WESTERN AUSTRALIA, } By His Excellency Sir James Mitchell,
TO WIT. } K.C.M.G., Lieutenant-Governor in and
JAMES MITCHELL, } over the State of Western Australia
Lieutenant-Governor. and its Dependencies in the Common-
[L.S.] wealth of Australia.

To Harry Hale, Esquire, of Perth and Highbury, Solicitor; Charles Diamond, Esquire, of Perth, Banker; and Stephen Bede Donovan, Esquire, of Cunderdin, Farmer.

Greeting:

KNOW ye that I, the said Lieutenant-Governor, acting with the advice and consent of the Executive Council, do hereby appoint you Harry Hale, Charles Diamond, and Stephen Bede Donovan to be Commissioners for all the following purposes, that is to say:—

1. Generally to inquire into, investigate, and report upon the transactions, affairs, and operations of the Agricultural Bank of Western Australia as conducted or carried on, or as being conducted and being carried on under the provisions of and for the purposes of the Agricultural Bank Act, 1906, and the amendments thereof, the Industries Assistance Act, 1915, and the amendments thereof, the Discharged Soldiers' Settlement Act, 1919, and the amendments thereof, the Group Settlement Act, 1925, and the amendments thereof, the Finance and Development Board Act, 1930, and the amendments thereof, and otherwise howsoever.

2. In particular, and without in any way limiting the generality of the powers hereby conferred, to inquire into, investigate, and report on the following matters in relation to the said Agricultural Bank, namely:—

- (1) The internal administration and organisation, including—
 - (a) the Trustees, their appointment, tenure of office, and the extent to which the Trustees have any share and/or responsibility in the administration and policy of the Bank;
 - (b) head office management;
 - (c) control and management of the district offices and the field staffs;

- (d) the relative costs and expenditure incurred, and the possibility and probable methods of effecting savings and economy;
 - (e) the question whether the appointment under and in accordance with the provisions of the Public Service Act, 1904, of the officers engaged in the service of the Bank leads to and insures efficiency in such service or otherwise; and
 - (f) the question whether or not the internal administration and organisation of the Bank should be vested in an independent statutory board, and, if so, the number of members of which such board should consist, their appointment and tenure of office, and such other matters as may be deemed relevant thereto.
- (2) Finance, including—
 - (a) the methods of raising capital and the provision made for payment of interest on the capital raised and for contributions to sinking fund for the repayment of such capital;
 - (b) the operations of the Bank under the Finance and Development Board Act, 1930, and the amendments thereof, and the effect upon the transactions, affairs, and operations of the Bank of the provisions of the said Act as at present administered;
 - (c) the amount of the loss of capital suffered by the Bank in the various districts of the State respectively in which the Bank is operating, and in connection with the various schemes of land settlement respectively in the said districts, and by reason of cancellation of debts owing to the Bank and the release from liability of Bank debtors as distinguished from losses suffered upon realisation by the Bank of its securities;
 - (d) the values of existing securities held by the Bank in relation to outstanding advances classified in relation to districts respectively and classified also according as the properties, the subject of the said securities, are still in the possession of the mortgagors, or are in the possession of the Bank as mortgagee, exercising its remedies or powers under the securities relating thereto; and

- (e) the probable amount of loss of capital expected to be suffered by the Bank in respect of existing outstanding advances made by the Bank to persons in the various districts aforesaid respectively.
- (3) The administration of advances made or to be made by the Bank, including—
- (a) the formulation of policy or of various policies;
- (b) the method of granting loans and the extent to which a policy (if any) has been followed or is being followed in regard to the observance of a margin of security when loans are made;
- (c) if such a policy as that referred to in subparagraph (b) hereof has not been or is not being followed, the question whether or not it is in the best interests of the State to continue making advances without the observance of a definite margin of security;
- (d) the question whether or not any principle has been adopted under which the amounts of advances made to persons in the various districts aforesaid have been limited to specific amounts which have been definitely fixed in relation to the said districts respectively; and, if any such principle has been adopted, such principle has always been observed or carried out;
- (e) the payment of interest and the repayment of advances and the methods used by the Bank for enforcing repayment of advances or payment of interest;
- (f) the operation and enforcement of statutory liens for the benefit or protection of the Bank;
- (g) the principles (if any) adopted by the Bank in connection with the cancellation of debts owing to the Bank, the release from liability of the Bank's debtors; and the writing off of losses suffered upon the realisation by the Bank of its securities; the manner in which such debts have been cancelled, such releases from liability have been effected; and such losses on realisation have been written off;
- (h) the measures (if any) taken by the Bank to recover losses suffered by the Bank on realisation of its securities or otherwise;
- (i) the responsibility (if any) of the Trustees of the Bank for losses suffered by the Bank in connection with special settlement schemes; and
- (j) the efficiency of the methods adopted by the Bank in disposing of properties under the powers and authorities contained in the securities relating thereto.

(4) The operation and effect of the provisions of the Statutes hereinafter mentioned in relation to the various objects of such Statutes, in so far as the said Statutes or any of the provisions thereof have been administered by the Bank, namely—

- (a) Agricultural Bank Act, 1906, and the amendments thereof;
- (b) Industries Assistance Act, 1915, and the amendments thereof;
- (c) Discharged Soldiers' Settlement Act, 1919, and the amendments thereof;
- (d) Group Settlement Act, 1925, and the amendments thereof; and
- (e) Finance and Development Board Act, 1930, and the amendments thereof.

3. To make such recommendations as to you may seem necessary or expedient to be made in regard to increasing or restricting further advances on security by the Bank or by the State through the Bank, and in regard to the question whether or not the making of any such further advances should be made only in conformity with a policy to be adopted of consolidating the existing land settlement.

4. To make such other recommendations as to you may seem necessary or expedient to be made in regard to all or any of the matters inquired into or investigated by you under the authority hereby conferred, including the nature, form, and objects of any new legislation or amending legislation which may be deemed necessary or expedient to carry out or give effect to any such recommendations aforesaid:

And I declare that you shall, by virtue of this Commission, constitute and be a Royal Commission within the meaning of the Royal Commissioners' Powers Act, 1902, as reprinted in the Appendix to the Sessional Volume of the Statutes for the year 1928, and that you the said Harry Hale shall be Chairman of the said Royal Commission, and shall have and may exercise all the powers which under the said Act are exercisable by a Royal Commission or the Chairman thereof: And I do hereby desire and request you, as soon as reasonably may be, to report to me in writing the result of your inquiries and investigations, and your recommendations upon the matters entrusted to you by this Commission.

Given under my hand and the Public Seal of the said State, at Perth, this 19th day of September, One thousand nine hundred and thirty-three.

By His Excellency's Command,

(Sgd.) P. COLLIER,
Premier.

GOD SAVE THE KING !!!