

Hon. J. T. Tonkin: Which is not at all.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: —which is a reasonable proposal and on the same basis as is allowed by the Prices Commissioner in dealing with prices at the present time.

Hon. J. T. Tonkin: No-one will have control over the price to be charged under this agreement.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The hon. member is suffering from "imaginitis." I disagree with him and contend—as I have every right to, and with justification—that the proposition in the agreement, if carefully studied and applied, must give a reasonable control over the price to be charged by the company—

Hon. J. T. Tonkin: To whom?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: —to the people who are going to buy the product. Dealing with the price of iron-ore for the 200,000 tons, that is, I think, almost identical with the arrangement that was made under the Iron and Steel Act of 1947 in relation to the Koolan Island leases. The agreement itself is subject to the same proposition, that it is to be construed in accordance with the laws of the State and that any disputes are to be referred to arbitration under the Industrial Arbitration Act of 1895. I leave it to members to judge why those provisions that were acceptable in 1947 without opposition in this Chamber should be so bitterly opposed now that they appear in regard to another concern.

Question put and passed.

Bill read a second time.

Point of Order.

Hon. J. T. Tonkin: What did you say, Mr. Speaker?

Mr. Speaker: I put the question.

Hon. J. T. Tonkin: I did not hear it. I wanted to call for a division.

Mr. Speaker: I put the question and said "The ayes have it."

Hon. J. T. Tonkin: I did not hear it.

The Premier: Every member in the Chamber heard it, if he is honest enough to say so.

In Committee.

Mr. Perkins in the Chair; the Minister for Industrial Development in charge of the Bill.

Clause 1—Short title.

Progress reported.

House adjourned at 1.32 a.m. (Wednesday).

Legislative Assembly

Wednesday, 5th November, 1952.

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

QUESTIONS.

PRICES CONTROL.

As to Authority of Commissioner.

Hon. A. R. G. HAWKE: asked the Attorney General:

Will he lay upon the Table of the House a copy of the Prices Control Act regulation which gives all the say in relation to the control of prices to the Prices Commissioner?

The ATTORNEY GENERAL replied:

By Prices Control Regulation 17 gazetted on the 11th August, 1949, the Commissioner of Prices is empowered from time to time in his absolute discretion to fix and declare maximum prices with respect to declared goods and maximum rates with respect to declared services, and no one can interfere with his discretion in such matters. Until he so fixes and declares maximum prices for declared goods, the selling prices of those goods are not controlled.

I will lay upon the Table of the House a copy of the "Gazette" above referred to.

RAILWAYS.

(a) As to Population per Mile.

Mr. HILL asked the Minister representing the Minister for Railways:

What is the population per mile of railway in—

- (a) Western Australia;
- (b) South Australia;
- (c) Victoria;
- (d) New South Wales;
- (e) Queensland?

The MINISTER FOR EDUCATION replied:

From the latest information available, the particulars are as follow:—

- (a) One hundred and forty-four.
- (b) Two hundred and eighty-two.
- (c) Four hundred and seventy-six.
- (d) Five hundred and twenty.
- (e) One hundred and eighty-four.

(b) *As to Shannon River Mill Connection.*

Mr. HILL asked the Minister representing the Minister for Railways:

What is the milage of the railway constructed to serve the Shannon River mill?

The MINISTER FOR EDUCATION replied:

The line is owned by the State Saw Mills and is 21 miles in length from its junction with the W.A.G.R. at Terry.

ARGENTINE ANT CAMPAIGN.

As to Requesting Commonwealth Assistance.

Mr. NEEDHAM asked the Minister for Health:

Is it the intention of the Government to follow the example of the New South Wales Government, and ask the Commonwealth Government for financial assistance to combat the Argentine ant menace?

The MINISTER replied:

In 1949 this Government approached the Commonwealth Government requesting financial assistance. The answer was negative. The request will be renewed if there appears any prospect of approval.

MINING.

As to Overhaul of State Batteries.

Mr. McCULLOCH asked the Minister representing the Minister for Mines:

(1) Are any set periods determined when State batteries should be overhauled?

(2) Is he aware that prospectors are being seriously inconvenienced owing to the state of disrepair in which the Ora Banda State battery is now in?

(3) When was the Ora Banda State battery last overhauled?

(4) Will he give consideration to having the aforesaid battery operating at shorter intervals which will permit prospectors to have their ore crushed at more convenient times?

The MINISTER FOR HOUSING replied:

(1) Overhauls are carried out according to requirements, and determined by wear and tear.

(2) The manager of Ora Banda battery reported on the 25th ultimo "a particularly good mill run," apart from minor mishaps towards the end.

(3) Plant was extended and rebuilt about 1938. General maintenance has since been carried out as required. The producer plant was overhauled in 1951 and further repairs made to producer in August, 1952.

(4) The Superintendent, State Batteries, is being asked for a report in regard to the request to operate the mill at shorter intervals, and also as to other matters raised by the local prospectors concerning this battery.

WOOROLOO SANATORIUM.

(a) As to Urgent Cases and Risks of Infection.

Mr. LAWRENCE asked the Minister for Health:

(1) Is she aware that infectious and urgent cases of T.B. cannot enter the Wooroloo Sanatorium for treatment because of shortage of beds?

(2) Is she aware that the disease can be passed on to other people, especially to those in certain age groups?

(3) Is she aware that these cases can use any public house or cafe or cinema show, or travel in any public transport?

(4) Does she agree that there is a high element of danger of infection to the public generally?

(5) What is the Government doing, or what does it intend to do, to rectify this serious state of affairs?

The MINISTER replied:

(1) Yes. They are admitted on a priority system.

(2) Yes.

(3) Where instructions to avoid spreading the disease are disregarded by the patient, appropriate restraining action is taken.

(4) If the proper precautions are carried out, the danger to the public is low.

(5) Plans have been drawn for a 200-bed chest hospital, the cost of which will be met by the Commonwealth.

(b) As to Beds, Patients and Applicants for Admission.

Mr. LAWRENCE asked the Minister for Health:

(1) What is the total number of beds available to T.B. patients at Wooroloo Sanatorium?

(2) How many patients are awaiting entry to the sanatorium for treatment?

(3) How many patients are at present inmates of the sanatorium?

The MINISTER replied:

- (1) Two hundred and forty-nine.
- (2) Forty-six, including 32 cases detected in the recent Goldfields survey.
- (3) Two hundred and forty-eight.

WAR SERVICE LAND SETTLEMENT.

As to Stocks of Material.

Mr. KELLY asked the Minister for Lands:

- (1) In what centres are depots situated in connection with stocks of materials for war service land settlement?
- (2) What was the total value of all stocks held by the war service land settlement authorities at all depots as at the 30th September, 1952?
- (3) What is the present total value of all supplies held at—
 - (a) Mt. Barker depot;
 - (b) Wagin depot?
- (4) What is the tonnage of all wire now held at—
 - (a) Mt. Barker depot;
 - (b) Wagin depot?

The MINISTER replied:

- (1) Moora, Narrogin, Wagin, Katanning, Mt. Barker, Rocky Gully, Many Peaks, South Stirlings, Hester, Pemberton, Northcliffe, Denmark, Kudardup.
- (2) £537,198.
- (3) (a) £188,118.
(b) £34,195.
- (4) (a) Seven hundred and eighteen tons.
(b) Fifty-three tons.

MEMBER'S QUESTION.

As to Misunderstanding.

Mr. J. HEGNEY: On a point of order, Mr. Speaker, I would draw attention to the fact that I rose to ask a question without notice and I was told to resume my seat as being out of order. Answers to questions on notice were subsequently taken, but you then passed on to other business and I was debarred from asking the question I intended to ask.

Mr. SPEAKER: I am prepared to allow the hon. member to ask his question now though it is irregular.

Mr. J. HEGNEY: I do not want to exercise that privilege, but that is what happened.

Mr. SPEAKER: It was quite unintentional.

BILL—THE FREMANTLE GAS AND COKE COMPANYS ACT AMENDMENT.

Introduced by the Minister for Works and read a first time.

GOVERNMENT BUSINESS, PRECEDENCE.

The PREMIER: I move—

That on and after Wednesday, the 12th November, Government business shall take precedence of all motions and Orders of the Day on Wednesdays as on all other days.

This is a motion that is usually brought down at this stage of the session.

Mr. May: A bit earlier this time.

Hon. J. T. Tonkin: It is certainly not later.

The PREMIER: It is about the usual time. Members will naturally wish to know whether the business they have on the notice paper will be dealt with. I would inform them that all private members' motions and Bills on the notice paper at the present time will be dealt with. I feel that there is justification for moving the motion to give Government business precedence. We have the Revenue Estimates to consider and the Loan Estimates have yet to be brought down. These are important items, and members in the past have complained that sufficient time has not been allowed in order fully to discuss them. I consider that these matters are important because members desire to obtain information and give expression to their views on questions in general, and also on those affecting their electorates. I am anxious that full time should be given for the discussion of these items, and I feel it is necessary to move the motion at this time.

Hon. E. Nulsen: When do you anticipate that the House will rise?

The PREMIER: I think the hon. member had better give notice of that question.

Hon. J. B. Sleeman: Why not clean up those items?

The PREMIER: I have already stated that private members' motions and Bills will be considered.

Mr. Rodoreda: What harm would there be in informing the House when you expect to finish the session?

The PREMIER: I think we can finish without much difficulty in the first fortnight of December. I understand that members are anxious to get away.

Member: Some are.

The PREMIER: Then shall I say that quite a number of members are anxious to get away. I repeat that I believe we can finish the business of the session on the 12th December.

Hon. J. T. TONKIN: I quite expected this motion to be moved; as a matter of fact, I thought it would have come a little earlier, because it is fairly obvious that the Government wishes to close the session as quickly as possible. It has not

brought down much business of its own this session, in fact very little. Parliament was summoned later than usual and the Premier now proposes to close the session earlier than usual, so there will be very little of Government business accomplished this session. The Government knows that it has to face an election shortly and naturally wishes to make its preparations without the concern and pre-occupation of Parliament's being in session.

We are entitled to something more than the assurance that the Premier has given about private members' business. He said this business would be dealt with. We ought to be assured that it will be dealt with in sufficient time to permit of Bills transmitted to another place being considered there.

The Premier: I meant to convey that impression.

Hon. J. T. TONKIN: Following the statement of the Premier, it could be said later on that when we had given consideration to these matters on the last day of the session, they had been dealt with.

The Premier: No; no trickery of the sort was intended.

Hon. J. T. TONKIN: I accept the Premier's assurance because the matter is of importance to us. Bills have been introduced by private members with a genuine desire that they should receive the approval of Parliament, and they will not be passed if they reach another place very late in the session when there will be little time for consideration and they will probably be thrown out. We wish to be able to give early attention to these Bills so that they may reach another place in sufficient time to receive proper consideration.

We shall not attempt to deny the Government every facility to get its own business through. Apart from the General Estimates and the Loan Estimates, the latter of which have not been introduced, the Government has very little business on the notice paper, and so we should be afforded an opportunity to discuss private members' business. There have been occasions when the Government has had little business of its own ready to be dealt with and yet would not permit of private members' items being considered because it did not happen to be the day for that particular business. Consequently, it would be unfair to curtail the time available to private members now and thus prevent their getting their Bills passed.

The Premier: I shall see that they are dealt with at a very early date.

Hon. J. T. TONKIN: In consideration of that assurance no opposition to the motion will be raised from this side of the House.

Mr. STYANTS: This is a motion that is customarily brought down at this stage of the session and naturally we have no

great objection to it, but I should say that, judging by the notice paper, there is no necessity for moving the motion at the present time because there is very little business on the paper. I hope that we shall not on this occasion have a repetition of what occurred immediately after a similar motion was passed last session when something over 20 notices—all of them by the Government—were given within three days of the motion having been carried by the House.

The chaos that ensued towards the end of that session was unprecedented. I have occupied a seat in the House for 16 years and I do not recollect such utter confusion as existed, not only on the last day when the sitting extended over about 28½ hours, but on the last nine or ten days when we were sitting late at night and in the last three or four days till 2 a.m., 3 a.m. and 4 a.m. I trust that that will not recur, and hope the Government is not going to deluge the notice paper with business immediately the House has agreed to this motion.

Question put and passed.

MOTION—STATE ELECTRICITY COMMISSION CHARGES, ETC.

As to Inquiry by Royal Commission.

HON. E. NULSEN (Eyre) [4.51]: I move—

That in the opinion of this House a Royal Commission should be appointed to inquire into the high charges for electricity and gas, also the administration of the State Electricity Commission.

It is unfortunate that this motion should have to be introduced. It has been made necessary as a result of dissatisfaction, especially in the metropolitan area, with the activities of the Commission. The greatest source of dissatisfaction seems to be that the Commission is being run and controlled by only one man, the general manager and chief engineer.

The Minister for Works: There is a Commission.

Hon. E. NULSEN: With the permission of the Commission and the acquiescence of the Minister, power has been handed over to the general manager and chief engineer to make all payments and purchases and authorise works and services and staff matters, or depute other officers to attend to these matters. Authority has been handed over to the general manager, and the Commission is taking practically no responsibility in regard to the general working of the concern.

The Minister for Works: The members of the Commission must still accept responsibility.

Hon. E. NULSEN: I am rather surprised that the Minister has reduced the Commission to one-man control, because he has agreed to that on the recommenda-

tion of the Commission. I do not know whether he has the right to do it. I think the agreement is really illegal. Section 16 of the Act says—

Subject to the Minister, this Act shall be administered by the Commission.

But the Act is not administered by the Commission at all.

The Minister for Works: What proof have you that I have handed over that authority?

Hon. E. NULSEN: It is in the Auditor General's report for the 12 months ended the 30th June, 1949, that the Minister agreed to it.

The Minister for Works: To his carrying out the duties of general manager.

Mr. Totterdell: Would not the Commission have overriding authority?

The Minister for Works: Of course it is fully responsible!

Hon. E. NULSEN: Full authority has been handed over by the Commission, and it has been agreed by the Minister that Mr. Edmondson should manage and control the department.

Mr. Totterdell: Subject to the approval of the Commission.

Hon. E. NULSEN: No.

The Minister for Works: As general manager of the administration.

Hon. E. NULSEN: As general manager he should be subject to the Commission.

The Minister for Works: So he is.

Hon. E. NULSEN: He is not, because of the power having been handed over to him. I am surprised at the Minister doing that without going into the matter thoroughly. It has caused dissatisfaction throughout the State that there should be a Commission which has really no responsibility. In my opinion that nullifies its usefulness.

The Minister for Works: This is the first time I have heard the point raised.

Hon. E. NULSEN: There is always a first time.

Mr. Yates: Do you know how many times the Commission has sat?

Hon. E. NULSEN: That has nothing to do with the matter.

Mr. Yates: Do you know the number of times?

Hon. E. NULSEN: It does not matter whether the Commission sits once or a dozen times a month.

Mr. Yates: I wanted to know whether it was functioning; that is all.

Hon. E. NULSEN: The chairman of the Commission has been away for two or three months and the general manager has been acting as chairman.

The Minister for Works: He was appointed deputy chairman.

Hon. E. NULSEN: It is wrong that an executive officer should be on the Commission at all. Who is there to apply to for redress when there is dissatisfaction? It is a case of appealing from Caesar to Caesar. It seems that one man is entirely in charge of the S.E.C.

The Minister for Works: We have a competent Commission made up of men representing various interests, and I can assure you that they exercise their control and authority.

Hon. E. NULSEN: I do not care how competent they are. If they have given away the control which was theirs in accordance with the Act, they have made themselves null and void, and it seems to me that as far as the Commission is concerned they are not worth two hoots and are not worth the money they are being paid. I am not traducing their character in any way, but they have handed over full responsibility to one man and have relieved themselves of authority in regard to the management and general control of the activities of the Commission in this State.

The Minister for Works: Without mentioning names, do you think that these men would sit at meeting after meeting as figure-heads without accepting responsibility? Of course they would not!

Hon. E. NULSEN: Let me read from the Auditor General's report. It says—

On the 12th May, 1949, the Commission decided that—

All payments, purchases, works, services and staff matters, both salaried and wages, shall be authorised by the general manager and chief engineer or by those officers authorised in writing by him from time to time.

Mr. May: Get out of that one!

Hon. E. NULSEN: The report continues—

This authority was subsequently approved by the Hon. the Minister and has since been accepted by the audit for authority for all expenditure other than that referred to in Section 22 of the Act, and as authority for staff appointments, transfers and salary increases. Rates and conditions of salary and wages employees were checked with the relevant awards and the authority of the general manager obtained for special rates and conditions. As from the 1st July, 1949, lists of expenditure are being signed by the general manager.

The Minister for Works: Is that not the function of any general manager?

Hon. E. NULSEN: I am not saying that the Minister is not honest, but he must have had a vacant moment when he authorised the Commission to hand to the general manager the full power it had.

I know that the Minister will try to put up a very good argument to counter anything I have submitted, but that has been the general impression as far as the public is concerned.

The Minister for Works: The hon. member, being a businessman, will know that the Commission has retained to itself full right and authority.

Hon. E. NULSEN: This is the Auditor General's report. The Minister does not deny that this is the report.

The Minister for Works: I do not.

Hon. E. NULSEN: According to the report the Act has been disregarded, with the consent of the Price Fixing Commission, in respect to varying the rates of electric power to industry and householders. Although the general manager has made out a formula—

The Minister for Works: The Commission made out the formula.

Hon. E. NULSEN: If the Commission made it out—but it is carried out by the general manager. I do not agree with the formula. I think that .04d. increase for electricity for each 10s. rise in the basic wage, is tremendous. It also seems to me unjust that the consumer must wait for his account before knowing what he has to pay each month or quarter. The only notification he had in this connection was that the formula would be worked out on the basis of .04d. for electricity and .02d. for gas for each 10s. rise in the basic wage.

The increase of .04d. is a big one when we consider that electricity is generated in millions of units—I think for 1951 just on 250,000,000 units were generated. At 1d. per unit that amounts to £1,100,000; and .04d. is one twenty-fifth of a penny which runs into hundreds of thousands of pounds. I feel that money has been wasted, otherwise the Commission would not be in the position it is in today. The worst feature was the high-handed attitude of the Commission, when it told its compulsory customers that the only notification of increases would be what was advertised, and they would only know what it amounted to when they got the bill. In addition, this is made retrospective because if the rise of 1s. or 10s. occurs towards the end of the quarter it applies to the whole quarter. From accounts I have seen, I know this has happened.

The Minister for Works: The same thing applies in that very democratic state of New South Wales.

Hon. E. NULSEN: I do not care where it applies—it seems unjust.

The Minister for Works: Did you say .04d. or .004d.?

Hon. E. NULSEN: I said, .04d. for each 10s. It is .004d. for each 1s. No wonder the people who use electricity and gas are

dissatisfied with the Commission! Although I have respect for the members of the Commission, I say they have not been doing their job. They have handed things over to one man. Either he has looked for power and possibly outwitted the Commission so that it has put him in the position he is in today, or else the Commission has been anxious to get rid of its responsibility and so has handed it over to the general manager.

The Minister for Works: That is a bad slur on the Commission.

Hon. E. NULSEN: I feel the Minister has, probably not intentionally, agreed to power being given to one man, and to making this a one-man Commission.

The Minister for Works: I have not made it a one-man Commission, and I am well aware of what I have done.

Hon. E. NULSEN: It is no use the Minister saying he has not made it a one-man Commission because that is not in accordance with the Auditor General's report. The Minister just admitted he did not doubt the report, yet he says he did not make it a one-man Commission.

The Minister for Works: I did not.

Hon. E. NULSEN: Increased charges are made to cover the increased cost of coal and rises in the basic wage, but nothing has been said about any offset because of increased output. The greater the turnover, the greater the reduction in the cost of generating electricity. This point has not been considered; or the public has not been made aware of it. The basic wage increase is a fixed one, whereas the cost of coal is a variable charge depending on the efficiency of generation.

For example, if the "A" station at East Perth were used extensively it would increase the cost because the "A" station will produce only a kilowatt of electricity for 3lb. of coal, whereas if the "B" station at East Perth, or at South Fremantle, were used to the fullest extent it would take only 1½lb. of coal to produce a kilowatt of electricity. It seems, therefore, that efficiency in general management is required in this direction. We should have more information about the general efficiency of the S.E.C. The Commission has allowed its finances to fall into the hands of one man. This was never intended when the Labour Government initiated the Commission and placed seven men on it.

The Minister for Works: And seven men still function.

Hon. E. NULSEN: They are still on the Commission and are functioning, but they have allowed the general manager to control them to a very large extent.

The Minister for Works: I am sure they have not.

Hon. E. NULSEN: This has been agreed to by the Commission and acquiesced in by the Minister according to the Auditor General's report. I would like the Minister to look at the report and satisfy himself on this point. I feel he has done something unconsciously which he would not have done had he given it more consideration. The S.E.C. has never placed an annual report on the Table of the House in accordance with the Act. I have on a number of occasions asked for the report, but the only one we have had has been the one from the Auditor General to the Commission. On the other hand, I notice that, in accordance with the "Electrical Times" of London, a report has been received there from the S.E.C. Is that a report from the S.E.C. or one by the general manager sent in the guise of a report from the Commission? The report to which I refer is as follows:—

The highlight of the year covered by the annual report of the State Electricity Commission of Western Australia for the year ended 30th June last, which we have just received, was the commissioning of the first alternator and two boilers at the new South Fremantle power station. Attention was also drawn to the difficulty experienced in trying to build up a fuel stock pile to tide over the holiday period.

During the year 226,000,000 units were sold as compared with 163,000,000 in the previous year, but the balance sheet shows losses on the metropolitan system of £54,359 and on the South-West power scheme of £41,260. The latter sum has been recouped from the Treasury, but it is pointed out that the prime factor causing the loss in the metropolitan system is the fact that current is sold at .85d. per unit to the Fremantle Municipal Tramways & Electric Light Board. (That board's electricity undertaking was transferred to the Commission as from June 1st, last, we have recorded).

Work is well advanced on the extensions of South Fremantle and on the preparatory work for the new Bunbury power station. Ten more country undertakings have been acquired and the installation of new plant at many points is under way.

I wonder why that report has never been tabled in this House when, under Section 58 of the Act, the Commission is obliged to place the annual report on the Table of each House of Parliament. Why have other people in the metropolitan area or in the State received that annual report from the Electricity Commission, when Parliament has not?

The Minister for Works: I am making some inquiries about that.

Hon. E. NULSEN: The Minister knows that I have on several occasions asked for the report, of which a copy has not been sent to either Parliament or the Press. Other Government departments submit their annual reports, which are handed on to the Press for publication, but that has not been done in the case of this report. I think the Commission has been very high-handed in this matter and I am satisfied that it does not know what its own financial position is. I was glad to see that the loan of £1,000,000 floated the other day was fully subscribed. Had it not been for the floating of that loan this motion would have been introduced to the House much earlier. In the circumstances, however, my leader said that it would not be fair to introduce such a motion when the loan was about to be floated.

The Minister for Works: That is appreciated.

Hon. E. NULSEN: I would like to know what the financial position of the Commission really is, as the S.E.C. does not know where it is heading or, if it does know, Parliament has not been informed. As I have said, a £1,000,000 loan has just been fully subscribed and the capitalisation of the Commission is rising every day. According to the last balance sheet, as we now know, the capital of the Commission was said to be over £10,500,000, and so electricity must become more expensive. The Fremantle undertaking has not been brought into that capital yet nor have those at Midland Junction or various other centres, though they have been taken over by the S.E.C. When they are brought in the effect will be to take the capital to over £12,000,000. At this rate it will not be long before private enterprise will be better off having its own plant in view of the high charges that the Commission will have to make for electric light and power.

The Minister for Education: Do not forget that the cost of the activities of private enterprise is also rising.

Hon. E. NULSEN: But private enterprise is being well managed, whereas the Commission is not.

The Minister for Education: There are two divergent views about that.

Hon. E. NULSEN: I have a definite opinion about it. When the Minister lays the report on the Table of the House, and explains what has been done, we will be able to make comparisons between this Commission and those in other States, but lacking that information we are entitled to believe that the Electricity Commission has not carried out its duties properly and has been handed over to one man who has not had sufficient experience, and who is not worth the £2,750 per year that he is paid as head of this undertaking.

The Minister for Works: He was second choice when the New South Wales Government was seeking a manager for Bunnerong.

Hon. E. NULSEN: We do not know the inside information about that. When a man has not been in his profession for over 20 years, and has never previously generated electricity, he cannot have sufficient experience and the Minister knows that unless a manager has that practical experience he cannot do his work properly or justify the payment to him of such a high salary.

The Minister for Works: I have every confidence in the general manager.

Hon. E. NULSEN: I do not blame the Minister for that, but I have not that confidence in the general manager. Electricity charges in Perth are higher than those in Sydney or Melbourne, despite what Mr. Edmondson told the audience at a Legacy Club function on the 9th of September last. I will now quote some authentic figures showing the comparison of the cost of electric power to domestic consumers—

PERTH:	Per unit
Basic units "A" rate	6.55
Balanced units "C" rate	2.55

SYDNEY:	
Primary units	6.25
Secondary	2.2
Cooking—	
Secondary units	1.7
Water heating Night rate	0.9
Water heating Day rate	1.35

PERTH:	
Domestic rate	0.3 increase

The Minister for Works: Must we not work on the average cost of electricity to the domestic consumer?

Hon. E. NULSEN: These figures, as I have said, are authentic. To continue—

Secondary	0.35 increase
Water heating—Night	1.65 increase
Cooking	0.85 increase

The Minister for Works: Must we not work on the average cost of electricity to the domestic consumer?

Hon. E. NULSEN: It does not matter whether or not they are worked out on the average basis, they are the same.

The Minister for Works: I am afraid not.

Hon. E. NULSEN: They are and if there is any difference it is in favour of the Eastern States.

The Minister for Works: The rates in the different States are such that it is difficult to work it out on any basis except the charge to the average domestic consumer.

Hon. E. NULSEN: Those rates are enormous when it is realised that we produced over 250,000,000 units in the year.

The Minister for Works: This State has no off-peak-period rate.

Hon. E. NULSEN: No.

The Minister for Works: And the Eastern States are sorry that they have one.

Hon. E. NULSEN: Residential electricity supply for lighting, power, heating and cooking is cheaper in Melbourne than it is in Perth. In Melbourne the energy charge is 1.85d. and in Perth it is 2.55d.

The Minister for Works: What sort of charge is that?

Hon. E. NULSEN: We call it the "C" charge. The ratio is 2.55d. in Perth compared with 1.85d. in Melbourne; that means that the Melbourne price is 37½ per cent. lower than the price in Perth. Yet the general manager tells us that we have the cheapest electricity in Australia!

The Minister for Works: The general manager must stand up to his statements and I am sure he would go into the question thoroughly. If he made a public statement he would stand up to it.

Hon. E. NULSEN: He has had the opportunity and this is what he told us.

The Minister for Works: I do not know who gave you your information.

Hon. E. NULSEN: I wrote to Sydney and Melbourne and got the information from those States. I will now give some comparisons in rates and the various increases. In Perth in December, 1951, the "C" rate domestic was 5.92d. for primary units and 1.92d. for the balance, but in March, 1952, the primary units increased to 6d. and the balance to 2.92d. In June, 1952, the primary units had increased to 6.7d. and the balance to 2.37d.; in September, 1952, the rate had risen still further to 6.55d. for primary units and 2.55d. for the balance. In 1950 the rate for primary units was 4d. and the rate for the balance was 1.5d. Those figures show that there has been a considerable increase for primary units—round about 48 per cent.—in 12 months and an increase of 28 per cent. on the balance or "C" rate. In June, 1949, the rate was only 3d. and 1d. respectively. So it will be seen that there has been a considerable increase over a period of three years.

The Minister for Works: I find it difficult to assess the position on the figures you have given.

Hon. E. NULSEN: I would like the Minister to ask me any question so long as it is sensible and rational and something that he reasonably understands.

The Minister for Works: That is all I am asking you to do.

Hon. E. NULSEN: I know that revenue has increased considerably, but it should have increased more than the expenditure because any increase in the output of electricity should reduce the costs of genera-

tion. As the Minister must know, when turnover is increased profits are increased and expenditure does not rise proportionately. The same should happen in this case.

The Minister for Works: There has been a sharp rise in costs.

Hon. E. NULSEN: Kilowatts generated increased by 18.3 per cent. in 1951-52. The income, as per balance sheet, represented an increase of 30 per cent. during 1950 and the total cost of generation increased by only 28 per cent. The cost to consumers increased by 48 per cent. for lighting and 28 per cent. for domestic power during the year. The cost per unit generated in 1950 was 1.11d. and in 1951 it was 1.195d. That shows an increase of .085d. per unit and members must agree that that is considerable. The average revenue per unit sold in 1950 and 1951 shows the following comparison:—

	1950	1951
Units sold	176,540,659	249,827,639
Average price	1.9d.	1.76d.

There the average price in 1950 was higher than in 1951.

The Minister for Works: You have done a lot of research.

Hon. E. NULSEN: While these figures are comparative, they may not be accurate for the reasons given by the Auditor General—that the statements are not a true outline of the operations of the Commission.

The Minister for Works: Do you say that the statement given to the Auditor General is not a true outline of the position?

Hon. E. NULSEN: He admits that himself. He says that it is not a true outline. The Minister must have read his report and he should know more about it than I do.

The Minister for Works: I assume you have made a fair study of it.

Hon. E. NULSEN: I read it, and the Minister will be compelled to do so too if he wants to understand the position. The position is alarming because if the price of electricity and gas is to be increased in this manner and we are still to show a deficit, I do not know where we will finish up. I now wish to discuss the question of units purchased and units sold. From whom were the units of electricity purchased, and at what price? I really do not understand that question because why does the Commission have to purchase units or is that only a means of book-keeping? The S.E.C. controls the generation of electricity in this State. So I would like the Minister to explain why the Commission purchased these units of electricity. I could understand it if the Perth City Council purchased them from the Government, but I cannot understand why the S.E.C. is purchasing units of electricity from itself. Of course, it may be just a means of bookkeeping and I am not reflecting on the accountancy angle of it.

There is another feature of the operations of the S.E.C. and that concerns the taking over of local authorities' electric lighting departments. While the S.E.C. has power under its Act to acquire such undertakings as going concerns, I think it should pay for them out of Loan funds and then capitalise them, and not immediately pay for them from Revenue. The method adopted by the Commission now makes present-day consumers pay for what posterity will enjoy. It is not fair that present-day consumers should have to pay for what the Commission is now doing. Why should not posterity take some of the responsibilities and liabilities?

For instance, the Collie Power Station cost over £340,000 and between 15 and 20 other electricity supply stations have been taken over in the country areas. The price paid by the S.E.C. for each of the country stations taken over has not been revealed either in the Auditor General's report or anywhere else. All that we know is that the undertakings which have been taken over by the Commission have shown a loss of £51,672 for the year ended 1951. Parliament should know what the Commission has paid to each of these local authorities.

The Minister for Works: It will be made public in due course.

Hon. E. NULSEN: It is the responsibility of the Commission to table a report, including statistical returns. All other departments have to do that but not one annual report by the S.E.C. has been made available. They have been sent overseas and I think they have been forwarded to other concerns in Australia. They have not been laid on the Table of the House here. The only report we have had throwing any light on the Commission's activities is that received from the Auditor General. The details embodied in it are rather complicated for a layman to go through and understand thoroughly. The Minister will appreciate that fact. Why is it we have not received annual reports from the Commission? Is it because the general manager has refused to submit the necessary information to the Commission so that it could frame its reports, as it should in accordance with the provisions of Section 58 of the State Electricity Commission Act?

The Minister for Works: Is it the absence of the report for 1951 that you complain of?

Hon. E. NULSEN: We have not received one report since the State Electricity Commission was established. I have asked numerous questions about the submission of reports by the Commission so that I could go into the whole of its ramifications intelligently. The country power scheme was inaugurated by the Wise Government with the object of supplying power as cheaply as possible to the primary producers. All that the State Electricity Commission has done is to supply current

in bulk to acquired stations. The trend seems to be in the direction of increasing the cost of electricity instead of reducing it. That must be obvious to anyone.

The Minister for Works: Naturally that would be the position with increased costs.

Hon. E. NULSEN: That is so, but the cost has risen to a greater extent than it should.

The Minister for Works: On whose say-so?

Hon. E. NULSEN: On my say-so after perusing the report I have referred to and comparing it with other reports available from the Eastern States. That is the position, despite the fact that conditions were so much more favourable in Western Australia than they have been in the Eastern States.

The Minister for Works: Why have they been so much more favourable in this State?

Hon. E. NULSEN: Because the Commission was started off on a sound foundation by a past general manager in the person of Mr. Taylor. There is no question about that gentleman's engineering ability. He laid the foundations of the Commission on a very satisfactory basis and, had his proposals been carried out, the financial position of the undertaking today would be very different.

The Minister for Works: In some respects what you say about Mr. Taylor has been recognised. It is recognised that he did a very good job and he was responsible for drawing up the plans for one section of the South Fremantle power station.

Hon. E. NULSEN: He drew up the whole of the plans for that project.

The Minister for Works: Yes, for "A" station.

Hon. E. NULSEN: Not content with the increased charges imposed, amounting to 100 per cent., the consumer is now told by the Commission that the meters used for 40-cycle current will not be adjusted for 50-cycle operation.

The Minister for Works: Not necessarily.

Hon. E. NULSEN: These meters will register inaccurately and to the detriment of the consumer.

The Minister for Works: I am advised that it is not necessary to adjust the meters.

Hon. E. NULSEN: On that point, the Chief Secretary stated in this House—I refer the Minister to the "Hansard" report of the 26th August, 1952, page 537—that meters would not require adjustment. The question put to him was—

With the conversion of the 40 cycle to 50 cycle supply, does the meter have to be adjusted?

The reply of the Minister was, "No."

The Chief Secretary: And I say that again in 1952

Hon. E. NULSEN: Yes, speaking on behalf of the Minister responsible.

The Chief Secretary: Quite so.

Hon. E. NULSEN: It is not right, seeing that these meters cannot work accurately under the changed conditions. I am informed that the application of 50-cycle current to a meter used for 40-cycle current makes the meter work faster. From what I can learn such a meter operating on 50-cycle current will turn not less than 5 per cent. faster and that the margin of accuracy is plus or minus 2 per cent.

The Minister for Works: I took up this matter with the Commission and the general manager, and I received a report that there is no evidence to support that statement. If it is wrong, independent advice might be obtained. Surely those officials would not indicate that there was no difference if, in fact, there was a danger of the meters being turned more quickly.

Hon. E. NULSEN: My information is that there is a difference, and I understand in some cases it is as much as 25 per cent.

The Minister for Works: On whose authority do you make that statement? Who advised you?

Hon. E. NULSEN: The authoritative statement I got was from an expert in Melbourne to whom I wrote, and I have stated what I was informed. I will not give the Minister the name of the engineer in question because he works in one of the power stations and, of course, it would not be fair to do so. Is the Minister serious when he says that meters are not affected by the conversion of the electricity supply from 40-cycle to 50-cycle?

The Minister for Works: Yes.

Hon. E. NULSEN: Some people say there is a difference of 25 per cent. in the frequency supply. Will he repeat his statement to the House or say who made the statement to him? Either reply will do.

The Minister for Works: Yes, I do, and I stand by my statement.

Hon. E. NULSEN: It is no credit to a Government utility that it would use knowingly a piece of apparatus, such as an electricity meter, for the purpose of increasing its earnings, being well aware that the registration would be inaccurate and to the detriment of the consumer.

The Minister for Works: As Minister in charge of electricity matters, I say again that I referred this particular question to the chairman of the State Electricity Commission and to the general manager, and it is very wrong to infer that the meters are being used for any ulterior motive.

Hon. E. NULSEN: I would not expect the chairman of the Commission to understand the position because he is a civil engineer.

The Minister for Works: He is a responsible person.

Hon. E. NULSEN: Yes, but he is not an electrical engineer. The general manager of the electricity undertaking has not had very much experience in that respect, but I presume he could probably obtain the necessary information from others who have the requisite experience.

The Minister for Works: The advice you obtained in this respect might not be accurate. It might be as wrong as you suggest that of someone else is.

Hon. E. NULSEN: This action on the part of the State Electricity Commission with regard to the meters has added probably at least £120,000 to its income. No such action could be supported in any British community.

The Minister for Works: That is just a wild guess!

Hon. E. NULSEN: That is my opinion.

The Minister for Works: But nevertheless it is only a wild guess.

Hon. E. NULSEN: The State Electricity Commission was brought into being by the Wise Government in 1946. It was constituted with seven members for the purpose of developing the electrical requirements of the State, frame its policy and provide power for the industrial life of the community.

The Minister for Works: And that is being done.

Hon. E. NULSEN: The members of the Commission have failed to carry out those objectives. They willingly, and with the approval of the Minister, gave over to the general manager the whole of the functions of the Commission, for the carrying out of which the Wise Government created it.

The Minister for Works: You said that at the beginning of your speech.

Hon. E. NULSEN: Yes, but I am summing up now. The fact I have stated was not disclosed until the Auditor General's report for 1949 was tabled in this House. That is probably why no annual reports have been submitted to Parliament. There is no need for them. The State Electricity Commission Act has been swept aside by the general manager and in its place a dictatorship has been set up, the result being a loss of approximately £1,000,000 since 1946. That has occurred notwithstanding that the cost of electricity has gone up considerably over 100 per cent. I will give the figures later on. The need for a Royal Commission to investigate the whole of the administration and management of the Electricity Commission is obvious. Any such Commission

should have the widest powers to clear up the mess that has been created. Under present conditions the Electricity Commission cannot balance its budget and, in fact, it is in a hopeless financial muddle.

The Minister for Works: That is not so.

Hon. J. B. Sleeman: There is provision on the Estimates to meet a loss of £110,000.

Hon. E. NULSEN: The member for Fremantle has shown the position.

The Minister for Works: And a big part of that loss occurred in the Fremantle area.

Hon. E. NULSEN: I would sum up the position as I see it by making the following points:—

(1) I feel that the State Electricity Commission has fallen down on the job intended for it when the Wise Government provided its setup.

(2) No report has been submitted by the Commission to Parliament in accordance with Section 58 of the State Electricity Commission Act.

(3) The State Electricity Commission has practically handed over the administration of the Act to one man.

The Minister for Works: That is not so.

Hon. E. NULSEN: That one man is the general manager and chief engineer.

The Minister for Works: It did not.

Hon. E. NULSEN: The other points are—

(4) Acquiescence of the Minister in centralising control of the S.E.C. in one person.

(5) High cost of electricity and gas per unit to the consuming public.

(6) High capitalisation.

(7) Deficit of nearly a million—to be exact, £987,302.

(8) Kilowatt price higher than in Melbourne and Sydney.

The Minister for Works: Our prices compare very favourably with those of other States, as I shall prove.

Hon. E. NULSEN: I consider that a full investigation is really necessary and the Minister should agree to it because, if there is any doubt in his mind that the Commission has done a good job, an inquiry could establish the fact and it could be published. The position of the Commission should be cleared up. We have not had any information from it, but we might obtain the desired information if we had a full inquiry.

The Minister for Works: Have you a good man in mind to be chairman of the Royal Commission?

Hon. E. NULSEN: That would be a matter for the Government. I take it the Royal Commissioner would probably be a Judge of the Supreme Court. The Gov-

ernment has already been told by "The West Australian" in a leading article that it would be wrong to agree to an inquiry by Select Committee or Royal Commission. Consequently, my only hope is that there may be a few members on the Government side who are not satisfied with the management of the Commission. If that be so, there should be a chance of securing the appointment of a Royal Commission. Since the S.E.C. took over from the Perth City Council, the administration cost has increased from £40,638 to £225,721.

The Minister for Works: In what year did the Commission take over, 1947?

Hon. E. NULSEN: No, in 1948 or 1949. The year is mentioned in the annual report. That represents an increase of over 500 per cent. This increase may be justified, but we have not had any information to enable us to form an opinion. We have not had an annual report from the Commission stating its views. It seems to have evaded its responsibility to Parliament.

The liability of the Commission is very great. For the next 50 years, the consumers of electricity must provide £60,000 each year in payment to the Perth City Council to cover the amount of £3,000,000. The interest payable is £56,000 a year and so the Commission will have to find £116,000 a year for a period to meet this liability. It is nearly time that Parliament awoke to a sense of its responsibility and inquired into what the S.E.C. is doing.

The Minister for Works: By what standard do you say that £116,000 is large? Have you compared it with Melbourne figures?

Hon. E. NULSEN: We cannot draw a comparison with other States because we are only an infant when contrasted to them.

The Minister for Works: But you were making a big song about the charges in Melbourne.

Hon. E. NULSEN: We are favourably situated as regards conditions, fuel and other requirements.

The Minister for Works: Other States have fuel.

Hon. E. NULSEN: When the S.E.C. took over in 1946, there was an accumulated surplus of £325,961 and the capital was only £2,216,378.

The Minister for Works: We did not have a great deal at the East Perth power house to show for that.

Hon. E. NULSEN: When the S.E.C. took over, the East Perth station was in perfect condition. It was only since the present general manager took charge that it collapsed to the extent it did. I wrote a letter stating the cause as I knew it, but received no reply.

The Minister for Works: Yes, as you knew it.

Hon. E. NULSEN: The East Perth station was in good condition and the "A" station in wonderful condition, according to one report, but that was said to cover up the inefficiency of the new management. Previous to that, did we ever have any trouble at the East Perth station? Were we ever held up in regard to light?

The Minister for Works: We should plan for the future.

Hon. E. NULSEN: We were planning for the future. Who was responsible for the building of the power house at South Fremantle? It was the Labour Government, which sent the then general manager, Mr. Taylor, to England in 1944.

The Minister for Works: I admitted that at the public opening.

Hon. E. NULSEN: What is the Minister complaining about? Is he reflecting upon the previous management of the East Perth station?

The Minister for Works: Not half so vigorously as you are reflecting on the present management. It cuts both ways.

Hon. E. NULSEN: After the Minister has spoken to the motion, I shall have an opportunity to reply to him. At present the cost of generating current per unit is 2.06d. whereas, in 1946, when the Commission took over, the cost was .996d.

The Minister for Works: What was the basic wage at that time?

Hon. E. NULSEN: Of course, it was not as high as it is now, but comparatively speaking, there should not be a deficit of nearly a million.

The Minister for Works: The Commission is now responsible for the generation of current throughout the metropolitan area. There was a big lag in maintenance everywhere when it took over.

Hon. E. NULSEN: Will the Minister see that in future the annual report of the Commission is laid on the Table of the House?

The Minister for Works: Yes.

Hon. E. NULSEN: Could the Commission put up a statistical, technical and financial statement showing comparative results of operating for the last five years?

The Minister for Works: A report as provided for in the Act. We do not propose to go any further.

Hon. E. NULSEN: We have never had a report from the Commission and it should be tabled each year. I want to know particulars of the capital investment, earnings, working expenses, excess of working expenses over earnings, interest charges, deficit, operating expenses per centum of earnings, increased price of electricity per k.w.h., decreased price of

electricity per k.w.h., increased price of gas, decreased price of gas, average price per k.w.h. sold, cost per k.w.h. sold, cost per k.w.h. generated, expenditure on generation and distribution, total working expenses, total interest charges and the balance showing a surplus or deficit. We should also have compiled a schedule of technical statistics.

Members should have easily accessible and readily understandable information, which they have never had. The information has been very scant indeed, and had we had more of it, this motion would probably not have been moved. The House has been treated contemptuously by the S.E.C. If it had treated any court of law in the same way it would have been charged with contempt, and I think it should be charged with contempt of Parliament for not carrying out the Act as it should have been administered.

Mr. Graham: I think the Minister must assume some responsibility there.

The Minister for Works: Yes, from the back seat!

Hon. E. NULSEN: The Minister should, but I think it was in his innocence that he allowed this to go on.

The Minister for Works: I take full responsibility. I do not want any apologies.

Hon. E. NULSEN: He has probably been deluded by the general manager.

The Minister for Works: I have not been deluded by the general manager any more than you were deluded by your general manager when you were in office.

Hon. E. NULSEN: I did not allow any general manager to delude me.

The Minister for Works: Neither do I.

Hon. E. NULSEN: I carried out the provisions of the Act, but the Minister has not done so. I think I have advanced sufficient justification for the appointment of a Royal Commission to inquire into these matters, to satisfy the people and to clear the Commission.

The Minister for Works: A most unconvincing case!

Hon. E. NULSEN: If I have submitted an unconvincing case, it will be for the Minister to answer. I hope he will make a comprehensive reply to my remarks. I think I have said sufficient to prove that things are not as they should be in connection with the general management of the Commission.

On motion by the Minister for Works, debate adjourned.

[Mr. Hill took the Chair.]

MOTION—HOUSING.

As to Austrian Prefabricated Homes and Rents.

Debate resumed from the 15th October on the following motion by Hon. J. T. Tonkin:—

That in the opinion of this House, because dereliction of duty, weakness and inefficiency in administration have caused the extraordinarily high capital cost of the Austrian prefabricated houses, it is unfair to assess rentals on this cost, which should be substantially written down to permit of a reduction in the rents to make them comparable with those of locally produced houses in accordance with the expressed intentions of the Commonwealth Government when it decided to provide the subsidy of £300 for each imported house erected.

THE MINISTER FOR HOUSING (Hon. G. P. Wild—Dale) [5.53]: This House listened a fortnight ago to a continuance of the scandalous statements—

Hon. J. T. Tonkin: Here we go again! They were quotations from the files, not scandalous statements.

THE MINISTER FOR HOUSING:—which the Deputy Leader of the Opposition has put up this session against the State Housing Commission.

Hon. J. T. Tonkin: Quotations from the file; that is what you have to answer.

THE MINISTER FOR HOUSING: He endeavoured, as has been his wont this session, to smear some individual or individuals.

Hon. J. T. Tonkin: Mr. Deputy Speaker, I object to what the Minister is saying. It is without foundation, and I ask for a withdrawal of that word "smear."

Mr. DEPUTY SPEAKER: I ask the Minister to withdraw.

THE MINISTER FOR HOUSING: I consider—

Hon. J. T. Tonkin: It does not matter what you consider! Do what the Deputy Speaker says!

Mr. DEPUTY SPEAKER: The Deputy Leader of the Opposition has objected, and I ask for a withdrawal.

THE MINISTER FOR HOUSING: All right. I will withdraw the word "smear" at his request. He endeavoured to paint a picture by innuendo against members, or a member of the Housing Commission, though he did say that his speech was not aimed at any individual or set of individuals. I do not know how he can line that up with the wording of the motion, which begins—

That in the opinion of this House, because dereliction of duty, weakness and inefficiency in administration...

In using those words, the hon. member must be lining up his innuendo against some individual or individuals. However, that is nothing new to this Chamber, nothing new whatever, and I am going to show the House that it is just a continuation of his previous campaign and is nothing but humbug and claptrap.

Hon. J. T. Tonkin: All right! You have a job in front of you.

THE MINISTER FOR HOUSING: It is going to take me some considerable time to reply to all the allegations made against an individual or individuals of the State Housing Commission, and I shall have to be pardoned for doing a great deal of reading. The first complaint of the Deputy Leader of the Opposition was that the papers were tabled for only one week. Previously I had been asked to lay the papers on the Table, but had refused because I said it was not in the public interest. The papers were not available at the time for two reasons.

One reason was that they were in constant use at the State Housing Commission. The second reason was that a case or cases might be cited through the Crown Law department against either the Commonwealth with the quarantine regulations or against the providers of these houses. Therefore, when it was finally agreed to table the papers, even though the Deputy Leader of the Opposition said he was getting a considerable amount of information—on this occasion he said it was not coming from a civil servant—it was felt that one week should be ample for him to cook up the case that he submitted 14 days ago. I may say that in the seven days that the papers lay on the Table, the Housing Commission was put to considerable inconvenience. Contractors required payment and it was impossible, with the files up here, to be able with any degree of accuracy to assess the amount of money which was their due.

A further allegation was that pages were missing and not in order. An explanation has already been given to the hon. member by way of answer to a question, but it is just as well to have a look and see what happens in regard to a big contract such as this in which 76 files are involved. When it was first suggested that these houses should be imported from overseas at the behest of the Commonwealth Government, the first file was created; and as events went on, leading to the purchase of these homes, the files grew in number until, when they were tabled, they had increased from one to 76. A complaint was made that when papers were removed from the master file and from the sub-files to smaller files again, no indication was placed on the files that the papers had been removed and where to.

I think there is something in that. But who was expecting a detective to want to have a look at the files relating to the Austrian prefabricated houses? They are the property of the State Housing Commission, and the officers know full well to which files particular papers have gone. Now that the question has been raised and looked into, I think that the officer in charge of recording files should, as a matter of convenience, have stated that certain papers had gone to other files when they were removed from the master or sub-master files. However, that is merely a matter of administration, and the hon. member was told in answer to questions that the papers he mentioned as missing were on other files, and he was given the opportunity of going to the State Housing Commission to see them. He also said he had definite information that certain officers of the Commission had asked to be given their instructions in writing, but could find nothing on the files to that effect.

I do not know where the hon. member got that information from, unless it was from any of the interviews that he had with officers or others from the State Housing Commission, because I can find no instance of it whatsoever, and from the chairman's interrogation of the accounts branch and the people who have been handling the Austrian files, no one seems to know anything about this allegation. Furthermore, in this organisation only two people sign the cheques, and they will not sign them unless someone has placed something on the file giving them authority to do so. The Deputy Leader of the Opposition also stated that he was reliably informed that certain officers in the accounts branch asked that their instructions be put in writing before they submitted certain accounts for payment. Again, I would like to know who the reliable informant is. I feel sure he is not a member of the State Housing Commission.

The hon. member went further and commented on the wording of a minute by Mr. Herlihy, who is the officer in charge of administration in the architectural section. The minute, according to the hon. member, commenced by saying, "I have been instructed by Architect Grayson to put up an interim payment for interest. Presumably the hon. member meant 'extras'. An officer like Mr. Herlihy was only carrying out the instructions of the Chief Architect, as he is not in a position to O.K. any variation of the standard practice. If I wished to instruct a junior officer to do something I would not just wave my hand and say, 'Do this,' and then when the account was presented to the accounts branch for payment not expect to have it questioned. I would issue the instruction to the officer to do the job, and he in turn would give the authority, under his name, somewhat as follows, 'I have

been instructed by my superior officer to pass such-and-such an account for payment."

Hon. J. T. Tonkin: Why does it not appear more often on the file if that is so?

The MINISTER FOR HOUSING: This particular complaint happened to be one from Sandwell & Wood that they were not receiving their payments to time in regard to extras. I might say that with a large contract like this, with a large number of men employed, and all the payments that had to be made to sub-contractors, a large amount of money was required. Sandwell & Wood found—and I can quite sympathise with them—that they were getting into financial difficulties, particularly in these days when so many items carry what we might call extras. There are extra costs on all types of sub-contractors' work and extra wages. So they came to the Housing Commission and asked the Commission to speed up payment of the money which was rightly theirs under the extras side of the contract. Mr. Herlihy, therefore, was only carrying out the instructions which the Chief Architect, Mr. Grayson, who had been told by the chairman of the Commission to endeavour to expedite the payment of these moneys to Sandwell & Wood, gave.

[The Speaker resumed the Chair.]

Hon. J. T. Tonkin: Did Sandwell & Wood complain only once?

The MINISTER FOR HOUSING: To the best of my knowledge, the complaint was made only in the last two or three months. The time might go a little further back, to 5 or 6 months ago, because of the lesser amount of money then being made available by the banks. About 5 or 6 months ago was the first time I heard that Sandwell & Wood were pressing the Commission to be more expeditious in the payment for extras. The member for Melville went on to say that all the information in his possession at the time—and he was referring to the unfortunate Gorddard incident of the 5th August last—came to him from members of the public in the employ of the Civil Service. He stated he got the information directly or indirectly from members of the Civil Service who were perturbed about what was going on inside the department.

Only responsible officers of the State Housing Commission would be in possession of the full facts appertaining to the Austrian contract, and it is not likely that they would discuss their business outside the Commission. If, as the hon. member stated, the general public got its information indirectly, or directly, then, all I can say is that very little credence can be given to information received in such a haphazard manner. Of course, the hon. member may have got his information, although I do not believe it, as a result

of the unfortunate incident to which I referred just now. One does not know, although he did say in his explanation to this House that the unfortunate individual did not say anything, but that he wanted to observe the reaction to what he had to say, in a conversation taking 45 minutes, and one that was so hush-hush that although they met at the Palace Hotel corner it did not take place there. Oh, no, he was too frightened of somebody seeing him there and so they went down to the Esplanade, by the bowling green, in order that no one should see him. I say that little credence can be given to information received in such a manner.

Hon. J. T. Tonkin: In what manner?

The MINISTER FOR HOUSING: The Deputy Leader of the Opposition then went on to refer to claims amounting to thousands of pounds in dispute between the contractors and the Commission. Even if there happened to be £10,000 in dispute, that would still be only one per cent. of a £1,000,000 contract and I have yet to see a contract of that magnitude in which there is not some difference of opinion with regard to many items.

Hon. J. T. Tonkin: A contract of great magnitude, and one that was given without tenders being called.

The MINISTER FOR HOUSING: It is not a matter of claims being in dispute but of some disputation as to the validity of certain payments and so I repeat that, in a contract of that size—

Hon. J. T. Tonkin: I admit its size; it was very large.

The MINISTER FOR HOUSING: —we find an error of only one per cent., and I have yet to find a contract of that magnitude in relation to which one would not find disputes regarding at least that amount, and probably much more.

Hon. J. T. Tonkin: How many of the 900 houses have so far been erected?

The MINISTER FOR HOUSING: The Deputy Leader went on to say it was agreed that the £300 would be a sufficient sum to bridge the gap between the cost of locally produced houses and that of the imported ones. He also referred to the decision arrived at by the Melbourne conference, "That there was necessity to adjust the capital indebtedness on imported houses to a figure comparable with the valuation of a similar type of house built under local conditions." That is correct, but it is incorrect to say that Western Australia agreed to that, because it did not. I desire to refer to a minute addressed to me that appeared over the signature of the chairman of the Housing Commission following on his return from that conference with the Hon. R. G. Casey, representing the Commonwealth Government, and dated the 22nd September, 1950.

Hon. J. T. Tonkin: From what file is that?

The MINISTER FOR HOUSING: From file 5831/50. He said—

At a recent conference of State Housing authorities held in Melbourne, the Hon. R. G. Casey, Minister for Works and Housing, intimated that there was a possibility of the Commonwealth Government agreeing to a subsidy at a flat rate of £300 per house. This was opposed by the Western Australian representatives who claimed payment of a subsidy representing the difference between the cost of the imported house and the value of the house built under local conditions. This view is supported by the Commission.

And so, although we received only £300, owing to a majority vote at that conference, Western Australia knew at the time of the conference that the £300 per house was not going to be sufficient. The Deputy Leader went on to refer to the secretary's minute—it was Mr. Bond at that time—regarding the proposal that the Commission spread the extra cost of imported houses over locally built houses completed and now being constructed.

I am afraid in this instance that the hon. member got his dates or the minutes on the files confused, because the secretary's minute referred to is dated the 13th August, 1951, long before the Austrian pre-fab contract had been signed, and it referred to imported materials being used in the pre-cut houses in Western Australia. Mr. Bond did work out at that time a formula which he considered should be applied to all the houses in the State but, on the 1st November, 1951, the Commission disagreed with the contention that he had put forward. It appears on file 645/44, volume 2, where the Commission said—

- (1) That the distribution of the amount covering cost of imported material be in accordance with attached schedule P.223.
- (2) That the capital loading be immediately proceeded with.
- (3) The increase of rent be deferred until action re rent Bill has been finalised by Parliament.

The Commission's decision was not to be found on the files relating to the Austrian imported project but on the general file of the State Housing Commission dealing with weekly rentals.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR HOUSING: Prior to the tea suspension I had spoken of the minute of the then secretary of the State Housing Commission in connection with the spread of the extra costs of imported houses over the locally built houses and

those under construction. The next reference to the contract by the member for Melville was to Thermo Builders (W.A.) Ltd., and to Mr. Baldwin who was connected with that company. That company was the lowest tenderer for the original project which was to cover the supply and erection of these houses. The hon. member also made reference to the fact that the Commission came very close to signing a contract with this firm. The consideration of the tenders was a matter entirely for the Commission and the chairman, and the members of the Commission considered that Thermo Builders (W.A.) Ltd., as the lowest tenderer, should be recommended to me, as Minister, as the successful tenderer. As a result of the meeting of the Commission at which this decision was arrived at, the chairman prepared the necessary paper together with a Press statement and forwarded them to me.

In the meantime, there had been a collapse of this company in Western Australia and as a result it was not possible for the Commission to complete negotiations with the firm. I would like to read to the House the minutes of the special meeting of the State Housing Commission held in the board room at 11 a.m. on the 8th November, 1950, at which were present the chairman Mr. Brownlie and Messrs. Clare, Coram, Stoddart and Mrs. Kinsella. Apologies were received from Messrs. Harler and Brine. The chairman submitted a memorandum setting out the difficulties which had arisen in connection with the importation of the houses from abroad and then went on to say—

Negotiations with Thermo Builders (W.A.) Ltd., have proceeded over a considerable period due mainly to the necessity for ensuring that the Commission is fully protected in respect to any agreement entered into. The company on its part has been unable to finalise its section of the required undertaking, particularly in respect to the security deposit which is required by the Commission in regard to the contract. As the Commission is pressed for some decision, it has been found that the company, because of dissension, within its own ranks, is unable to comply with the Commission's requirements.

I want to interpose there. At that time it was known that these houses were shortly to be loaded for transportation to Australia and it was necessary to get on with the job of appointing a contractor. The successful tenderer, at that stage, should have been preparing the ground and putting in stumps for the reception of the houses. The minute continues—

The need for decision is so important from the Commission's angle that the secretary of the company (Mr. Baldwin) was asked to issue a decision as

to whether his company was prepared to complete the contract document by 1 p.m. today. He interviewed me this afternoon and the position as outlined by him is as follows:—

- (a) Because Mr. Bennett (architect), one of the directors of the company refused to give a personal guarantee in connection with the bond (security deposit) the company's directors could not complete the condition of the contract required by the Commission.
- (b) There is doubt that a Mr. Bradford, who is a personal friend of Mr. Bennett, will continue as a director of the company or, in fact, associate with the company, and the only director left is a Mr. Clark, who has signified his intention of investing £1,000 in the company.

The position, so far as Mr. Baldwin described it to Mr. Nish and to me, is that the company is without directors—there is no paid up capital and to all intents and purposes the company, as originally formed, has ceased to function.

The chairman, in this memo went on to say—

The matter was discussed generally and it was decided to—

- (1) advise company because of inability to complete agreement that negotiations at an end;
- (2) approach C. H. Plunkett, A. T. Brine & Sons Ltd., Sandwell & Wood, Pty. Ltd., with a view to taking delivery of all or some of houses and erecting on sites at price fixed by State Housing Commission;
- (3) confer with Crown Law Department and advise Government of decision and position.

So one can see the reason for the change of front that was necessary because this company, which had been the lowest tendered for the erection of these houses, was unable to complete the agreement. The member for Melville also went on to raise the point as to why I, as Minister for Housing, amended the submission of the Commission in connection with the recommendations concerning the employment of a local contractor for the erection of these houses.

The first minute on this matter was written to me, by the chairman of the State Housing Commission, on the 17th November, 1950. It pointed out what had

to take place in regard to this contract and the acceptance of delivery and erection could be arranged in one of several ways—

- (1) Public tender, including storage, carting to site and erection.
- (2) Private tenders for as above by invitation to leading builders who are known to have the capacity and ability to submit a price for consideration—one builder only to be selected. No tender necessarily to be accepted.
- (3) An invitation to one builder known to have capacity, etc., to submit price for work as above.
- (4) Invitation to a number of builders—say, three—to share jointly in the work at a mutually arranged price.
- (5) The whole of the work to be undertaken by the State Housing Commission.

He went on to say—

The Commission has given careful consideration to the matter and feels that the best course would be to invite private tenders to enable one builder to be selected to do the work in accordance with suggestion No. 2.

He winds up by saying—

In all the circumstances, the Commission therefore recommended calling for private tenders from a minimum number of builders capable and willing to undertake the work with a view of giving a contract to one of them for the transport, storage and erection of the total number of imported dwellings.

I did, as the Deputy Leader of the Opposition said, then submit my recommendation to Cabinet on the 27th of the same month. I will read what I had to say in my recommendation, quoting the final paragraphs—

The State Housing Commission will therefore have to find a local contractor who will be prepared to supervise and administer the erection of the pre-fabricated houses. There are two methods of obtaining a contractor—

1. By calling tenders from builders capable of undertaking this work.

Here is what I would like members to take notice of—

2. By selecting a builder or builders who have proved to the State Housing Commission that they would be capable of performing such a contract.

After some consideration, I recommended that the State Housing Commission be empowered to select a builder or builders to undertake this work.

Thus, I wound up my recommendation to Cabinet by saying that in these circumstances, the State Housing Commission should be empowered to select a builder or builders to undertake this work. That was much wider than the Commission's recommendation.

Hon. J. T. Tonkin: You are telling me!

The MINISTER FOR HOUSING: The Commission said that, in all the circumstances, it recommended that we call for private tenders from a minimum number of contractors willing and able to undertake this work, with a view to a contract being given to one of them. It will be seen that I did more than that.

Hon. J. T. Tonkin: You did not call for tenders.

The MINISTER FOR HOUSING: I suggested that a "builder or builders" should be approached to undertake the work.

Hon. J. T. Tonkin: Without calling for tenders.

The MINISTER FOR HOUSING: Then finally, on the 12th March, a meeting of the Commission was held. The minutes show the following:—

Minutes of State Housing Commission sub-committee meeting held in the Board Room, 2 p.m., 12th March, 1951.

Present: The Acting Chairman (Mr. Clare) Messrs. Harler, Coram and Stoddart and Mrs. Kinsella.

IMPORTED HOMES—erection by Sandwell & Wood Pty. Limited.

Quote from Sandwell & Wood Pty. Limited dated 28th February, 1951, for supply and erection of sub-floor timbers, the supply of all other materials required for the house in excess of that supplied by Thermo Insulated Units of London and the complete erection of the houses in the metropolitan area with imported labour for the sum of £1,066 18s 10d. each, approved. Mr. Nish to see clause included in contract protecting Commission in event of Thermo Insulated Units of London not doing its part. 3916/49.

It is interesting to observe that, subsequent to the war, it had not been possible to get tenders for the construction of homes for the State Housing Commission at all, whether they were Commonwealth-State rental or war service homes. Until the last three months, they had been working exclusively on the fixed base price. I want to quote for the House, particulars round about the same period, of private tenders or contracts that were entered into by the three big companies—Sandwell & Wood, A. T. Brine and Plunketts—with the State Housing Commission on the same base price arrangement that had

operated right throughout the building contracts with the State Housing Commission.

For the year ended the 30th June, 1950, contracts with these particular people totalled £1,972,928, up to the 30th June, 1951, £1,671,967, and to the 30th June, 1952, £1,537,879, and the three large contracting organisations—I refer to Sandwell & Wood, A. T. Brine and Plunketts—for the same period entered into contracts on the base price arrangement representing amounts of £563,790, £513,270 and £467,836 respectively. At this time, Mr. Brownlie, the chairman of the State Housing Commission, was negotiating and endeavoured to get one of these three major builders to undertake the contract. Mr. A. T. Brine, one of the three, was the master builder's representative on the State Housing Commission. He declined to be interested. I would not say it was because he was a member of the board, but he had been in failing health and was contemplating a trip abroad.

Mr. J. Hegney: Is he still a member of the Commission?

The MINISTER FOR HOUSING: No. He was replaced by Mr. J. B. Hawkins. At the time, Plunketts were negotiating with the Housing Commission to undertake a large building programme involving an expenditure of something in the vicinity of £1,000,000, and towards that I understand the firm expected to obtain £500,000 from the Government. It required more forest country for sawmilling purposes, a clay deposit for its brick kiln, and a quantity of cement for its tile factory. In the circumstances, Mr. Plunkett was not interested in entering into negotiations with the State Housing Commission regarding the undertaking of the contracts I have referred to.

Following the advice of the technical committees, the members of which are the people who investigate the private tenderers and subsequently recommend to the full board, Messrs. Sandwell & Wood were asked to prove to the State Housing Commission that they had the ability to undertake this big building programme. The Deputy Leader of the Opposition queried the fact that an all-night session, or one extending until midnight, was spent by the members of the State Housing Commission interrogating Messrs. Sandwell & Wood as to whether they could carry out a contract of this size. If it was to enter into a contract involving an expenditure of £1,000,000, surely the responsibility rested with the Housing Commission to get the representatives of that firm in to question them, and it did so at great length to make certain that the firm was in a position to undertake the contract.

Mr. Totterdell: If it did not, I do not know who could have carried out the work.

The MINISTER FOR HOUSING: As the member for West Perth has said, if Sandwell & Wood did not undertake the contract, I do not know who could have done so. By the time the three main builders in this State are discarded, and apart from the master builders who undertake the larger constructional work, such as that of schools, hospitals and so on, we come down to the small contractors who are capable of building only five or ten houses at a time.

Hon. J. T. Tonkin: Was Plunkett sounded on this proposition?

The MINISTER FOR HOUSING: I understand that he was interested in another project about that time and that representations had been made by him to the Government to loan the organisation a certain amount of money towards the big building programme he had in mind, something similar to that which we hear of today. In all probability, members have seen the large advertisements in the Press giving details about building houses in 42 days. The scheme is one of Mr. Plunkett's dream children, something he was toying with two years ago at about the time we were endeavouring to negotiate with someone to building the houses we required, and he was not interested.

Hon. J. T. Tonkin: You ought to know whether he was approached or not.

The MINISTER FOR HOUSING: Then the hon. member went on to say that the report on Sandwell & Wood was adverse. Sandwell & Wood, about 12 months prior to the introduction of the Austrian houses to Western Australia, were induced by the Housing Commission to undertake the pre-cutting of houses for erection in the country and a certain number in the metropolitan area.

The officer-in-charge of the country programme put up a report and called the attention of the chairman of the Commission to the fact that he hoped that, if Sandwell & Wood received the contract, it would not in any way impinge upon the programme they were undertaking under him as officer-in-charge of the country programme. That was only a fair and proper action on his part, and I would expect it from any officer under my control. I would expect him to come along and say, "I feel that if such and such happens, it might affect my programme." That is his responsibility; it is the reason why he occupies a responsible position and he was doing nothing but the right and proper thing.

Hon. J. T. Tonkin: He said a lot more than that.

The MINISTER FOR HOUSING: The Deputy Leader of the Opposition seems to be able to read all sorts of things into his innuendo campaign.

Hon. J. T. Tonkin: No, I read what he said and will read it again.

The MINISTER FOR HOUSING: I wind up that section in which the hon. member tried to smear me by indicating in his speech and by way of interjection this evening that I recommended one builder. I repeat that I, as Minister for Housing, have nothing to do with the letting of contracts or tenders. In fact, I do not even see them. This is the only occasion since I have been at the Housing Commission when I have shown any interest in the matter, because I have endeavoured to divorce myself entirely from those activities. On this occasion I had to come into it, because the Government had to find the money, and it was my responsibility to take the Commission's recommendation to Cabinet for confirmation.

Hon. J. T. Tonkin: That is what you did not do.

The Minister for Education: It is what he did.

Hon. J. T. Tonkin: But he sent an entirely different decision to Cabinet, and the Minister for Education knows it.

The Minister for Education: I do not know it.

Hon. J. T. Tonkin: Read the two minutes and you will find out.

The MINISTER FOR HOUSING: The hon. member also referred to the penalty provision of 5s. per house for each day the houses were uncompleted and stated that the Commission could not enforce the penalty. That is quite incorrect as a perusal of the conditions of contract will show. Clause 20 (3) states that no variation shall vitiate the contract. So, if it is admitted that the Commission was not bringing into the State the number of employees originally agreed upon—I understand it was in the vicinity of 300 odd and only 230 came—any breach shall not vitiate the contract. So it makes no difference whatever to any action taken by the Commission.

Hon. J. T. Tonkin: Have you referred that to the Crown Law Department?

The MINISTER FOR HOUSING: Clause 30 (1) refers to the delays and extension of time for the completion of the contract. It says—

The contractor shall be obliged to apply in writing to the architect for any reasonable extension of time that he may require—

- (a) on account of authorised variations;
- (b) in consequence of any notice which he may reasonably give requiring the submission to arbitration of any difference concerning any work required

to be done by the architect which the contractor contends is not within the contract and specifications;

- (c) on account of any unusually excessively inclement weather which may prevent the contractor from proceeding with the works;
- (d) in consequence of any legal action being taken or threatened by or disputes with adjoining or neighbouring owners concerning the carrying out of the works or the proposed carrying out of the works;
- (e) on account of delays not attributable to the act or default of the contractor or his servants or agent or of any person engaged or nominated by the board or the architect in pursuance of Condition No. 12 hereof;
- (f) by reason of any strike, lock-out, or industrial disturbance affecting the building trade or any trade on which the contractor relies for the supply of materials in connection with the works;
- (g) by reason of the contractor not having received in sufficient time any necessary instructions or details from the architect for which he shall have specifically applied to the architect in writing.

It was agreed between the Commission and the contractor that an extension would be granted from the 31st March, 1953, to the 31st December, 1953, and if the contractor wants any further extension, he will have to apply to the Commission as provided for in Clause 30.

Criticism was also levelled on the score that there had been considerable delays. The delays have been occasioned by circumstances outside the control of the Commission and the contractors. In the first place there was a delay of something over 14 days when the first 450 houses were on the way to Australia. The boat caught on a sandbank in the Red Sea, and when it arrived at Fremantle, it being a chartered ship that had only so many days to unload, it was necessary to get the waterside workers to work in the evenings and overtime at the weekend in order to clear the ship as quickly as possible. Instead of being able to unload the vessel slowly and methodically and stack the components into appropriate heaps, the men were forced to take the timber out as quickly as possible, convey it to the wool store that had been hired for the purpose and put it there in a rather haphazard fashion.

The imported labour, also, has not been wholly satisfactory. Some of the workmen have been found to be incapable of carrying out the tasks allotted to them, and mention may be made of the interference by certain members of Parliament—three of them, including the Deputy Leader of the Opposition—when they went down to Willagee one morning and had conversations with the men that I consider did nothing to promote the feeling that we were trying to build up between the new arrivals and the Commission.

At this stage it is interesting to note a report that appeared in "The West Australian" on the 1st February headed, "Alleged Threats to Austrians." The report read—

Many of the tradesmen at Willagee Park, Melville, brought under contract from Austria to erect pre-cut houses in Western Australia, said that they had been threatened that the police would be called in if they refused work not specified in the contract.

This allegation was contained in a statement issued yesterday by Senator D. R. Willesee, Mr. K. Beazley, M.H.R., and Mr. J. T. Tonkin, M.L.A., on the dispute between the Austrians and the State Housing Commission over the working contracts.

The matter had been referred by letter on Wednesday to the Premier (Mr. McLarty) as a test case, it was stated.

"If justice cannot be obtained there," the writers said, "the men can be assured that, despite their assertions to the contrary, this is still a democracy, and there is little doubt of redress in the courts of law."

"If the Housing Commission is not disposed to give justice to a vulnerable group of men, it may yet be forced to."

So I found it necessary to make arrangements for an inquiry to be held into the allegations as to how the Commission was treating these men at Willagee, and members will be interested to know what the Conciliation Commissioner, Mr. Schnaars, who was given the task of making the inquiry, had to say:—

I cannot believe that there has been any endeavour on the part of either the Housing Commission or its agent, Sandwell & Wood Pty Ltd., to victimise Bock. He was given an opportunity to prove himself at the work and was obviously not capable of carrying out these duties. It is my opinion that Bock has never had experience in this class of work, notwithstanding the letter from Thermo-bau to which I have made earlier reference. Notwithstanding the two year contract neither the Housing Commission nor its contracting agent, Sandwell & Wood Pty. Ltd., have any

obligation to continue to employ a person if such person's ability does not reasonably measure up to the requirements implied in the contract. Halsbury's Laws of England, 2nd Ed., Volume 22, par. 225, refers to this in the following terms:

"Where a skilled servant is engaged there is on his part an implied warranty that he is reasonably competent for the work he undertakes and if he proves incompetent the employer is not bound to continue him in his services for the time for which he was engaged."

It is my opinion that the Common Law right of the employer to dismiss for inefficiency was rightly exercised in this case.

I am convinced that the Austrians have been exceptionally well treated and have been given greater consideration than would have been shown to a similar group of Australian workmen engaged on the same class of project.

The flames of discontent were fanned by the action of the three gentlemen to whom I referred just now, and it was a matter of three or four months before we were able to settle the difficulties at Willagee. A considerable number of these men had to be put off, but fortunately they have now bedded themselves down and Sandwell and Wood are receiving from them a reasonable amount of work done in a tradesmanlike manner.

It was stated by the hon. member that he could not follow the figures in regard to the calculation of the price of the second 450 houses. The price for the first 450 was £789 which was to be increased on account of the increase in costs, through basic wage rises and letting of sub-contracts, etc., by £185 for the second 450. This was the price to which Cabinet agreed. The chairman endeavoured to get the price down to £964. He was not successful but it was finally reduced to £972.

Further, the hon. member stated that he was told by myself that the houses cost £2,865. I would refer him to question No. 26 of the 26th August, which he asked, as follows:—

What is the total estimated cost of an Austrian prefabricated house erected at Willagee, disregarding the Commonwealth subsidy of £300, but including £1,250 of unallocated expenditure from the Suspense Account?

The answer was that the cost was £2,893. The hon. member also made reference to two houses erected for the Railway Department by the State Housing Commission and said to be costing £2,950. That is not correct, because the amount actually charged the Railway Department—£2,950—includes land and development

costs. He further made reference to an amount of £324 representing an increase on the tender price of £1,066. I would like members to understand the method of making payments to these building contractors.

In these big contracts it is necessary to be able to make interim payments from time to time. So a schedule is drawn up by the accounts branch in co-operation with the architectural section of the Commission, and as work is done, certain flat progress payments are made. When the builder comes to the end of the contract he has received so much by way of progress payments and this is off-set against the total price of the work, an adjustment effected—whether it be money returned to the Commission or vice versa—and a final settlement made. In this instance the £324 was only an interim adjustment for extras. Actually, on the groups that have already been completed, the extras will exceed £324.

Then the hon. member proceeded to quote the rate of progress, from file 8952/49. I would ask members to note the date. This is another one of the cases where the hon. member got his lines crossed a bit, because in this instance he is referring to houses built by Sandwell and Wood in 1949, long before the contract for the Austrian houses was contemplated. The total number of Austrian houses under construction up to 14 days ago was 229. The number completed is 130 and it is expected that 391, being the balance, will be completed by the end of next year. The contract was to March, 1953, but on account of the delays and difficulties experienced we have extended it to Christmas of next year.

Reference was also made to the money advanced for the stockpile, which money, as the Deputy Leader of the Opposition said, is interest-free. He stated that when the goods are taken from the stockpile and put into a job, the firm gets the benefit of the rise and fall on those goods. Again that is not correct. The contractor does not get the rise and fall on the stockpile created by the Government. It is a matter of understanding the policy of making these progress payments.

As I said earlier, the builder, for extras, gets a standard schedule of progress payments and, on the completion of the contract, comes in for the final settlement. We do not take into consideration in those progress payments the price of the goods taken from the stockpile, and it is only when the final adjustment for payment is made that we take into consideration what is to be subtracted from the amount to be made available to the contractor. This stockpile was financed by the Government and as the builder proceeds with the work, if the goods were brought in early 1950 at a reasonable price and are not used until 1951, they still go into the job at the 1950 cost.

Hon. J. T. Tonkin: No, they do not.

The MINISTER FOR HOUSING: There is absolutely no rise and fall clause whatever.

Hon. J. T. Tonkin: No, they do not.

The MINISTER FOR HOUSING: Again, the hon. member, with his usual humbugging statements, likes to read into these things something that is not there. I can assure him that the stockpile is charged out to the contractor at cost price of the goods as they are put in by the Government or the contractor himself.

Hon. J. T. Tonkin: I will quote from the file later on to show you it is not so.

The MINISTER FOR HOUSING: The hon. member also attempted to connect the minute referring to the stockpile at Welshpool to a later minute No. 2755/51, and again he is getting two different stockpiles mixed. A stockpile was created for Sandwell & Wood in connection with the Australian prefabricated houses and the stockpile for the Austrian houses in the wool stores at Fremantle. In that particular case it is possible to check the amount of materials only by taking cognisance of the dockets showing the goods taken from the wool stores from month to month. Seeing that there were 450 houses originally there, it will not be until the final days that we will be able to get an accurate picture of what stock was there at any particular time. The hon. member referred to the over-supply of materials to the job and quoted file 6404/50.

This correspondence was addressed by the secretary of the State Housing Commission to the Peter Pan Tile Company which is supplying the tiles for the Austrian houses. Again the hon. member was on the wrong trail because this particular correspondence does not refer to the tiles for the Austrian houses, but those supplied to Sandwell & Wood for the Australian pre-cutting programme. As a matter of fact, the contract for tiles for the Austrian houses is on the basis of costing so much per roof, so it would not matter to the Housing Commission if 200 or 2,000 extra tiles were delivered. The Peter Pan Tile Company would get no more for them. I will read from the minute of the acting secretary, Mr. Telfer, to the manager of the Peter Pan Tile Company on the 2nd April, 1952, in which he refers to the tiles which were left over—and I repeat they were for the Australian prefab. houses. He said—

It is understood that when you provide tiles for houses the number delivered to the site is sometimes in excess of those required and in a number of instances have been as many as 200. This results in a charge being made by the contractor to the Com-

mission for tiles in excess of those required on the particular project and adds unnecessarily to the cost of the houses.

If you have difficulty in assessing the number of tiles required this Commission would be prepared to provide you with a schedule of areas and quantities for your consideration and agreement.

Will you please give this matter your early consideration.

The hon. member also made reference to the supply of nails and quoted minutes from the architect to the supervisor at page 117 of file 3919/51. This concerned a small matter of 50lb. of nails which would not cost more than £2 or £3 per house. For the information of members I will read exactly what the architect had to say. The original minute was to Mr. Grayson from one of our supervisors, in which he pointed out—

A curious position is likely to arise with the question of 2in. nails supplied to the first 450 pre-cut houses.

45 cases of 2in. nails were received from Austria to overcome the shortage of 5 Kils x 50 M/M nails in each case.

Supervisors are instructing Sandwell & Wood to replace these, and, I understand that the replacement is coming from the 45 cases. At some distant date the extras for these nails could be paid to S. & W. when in fact we supplied them.

What happened in this case was that when the first shipment arrived, 45 cases of Austrian nails that should have been there were not included. When the materials went on to the site the State Housing Commission had to instruct the contractors to provide Australian nails and charge them to the contract, because it was the Commission's responsibility to see that the 45 cases were there. These nails subsequently came here by another boat, and we then had them in the wool store at Fremantle. Some of them went out on to the site and this is a case of one of our men doing his job. He knew that the Austrian nails had arrived, and he also knew that Australian nails were being provided, so he wrote a note and drew the attention of the architect to the fact that double lots of nails were being supplied to some houses.

Hon. J. T. Tonkin: What happened?

The MINISTER FOR HOUSING: The Chief Architect put at the bottom of the minute—

Claims for excess nails required as authorised by supervisors should be inclusive of extra amounts allocated from Stores—Now 12 lb. per job. Pass to Mr. Selley for general instruction.

Then a minute went to Mr. Selley—

I would like you to ensure that supervisors make detailed inquiries into extras requested by the contractors for the above. It will be apparent from the attached statement that up to 112 lb. nails have been authorised by one supervisor. This appears to be excessive by comparison with the statement given to me by Supervisor Rumbold, which reads as follows:—

Then he set out the amount of nails which could be allowed for each building. He went on to say—

Any authority for issue of extras in excess of 50 lb. must therefore be supported by a convincing statement from a foreman or by physical check by the appropriate supervisor.

You will see also from file 2541/52 that three identical amounts of extra nails have been allowed for the same job. It appears, therefore, that either the extra has been authorised piecemeal or it has been duplicated.

Will you please impress upon your supervisors that the utmost care must be exercised in authorising extras, even if more time is spent than on a normal contract.

The member for Melville referred to a question asked on the 9th September last as to whose responsibility it was to arrange the re-stacking of the components, and he proceeded to quote a calculation made by the accountant on the 7th May which appeared on page 7 of file 2210/52. The reply given to the question was absolutely correct, namely, that it is the responsibility of the contractors to make all payments and be responsible for the houses from shipboard to site. He quoted an amount of £19 15s. that had been paid to the contractors and stated that it refuted what I have said earlier. He found from the file that this amount of £19 15s. had been passed for payment and he said that was a refutation of the answer to his question. Again, that is all part of the contract for the purposes of the progress payments that I referred to earlier. I have here some items to be assessed for the purpose of progress payments. When these houses were carted, these two amounts were allowed from shipboard on to the site—

	£	s.	d.
Store sheds on site and store staff	5	0	0
Cartage from ship to store, bulk store staff, manager of bulk store, plant for handling stores, light, phone, etc.	14	15	0
	19	15	0

But that is only just a progress payment and will be offset against the contract price when Sandwell and Wood wind up the contract. He also referred to the list of standard and variable extras under date the 23rd September, 1952, and picked out an item of £18 6s. 6d. for asbestos lining, submitted by Sandwell & Wood, which has not been accepted by the Commission. What is the Commission there for? One minute we are being twitted for spending too much and the next for being careful. This was a case where a supervisor pointed out to the Principal Architect that he did not think this claim for £18 6s. 6d. for asbestos linings, as submitted by Sandwell & Wood, was quite correct. It is a matter which has been in dispute and which is not yet cleaned up.

Hon. J. T. Tonkin: It has been in dispute for a long time.

The MINISTER FOR HOUSING: I think the job is too big for the hon. member.

Hon. J. T. Tonkin: We will see about that.

The MINISTER FOR HOUSING: He next referred to the question of asbestos, which in Western Australia has been under price control at a flat rate, plus 25 per cent. If members look at any invoice for asbestos that has been purchased from a wholesale distributor, they will find that it is always quoted at so much per sheet, plus 25 per cent., as fixed by the Prices Branch. This reference was to a profit of 7½ per cent. on the 25 per cent. surcharge and is all Tommy-rot. It is the normal charge, the 25 per cent. allowed by the Prices Branch, and the 7½ per cent. added is the normal profit that the builder was allowed under the contract.

Hon. J. T. Tonkin: What is the 25 per cent. for?

The MINISTER FOR HOUSING: I do not belong to the Prices Branch, but I should think that there was a base price for asbestos when price-fixing first came in, and I suppose that, with increased costs and basic wage rises from time to time, the Prices Branch has said it should be the base price plus 10 per cent., then plus 15 per cent., 20 per cent. and finally 25 per cent. as costs and wages increased. If members examine invoices for asbestos purchased from wholesalers, they will find that it is sold at a base price, plus that 25 per cent. Reference was made also to an amount of £204 7s. 9d. wharfage and handling and the hon. member referred to page 42 of File 9573/50. As stated on that file, that amount is being disputed with Sandwell & Wood.

I mentioned earlier that when these houses arrived on the first ship there was great difficulty in unloading them as speedily as was desired. I think the member for South Fremantle took a hand in

it, as I am told he went down and talked to the boys on the wharf and asked them to get these houses out of the ship as quickly as possible in order to get it away again, and that was done. We could not move the houses from the wharf as quickly as we wanted to, and the result was that a number of them lay on the wharf for a matter of hours or days, and the Fremantle Harbour Trust then billed us for £204 7s. 9d., being the charge for our having left those houses for some period on the wharf. That was another of the things which it was our responsibility to look after, and it was a sum in respect of which we are now arguing as to who should pay it.

The Minister for Education: Was the ship anxious to sail?

The MINISTER FOR HOUSING: It was a charter ship, and, due to its having been caught on a sandbank for 14 days in the Red Sea, when it arrived here we had only 12 or 14 days in which to unload it and get it away again, as otherwise we were under a penalty of £500 per day. Reference was also made to a minute by the architect, at page 123 of File 1160/51, relating to an interview between Mr. Sandwell senior, and the chairman of the Housing Commission, Mr. Grayson, and other officers, at which Mr. Grayson pointed out to the chairman that he thought certain items should not be included. In that minute, he used the word "bait" and said that he felt Mr. Sandwell was baiting them to see whether they would pay—I presume he meant "biting"—and I would suggest that it is preferable for our officers to advise the chairman when they think the Commission is being taken on rather than wait until the auditor takes the chairman to task for an item brought to his notice by an officer such as Mr. Grayson.

The member for Melville also mentioned an audit of the accounts at the State Housing Commission, and asked the Premier to obtain the assistance of the Auditor General to make a special audit of the Housing Commission. I would point out that there are two officers of the Audit Department full-time at the State Housing Commission, and in addition to that there are two Commonwealth audit officers there full time. They are there every working day of their lives, watching to see what is going on. The Deputy Leader of the Opposition asked for a special audit which I think has been granted, in spite of the fact that these men are there all the time. How far is it thought that we could go if we were doing something not according to Hoyle?

The hon. member from time to time made play on the moisture content of the timber and on a previous occasion, following a report that appeared in the Press purporting to be a statement of a man named John D. K. Roche, at that time in Italy, to the effect that the Australian

Housing Commissions were the laughing stock of the people of Europe owing to the standard of the timber we were buying, he twitted me and, during this last campaign of his against me and the State Housing Commission, endeavoured to indicate that I had informed the House incorrectly by way of answers to questions and by way of a statement regarding the moisture content of the houses. He compared the truth of my statement in this House with a statement made on File 2160/51. I am afraid he has become confused between the two consignments. As regards my statement in the House on the 24th September, I said, "The hon. member appears again to have overlooked the fact that my statement on moisture content referred to the first shipment."

Hon. J. T. Tonkin: Did you say so?

The MINISTER FOR HOUSING: Yes, and for the edification of the hon. member I will read what I said—

This comment by the member for Melville is like most of his comments, pretty wide of the mark. Mr. Roche makes reference to the moisture content of the timber because he says, "The moisture content of the timber in them is 30 per cent. and for Australian conditions it should be not more than between 10 per cent. and 15 per cent. The contract between the Commission and the manufacturers provided for a maximum moisture content of 20 per cent. for flooring, framing and external covers, and 15 per cent. for joinery. The material was subject to inspection during production and a final inspection was made prior to shipment by a consulting and inspecting engineer on behalf of the Commission."

I said—

This first shipment of timber, instead of having a 30 per cent. moisture content, as suggested, had a moisture content of 17 per cent. and 13 per cent.

Hon. J. T. Tonkin: Was that the subject of Lancaster's report?

The MINISTER FOR HOUSING: This statement, emanating from Mr. Roche, appeared in "The West Australian" of the 26th March, 1952, and it was to that statement that I replied in the Press on the following day and about which the hon. member twitted me. The second shipment of houses had not arrived in Western Australia so how could we possibly know the moisture content of the second shipment when only the first shipment had arrived? The first shipment had arrived and the houses were found to be in order. But I admitted in the House, and I repeat it again now, the second shipment was found to have a greater moisture content than that allowed under the contract. That is one of the things that is

being looked into by the Crown Law Department with a view to citing a case against the company.

The hon. member also made reference to a letter written by Mr. Bond, who was the then secretary of the Housing Commission, in regard to the same subject. Mr. Bond wrote a letter and a copy of it appears on File 2160/51 and the letter is dated the 24th April, 1952; that was a few days after the second shipment had arrived and some portions of the timber had been sent to the local university and were found to have an excess moisture content. This letter, written to Turner and Coates who were our agents in London, reads as follows:—

Tests have been carried out on some components in order to ascertain the moisture content of the timber and this could not be done with any accuracy as the moisture content exceeded the maximum recording capacity of the apparatus, which was 24 per cent.

He was, in effect, writing to the firm in London, pointing out that as far as we were able to ascertain, some of the timber had a moisture content of up to 24 per cent. and we could not discover whether it was any higher because we did not have apparatus to test it beyond that figure. The member for Melville also made mention of a cable sent by the chairman of the Housing Commission in which he queried the moisture content. Again I am afraid the hon. member has got his files a bit crossed, because this cable was sent on the 2nd May, 1951, and that was before any of the houses had left Austria.

The chairman of the Commission was checking with the London agents to make certain that the report, to be submitted to them by their Mr. Lancaster, gave an assurance that the moisture content was within the limit. That was long before the houses had ever left Austria. The hon. member also referred to a letter written from Turner and Coates to the Commission and the hon. member said that the moisture content matter had been completely disregarded. Like many of the other extracts he used, he picked out a few lines here and there and they tended to create a rather bad impression. So I think it would be as well to read a little more of the surrounding context.

The letter to which the hon. member referred was written on the 9th August, 1951, and there again that is long before the houses ever left Austria. Mr. Coates was writing to Mr. Brownlie and he was generalising with him on how they, as the contracting agents, had found these firms in Europe in regard to the moisture content of timber supplied by them. He was doing what I would expect the employees of the Housing Commission to do—

to apprise us of the circumstances if they thought there was anything wrong. He says in the letter—

Of one thing I am certain, excepting in those cases where we have literally bludgeoned manufacturers (and purchasers) into active consideration of this vital problem of moisture control, the matter has been relatively disregarded for which someone will ultimately have to pay.

He was not specifically referring to this contract but merely saying that in London they found, when dealing with these European firms, that some of them did not play the ball in regard to the question of moisture content.

Hon. J. T. Tonkin: Have you got Lancaster's report?

The MINISTER FOR HOUSING: Lancaster's report appears on the file. I do not have it with me but I have read it and as a matter of fact it does not refer to the moisture content at all and that is the reason why there is no necessity to quote it in the House. Again, as the hon. member seems to disbelieve everything that is said on this side of the House, and particularly anything said by me, he can read it at the Housing Commission if he cares to take the trouble to go down to the office. But I can assure him that the report makes no reference at all to the moisture content of those houses.

Hon. J. T. Tonkin: But it was supposed to.

The MINISTER FOR HOUSING: I do not care whether it was supposed to or not; I make the statement that there is no reference in the report to the moisture content of these houses.

Hon. J. T. Tonkin: Did you do anything about that? Was not the chairman of the Commission waiting for Lancaster's report? Did he not send a cable saying, "Anxiously awaiting it?"

The MINISTER FOR HOUSING: The hon. member also referred to a visit he made to Willagee Park and he said that he found, because of the moisture content, that the timber had shrunk so that it was torn away from the nails and had buckled. He said that at one house, where some painting work was being carried out, the work had to be stopped so that the boards could be replaced and stopped up. In the leading article of "The West Australian" of the 27th September, 1952, referring to the public servant incident, there appears the words—

Therefore it is to be hoped that in relation to the Public Service, Mr. Tonkin will for the future, leave detective activities and auditing of public accounts to the appropriate authorities....

I think the same thing could be said about his visits to Willagee Park. I have been down to Willagee Park nearly every week since the houses started to be erected and I took a party of members from this Chamber down there two or three weeks ago to see what was going on and to see whether it was possible that the hon. member's allegations were true. I have no doubt that in a big contract like that there are one or two things that go wrong. But when the hon. member makes a statement like that one would think that half the houses at Willagee Park were suffering from the complaints he mentioned.

The hon. member also referred to what I had to say in this House about the position in other States and he proceeded to quote from page 1086 of "Hansard" and also some correspondence which he had received from the Eastern States. I think the hon. member had a letter from the accountant of the Victorian Housing Commission. But I would remind members that I also wrote to the Eastern States and I did not get in touch with the accountant. I wrote to the Minister, Mr. Ivan A. Swinburne, and told him that all sorts of charges were being levelled at our State Housing Commission in regard to the imported houses. I asked him if he could tell me what they thought of them in Victoria.

Mr. W. Hegney: Which Government was he in, at that stage?

The MINISTER FOR HOUSING: I think it was the Country Party-Labour Government. On the 8th October he wrote to me as follows:—

I was very interested to receive your letter of the 6th October outlining some of the problems you are encountering with your imported pre-fabricated houses.

I do not think you are alone in this respect for I have recently been to New South Wales and found they are having the same difficulty in that State, too, and I understand from our colleague, Paul Hilton, that they are also experiencing difficulties with their imported houses.

The position as far as Victoria is concerned is that we have three contracts only, viz:—

No. 1. 500 houses from Thermo Insulated Units of London, the parent Company of which is, as you are probably aware, Thermo Bau, Austria.

That is the same company from whom we bought the houses that are now under discussion. The letter continues—

No. 2. 200 houses from Joh Pee-man, Holland.

No. 3. 2,000 houses from Compagnie Industrielle du Bois of Paris.

The 500 houses under No. 1 contract are already here and the majority of them are almost completely erected.

About 20 houses have been handed over, complete, under No. 2 contract from Holland, and most of them are in course of erection or in varying stages of erection—some at Geelong and some at Warrnambool.

Under No. 3 contract, the first shipments have just recently arrived and the prototype house, only, has been erected at Geelong.

This is the interesting part. He goes on to say—

As far as the costs of these houses are concerned, it is impossible to estimate with any certainty what the actual cost will be until the contract is completed. We anticipate that the Thermo Insulated Unit houses will finally cost us £2,800, perhaps a little more, for the 3-bedroom unit and £2,400 for the 2-bedroom.

Hon. J. T. Tonkin: That is less than your cost.

The MINISTER FOR HOUSING: Ours are costing £2,863, less £300, which works out at a cost of £2,583.

Hon. J. T. Tonkin: But yours are 2-bedroom houses.

The MINISTER FOR HOUSING: He goes on to say—

The rents we are charging for those houses which have been completed under these contracts, are 69s. for 3-bedroom and 64s. for the 2-bedroom unit.

So in Victoria they are charging 64s. for a 2-bedroom place, which is 2s. more than we are charging. Then he goes on to say—

With regard to the syrex wasp difficulties, our story is an unfortunate one. The first shipment of the thermo-insulated contract for the 500 houses arrived here in the "Aldebaran" from Austria in July, 1951, and there was evidence of the presence of two or three wasps in the consignment. Despite representations to the Commonwealth authorities, they insisted on the complete quarantining and fumigation of this shipment at a cost alleged to be about £6,000. The question as to whether the contractor or the Commission will have to meet this amount is now the subject of arbitration proceedings.

In the C.I.B. contract evidence of one wasp was also found in the first shipload of 60 houses which arrived at Geelong and, again, the Commonwealth authorities insisted on quarantining at an approximate cost of £2,000 for the shipment. The second shipment arrived, fortunately, free of

wasps but the last one which arrived more recently was infected to the extent that three wasp holes were found in the consignment. The Commonwealth people again insisted on quarantining and disinfecting at a cost of approximately £2,000.

Then he goes on to point out the steps that are being taken in that regard, the same as we are in Western Australia, on the advice of the Commonwealth people regarding the treatment of timber. Finally he says—

To be quite frank about the situation, we, in Victoria, are certainly not happy about the experiment of importing houses. We have encountered enormous difficulties and are still encountering them. The thermo contract is proceeding very slowly and, at the present time, we are taking steps to compel the contractors to adhere to the rate of progress scheduled in their contract. In respect to this contract, too, we have found that the erecting contractors have cannibalised packages from various houses to make good materials which have been condemned by the architects on houses already erected, with the result that, although the contract was for 500 houses originally, the cannibalisation have resulted in a loss of some houses. This, of course, is the contractor's responsibility; they will have to make good the material.

Hon. J. T. Tonkin: There is the difference. Here it is the responsibility of the Housing Commission.

The MINISTER FOR HOUSING: The Victorian Minister proceeded—

We are satisfied in Victoria that if the Commission had not been coerced by the Commonwealth Government to embark upon an imported programme, we would certainly not have entered into these contracts. I am sure our troubles are not all over because the French contract is for 2,000 houses and will not be completed for another couple of years.

So it is very obvious that in Victoria similar difficulties to those experienced here have arisen. The member for Melville also made reference to Sandwell & Wood sub-letting a contract for £515 and he endeavoured to deduce from that the conclusion that Sandwell & Wood were making a colossal profit. He also twitted me about being political regarding a man named Hall, if he meant it.

Hon. J. T. Tonkin: It was meant all right.

The MINISTER FOR HOUSING: If the cap fits the hon. member can wear it!

Hon. J. T. Tonkin: There was justification.

The MINISTER FOR HOUSING: I was simply making a statement of fact and it was that this was the only man to whom his remarks could possibly apply.

Hon. J. T. Tonkin: Nonsense! I have a copy of the plans and specifications given to me by another person.

The MINISTER FOR HOUSING: Reference was made to the presence of white ants and the necessity for examining and restacking timber. That precautionary measure is the responsibility of the contractor. Finally, he went on to refer to tenants refusing to take over the Austrian prefabricated houses because of the high rentals. In that regard, every Monday morning there is placed on my table a statement of the tenancy activities of the previous week.

These are usually in the vicinity of 15 to 20 houses let to tenants during the previous week. The number varies; sometimes we have 15 houses let and sometimes as few as five or six. I can say, without fear of successful contradiction, that there have been one or two refusals, but they are very, very few. I think I am right in saying that we have had three refusals, but they have not necessarily been because of the high rentals. It could possibly have been that the house offered was in the wrong locality. A man might be working in the city and the only house we could offer might be at Willagee Park. It might be that the house was not big enough for the size of the individual family and nothing whatever to do with the question of the rent.

Mr. J. Hegney: What would be the highest rental?

The MINISTER FOR HOUSING: The highest rental for any Austrian prefabricated house would be, I think and speaking from memory only, about £3 2s. I can check up on that and inform the hon. member. There are one or two other features I would like to mention to the House about the allegations made by the member for Melville. I refer to the terrific amount of criticism of the officers of the Commission and myself. All that means, in effect, that the officers cannot get on with the job they are there to do, namely, to house as many people as they possibly can.

In order to provide the answers to the many queries and statements made about the Commission, we have had to use the services of an assistant secretary and his attention has been devoted completely to the job of answering the scurrilous attacks, mostly humbug and claptrap, put up by the member for Melville. Still, all his statements had to be answered. This has meant a lot of work in dealing with the attacks he made in this House on the individuals concerned—I do not know whether the attacks were against officers of the Housing Commission personally as

well as against myself—but the officer I refer to has had to spend two week-ends in dealing with these matters and on several mornings has had to go to the office at 6.30 in order to get on with the work while there was quiet and while the telephone was not ringing.

It is not good enough. Not only does the officer have to call in for consultation other officials from the tenancy section, accountants, the chairman and secretary of the Commission and the Principal Architect as well as others, but he has to have conferences with me every day. I ask the House whether it is fair that the hon. member should be allowed to continue in this vein. Is he to be allowed to go on, as he has throughout the session so far, trying to vilify the characters of myself and the officers of the Housing Commission? I can assure the member for Melville that his vendetta against the Housing Commission is not being very well received by the officers of that department. Of the 144 questions that have been asked to the commencement of this week, 89 were by the member for Melville, all of which have taken time to answer. When we get two or three questions about housing, we have to use the same officer, one of the assistant secretaries to answer them, and he has to drop everything else.

I appreciate that it is the right of any member to ask questions and I myself would do exactly the same thing, but this business has been carried a little too far, and while Parliament can do little or nothing about it—we have already passed a motion disapproving of the action of the hon. member—it is nearly time we passed another motion disapproving of his action in asking questions and making allegations that are getting him nowhere because, as we go on, we prove that they are nothing but humbug and claptrap.

Mr. Graham: I wonder who the devil you think you are to talk like that.

THE MINISTER FOR HOUSING: The member for Melville seems to be prodigal with allegations but parsimonious with facts. There is not one of the allegations he has put forward about the Housing Commission that he can prove. In the motion he moved, he included a reference to dereliction of duty, weakness and inefficiency in administration. I maintain that those words are utterly and absolutely incorrect and I ask the House to agree to an amendment which I have placed on the notice paper. Accordingly I move the following amendment—

That all the words after the word "House" in line 2 down to and including the words "down to" in line 8 be struck out and the following words inserted in lieu:—"large rises in the basic wage, increased costs of transportation from country of origin

and increased cost of materials supplied locally have unduly inflated the cost of the Austrian pre-fabricated houses so that the rents which have to be assessed are too high. The Government is therefore requested again to take up with the Commonwealth Government the question of an increased subsidy which would."

Mr. Graham: Claptrap!

MR. JOHNSON (Leederville—on amendment) [8.53]: I oppose the amendment and support the original motion. It is not my duty to deal with all the allegations and statements that have been made. The Deputy Leader of the Opposition will deal with them and no doubt very forcibly. However, I consider that the moving of the amendment has, in itself, underwritten and underlined the original motion. The Minister's amendment is an admission by him that the price of these houses is too high.

The Minister for Housing: Would anybody deny that?

Mr. JOHNSON: That is a matter on which opinion is unanimous; the price is too high, but this is the first occasion on which that admission has been made in the House. The Minister has been in charge of the administration of the department for some years and has been complaining that members of the Opposition have, by questions, brought to his notice the fact that these costs are too high, and yet it has taken him until now to acknowledge the fact.

The Minister for Housing: That was mentioned to the Commonwealth quite a long time ago.

Mr. JOHNSON: Not until tonight has the Minister admitted in the House that the price is too high. I entered into this matter because I am a new member and it was the first occasion on which I had had an opportunity to investigate Government files. A large number of files were laid on the Table and were there for only a limited time, and it was impossible for anyone to digest the contents in the time they were on the Table. It became obvious to me, although I had had some little training, that to follow in detail any item through the files without a pre-knowledge of the exact procedure lying behind the formation of the files was exceedingly difficult. It would be impossible for anyone not having a knowledge of the subject and the actions represented in the various letters and minutes to be certain that what he found on the file was in fact what had happened. Because of this, undoubtedly some wrong inferences may have been drawn from some of the conclusions reached. I myself may have drawn some wrong inferences.

I took special interest in a couple of files that appeared to me to be the principal ones, in particular the file that apparently

was the original one and about which questions were asked as to missing pages. Although that is the principal file, it does not give a complete picture, and on a subject which is open to considerable question and which is a matter of public interest, it is difficult to follow an incomplete story without coming to the conclusion that something is not quite as it should be. I therefore took the trouble of attending the Housing Commission and checking on the answers that had been given by the Minister as to the whereabouts of the pages missing from the file and the contents of them, and I found that the answer was correct.

I would not have taken that action with every Minister; I would have accepted his answer without checking on it, but since I have been a member of this Chamber, I have discovered that the Minister for Housing on occasion has made errors in the answers he has given. Whether those errors were his own, or those of members of the Commission who provided the answers in a great hurry, I do not know, but I am reminded of what I have come to regard as the theme song of an eminent military man under whom I served for a time in a humble capacity. His theme song was that the standard of the unit was the standard of the commanding officer. The Minister is the commanding officer of the Housing Commission and, as such, is responsible to this Chamber and to the public for all and any of its errors.

The Minister for Housing: Not too many errors, but a lot of houses.

Mr. JOHNSON: I remind members that considerable information on housing was available before the present Minister was elevated to that office. There is here a copy of a document—the Commonwealth Housing Commission's report of the 25th August, 1944—which sets out a great deal of the information which the Minister appears to be learning by trial and error now. The principles which are set out were put down for the guidance of people going in for housing, and some of the excuses for the lack of progress made in that department in recent years show signs of lack of ability to take the advice appearing in the document.

Reverting to the original file No. 5831/50, there was one minute that attracted my attention. It was handwritten, and I gathered from the initials that the writing was that of Mr. R. W. Brownlie. At the conclusion of a note of a board meeting, this minute appears—

The following action should be taken:—

1. Advise company because of inability to complete the agreement, negotiations are at an end.

2. Approach Sandwell & Wood Pty. Ltd. with a view to taking delivery of all or some of the houses, or erecting on sites at a price fixed by the State Housing Commission.

To that No. 2 had been added, by bracketing to it at a later time—as is evidenced by the fact that the ink is of a different colour—the names of two other firms, C. H. Plunkett and A. T. Brine & Son Ltd. By saying that these items were bracketed, I did not mean to imply that the addition was made some days afterwards, or even hours afterwards, but I would imply that it was an afterthought. The point in the mind of the man who wrote the minute was, "Approach Sandwell & Wood". The other two were afterthoughts. Because, as the Minister stated, this is a large contract, amounting to £1,000,000, I tried to find some evidence on the master file of approaches to C. H. Plunkett and A. T. Brine, some evidence that they had been approached in terms of the findings of the board.

I could find on the file no correspondence with either of those people. I could find no note even of a telephone call. With my experience of business, such as it is, I am convinced that a senior officer as highly placed as Mr. Brownlie was at that time, would have made a note of any important conversations he had by telephone in regard to a contract worth as much as £1,000,000. I think that is only natural. If he had rung Plunkett's or Brine's and made inquiries, he would have noted the fact and it would have been on that file somewhere near that date. It was at that stage of the file where all these pages were missing. I found on checking the missing pages in new places on other files that none of them referred to these facts or these firms, nor could I find any reference to the matter in any of the other files I went through.

The Minister for Housing: You did find the missing papers, though.

Mr. JOHNSON: I did find them, and they were where the Minister said they would be. I checked them, too, because, as I have said, I have found errors in previous answers given by the Minister to questions asked in this House. The missing papers were not connected with either Plunkett's or Brine's. That raised in my mind, which is a suspicious one, and it is necessary for everyone who has been in business for some time to be suspicious to some degree in dealing with large figures, that the approach to Sandwell & Wood was pre-determined. That is the impression left in my mind.

I feel that the Minister would be well advised, for the protection of his own reputation, if it is dear to him, to seek an open inquiry into these matters. I know from my experience in moving

around in the circles in which I move that people connected with the building trade have all got something to say about Austrian pre-fabricated houses, and none of the remarks are complimentary. Most of them are based on incomplete knowledge, which can lead to wrong conclusions; but I would advise the Minister that those conclusions, which he assures us are wrong, are being drawn by people who have some knowledge of the trade concerned, and are therefore regarded as speaking with authority which they may not have. I feel, therefore, that the Minister would be well advised to seek a very searching inquiry for his own protection because, as he has acknowledged, the price of these houses has risen very high; and, scattered through the files, I found a number of notes by officers of the Commission drawing attention to various items to which it was their duty to draw attention, but there was no further note on the files showing that the matters had received consideration.

It does not necessarily follow that attention was not given to them, but business experience would lead one to assume that a note calling attention to something not quite right would be followed very shortly by another note showing what action had been taken. The trust of administering a contract for as large a sum as £1,000,000 is a very big one. Even this evening we have had the Minister saying there is a matter of £10,000 in dispute at the moment, and that is only 1 per cent. of the total. That may be so, but later in his speech he told us that of the 900 houses, only 130 were completed. One per cent. of the total may be £10,000 but 130 completed houses represents only a little over 13 per cent. If the amount in dispute is to continue in proportion, we shall have a very large sum. It will not be one per cent., but about 9 or 10 per cent. which would be a large amount for the taxpayers to meet. As a private citizen I do not like that prospect, and as a representative of a number of private citizens I feel that the Minister could have been a little clearer on the subject.

In regard to the matter of over-supply of Peter Pan tiles, the Minister told us that the over-supply was not connected with the file which referred to it. This may have been a mistake in the filing. If, however, the query on the matter happens to refer to a different contract, it still implies a degree of laxity of control and administration which should have been followed up with something to show that the loop-hole had been completely dealt with. But as I have said, it could have been an error in filing.

Quite a number of points have raised queries in my mind. In one file, which is probably only a working skeleton for the use of the accountants, in the Imported Houses Suspense Account there is included

an item of £2 10s. per house for store-keeper. But the contract says that the store shall be provided free of rental to the contractor, and that the contractor shall be responsible for the supply and payment of labour for the proper operation of the store. That raises in my mind the query as to whether the item is properly included.

In the same file under the item Estimated Cost of Houses in the Metropolitan Area, as at the 1st March this year, an amount of £2,856 19s. is itemised, and the foundations are included at £70. But the contract states that the contractor has to provide concrete footings under all brickwork throughout, eight inches wider than the thickness of the foundation brickwork supporting them, footings to be without reinforcement, and nine inches deep throughout. From my reading of this, the £70 was included in the contract price of £1,280. It may not be so, but these files were open to inspection, and I think a reasonable man was entitled to query these points and to question the price of the houses.

At the recent Royal Show I, along with the general public, was offered a number of pre-fabricated houses by two speculative builders. One of these houses which was a model of nine squares—a little larger than these—was offered erected in the metropolitan with brick chimney, septic sewerage and electric light, but not painted, for £1,769. The difference between that price and £2,850, which the Minister says these houses will cost, is more than sufficient to pay for the land, the painting and the cost of transport which on the break-up of the Minister's files is not £300, which was offered by the Commonwealth, but £277.

The Minister for Housing: The £300 was not given by the Commonwealth for transport costs, but to meet the Commission in an endeavour to counteract the difference in the value of comparable houses in Australia.

Mr. JOHNSON: I know, but the underlying idea was to meet the freight charge so that the cost of an imported house would be comparable to the cost of a local house. The words "freight charge" do appear in the correspondence, and it was undoubtedly in the minds of the people who made the agreement that the amount of £300 was fairly close to the cost of importation.

The Minister for Housing: I am afraid you have got the story wrong.

Mr. JOHNSON: I may have, because I could not read everything on the files. That was the inference I drew from them. Referring back to the nine-square house which was on offer at the Royal Show, included in the quantity list was a number of nails of various types, being in all, 50 lb. Yet the files which were on the table

referred to amounts as high as 120 lb. There are other aspects which I will not deal with, but I would like to mention one small item disclosed by the revenue figures that have been brought before us recently, and that is that the export of Western Australian-produced timber in the last year amounted to 30,000,000 feet which would have been sufficient to create in the State, without oversea transport costs, the whole of these 900 houses; and they would have been constructed with a type of timber which would not be so liable to shed its paint from every knot-hole.

Most of us know, from the condition of our own garage doors, that light pine-wood sheds paint very rapidly, and I think it is reasonable to suspect that these houses, constructed of light pine-wood will similarly shed their paint, because they are not protected by verandahs, and will therefore require an excessive degree of upkeep. I am afraid these houses will not last as long as comparable jarrah houses and yet they are to cost a great deal more than the locally built homes. I wish to bring to the notice of the Minister the fact that, whether or not it is justified, there is no doubt that a considerable amount of suspicion exists, in the minds of people connected with the trade in various ways, that all is not well with these contracts. Instead of trying to prevent inquiries being made, I think he should do his utmost to ensure a full and complete inquiry in order to protect himself.

HON. J. T. TONKIN (Melville—on amendment) [9.21]: I rise to oppose the amendment, which I will do briefly, and after the House has dealt with it I will exercise my right of reply on the motion. The Minister has moved to amend my motion in such a way that, if agreed to, the result will be that no decision will be made by this House that the rents of these dwellings should be reduced, but, on the contrary, it will be decided that an approach should be made to the Commonwealth Government to seek the payment of an additional subsidy. There is no possible hope of such a request to the Commonwealth succeeding, because it will easily be shown by the various States and the Commonwealth that the houses in Western Australia have cost hundreds of pounds more than have those anywhere else, although the same basic wage rises, increased costs of transportation and increased costs of local materials have been experienced in all the other States just as they have here.

It would, therefore, be idle for us to urge that because of those increased costs and basic wage rises our houses have cost more, because the selfsame rises obtain in all the other States and if those were the only causes for the extra high costs of these imported houses there would be scarcely any difference between the cost of those erected in Victoria, New South Wales and Western Australia.

Mr. Yates: The Minister pointed out that the rents were 2s. cheaper.

Hon. J. T. TONKIN: I will deal with the rents later but am now dealing with the capital cost of the houses. The Minister misled members and quoted the cost of a 3-bedroom house in Victoria, and compared it with the 2-bedroom house in this State.

The Minister for Housing: That is incorrect. I quoted both 3-bedroom and 2-bedroom houses in Victoria and said that the rent of the 3-bedroom house there was £3 4s.

Hon. J. T. TONKIN: The Minister will not answer interjections when speaking, but will he now say whether we have any 3-bedroom Austrian prefabricated houses in this State?

The Minister for Housing: To the best of my knowledge we have not.

Hon. J. T. TONKIN: So the prefabricated houses being erected in Western Australia are all of the 2-bedroom type and if the Minister wished to make a fair comparison he would not have mentioned the 3-bedroom houses in Victoria but would have made the comparison between the 2-bedroom houses in this State and those in Victoria.

The Minister for Housing: Read the "Hansard" report of what I said.

Hon. J. T. TONKIN: I have no need to read the "Hansard" report. I am dealing with facts.

The Minister for Housing: The fact is that I referred to the 3-bedroom and 2-bedroom houses in Victoria and compared the 2-bedroom house there with the 2-bedroom house in this State.

Hon. J. T. TONKIN: What was the price?

The Minister for Housing: It was £2,400 in Victoria.

Hon. J. T. TONKIN: What is our price?

The Minister for Housing: It is £2,583.

Hon. J. T. TONKIN: I have here the Auditor General's report for this year and I will quote from page 119, where he says that the actual cost of houses completed—twelve at the 30th June, 1952—had not been ascertained, but that rentals had been tentatively fixed at £3 2s. per week based on an estimated capital cost per cottage of £2,750, which is £3,050 less £300 subsidy, recoverable over 53 years. The estimated capital cost, according to the Auditor General, includes £20 for land and £120 for road and land development, which amounts are not included under construction costs. There is a declaration by the officer of Parliament whose job it is to inform Parliament of the truth of these matters.

The Minister for Housing: He is making an estimate on twelve houses out of 900.

Hon. J. T. TONKIN: I am giving the estimate upon which the £3 2s. is based.

The Minister for Housing: What about the £3 4s. in Victoria?

Hon. J. T. TONKIN: I am dealing with what is supposed to be the estimated cost of construction of a 2-bedroom Austrian prefabricated house in Western Australia, and according to the Auditor General, the figure is £3,050. Let us compare that with the Victorian figure. The Minister quoted from a letter from the Minister in Victoria and in order to be absolutely certain of my data, since I previously spoke to this motion, I wrote again to the Eastern States and I have here a letter from the chairman of the Commission in Victoria, Mr. J. H. Davey, and if anyone should know what is the position in that State, he should. His letter, dated the 27th October, reads as follows:—

I have to advise that this Commission has entered into three effective contracts for the supply to and erection in Victoria of overseas pre-cut timber houses totalling 2,700 units. Particulars of costs, insurance, freight and exchange contract prices and estimated completed cost of houses under these contracts are as follows—
2-bedroom unit—

I will leave out the 3-bedroom unit because we have none here, and I want to have a clear comparison of these costs.

Thermo Insulated Units Ltd.—

That is the firm from which we bought our houses and so not only are the houses of the same size but also they are from the same firm and of the same type.

—500 houses of Austrian origin, c.i.f.e. price £996. Estimated completed cost, £2,400. N.B.: These estimates are likely to be exceeded as the extent of some charges to be included is not yet finally known. All units of the Austrian and Dutch contracts have been delivered and many are substantially erected.

Just as they in Victoria must anticipate some additional increase upon this estimate so must we because, on the Minister's own statement, we have a number of matters still in dispute. The question of the moisture content is in dispute and may involve additional costs; the cost of treatment for the Syrex wasp is in dispute and no provision has been made as yet in our capital cost. A number of items are in dispute with the contractor and it is quite possible, and even probable, that substantial additions will be made to the £3,050 mentioned by the Auditor General. Our figures, on a comparable basis, are about £550 per house greater than the cost in Victoria.

The Minister for Housing: Humbug.

Hon. J. T. TONKIN: Humbug?

The Minister for Housing: Yes, humbug.

Hon. J. T. TONKIN: What are we to do with a Minister who calls the statement of the Auditor General "humbug"?

The Minister for Housing: I am not calling his statement humbug.

Hon. J. T. TONKIN: I was quoting his statement.

The Minister for Housing: Your statement is humbug and claptrap.

The Minister for Education: The Auditor General did not know what the Victorian figures were. You say that our figures are £500 higher per house than Victoria.

Hon. J. T. TONKIN: Can the Minister for Education subtract figures?

The Minister for Education: I hope so.

Hon. J. T. TONKIN: Then subtract this. The Auditor General says that the costs in Western Australia—and I will repeat it again so that there will be no misrepresentation—

The Minister for Housing: Would you say it was a fair comparison to take 12 houses out of 900?

Hon. J. T. TONKIN: Those are the figures the Minister used.

The Minister for Education: It can be varied.

The Minister for Housing: Of course it can.

Hon. J. T. TONKIN: Never mind about that. Let us see what the Commission has determined already.

The Minister for Education: It is unfair for you to take 12 out of 900 and use those figures.

Hon. J. T. TONKIN: It is unfair to charge £3 2s. a week rent. The tenants are being charged £3 2s. a week now calculated on these figures. If that is the wrong figure then the Minister had no right to charge that rental. That rent has been calculated, according to the Auditor General, on a capital cost of £3,050.

The Minister for Education: Less £150 for the land.

Hon. J. T. TONKIN: Less £300 special subsidy; let us get it exactly straight. The Auditor General says—

The actual cost of houses completed (12) at 30th June, 1952, had not been ascertained, but rentals have been tentatively fixed at £3 2s. a week based on an estimated capital cost per cottage of £2,750. (£3,050 less £300 subsidy). . . .

It is perfectly clear that the Auditor General considers that the £3 2s. per week rent which the tenants are paying has been calculated upon a capital cost of £3,050 less £300, which he says is £2,750.

The Minister for Housing: Then how do you line up your figures with the Victorian rentals of £3 4s. a week?

Hon. J. T. TONKIN: The Auditor General went on—

The estimated capital cost includes £20 for land and £120 for road and land development, which amounts are not included under construction costs.

Let us take the £120 and the £20. That is another £140 from the total of £3,050 and in round figures that leaves about £2,900. Compare that with the Victorian figure of £2,400, which will be subject to the subsidy of £300, the same as it is here—

The Minister for Education: That is after making allowance for the subsidy, I understand.

Hon. J. T. TONKIN: Is it?

The Minister for Housing: It is according to the letter written to me by the Minister. You must bear in mind that on that figure they are charging £3 4s. a week and they are working on exactly the same formula as we are. How do you account for the fact that our houses are supposed to be £500 less than their houses in cost and yet they are charging 2s. more per week in rent?

The Minister for Education: £500 more.

The Minister for Housing: It is a hard one to answer. Our rents are 2s. a week lower and you are trying to say that our houses are costing £500 more than the Victorian houses, yet we are working on exactly the same formula.

Hon. J. T. TONKIN: I am not trying to say anything. I am giving the figures which are shown in the Auditor General's report. I have received those figures from two reliable sources, one the Auditor General of Western Australia and the other—

The Minister for Housing: On 12 houses out of 900.

Hon. J. T. TONKIN: The Minister has calculated the rent on 12 hours out of 900.

The Minister for Housing: No. The Housing Commission has not calculated the rent on those 12 houses. It has made an estimate as to what it will cost to complete the contract.

Hon. J. T. TONKIN: The cost has been calculated?

The Minister for Housing: They have estimated it.

The Minister for Education: Even the Auditor General says it is tentative.

Hon. J. T. TONKIN: Yes, but the rent is not.

The Minister for Education: The Auditor General says it is tentative.

Hon. J. T. TONKIN: But the rent is actual. The people are actually paying it; there is nothing tentative about that.

The Minister for Education: You have another look at his report.

Hon. J. T. TONKIN: Would the Minister like to be living in one of these houses and paying the rent? There is nothing tentative about the rent.

The Minister for Education: I know that you can make adjustments. They are made all the time.

Hon. J. T. TONKIN: The only adjustment that will be made in these rents will be upwards.

The Minister for Education: Your guess will be very wide of the mark.

Hon. J. T. TONKIN: I will not mind that in the least, but I will repeat the statement—if there is any adjustment to be made in this rent, it will be in an upward direction and not downward because the costs of these houses will increase unless my motion is carried. One of the reasons for this is that in Victoria when this cannibalism, as the Victorian Minister called it, takes place, and the contractor has to rob one house to find material to build another, it is done at the expense of the contractor and if at the end of the contract he is 100 houses short that will be his loss. But in this State, when cannibalism takes place and one house has to be robbed to provide material for another, that is at the expense of the Housing Commission.

The Minister for Housing: Is it not the difference between two types of contract?

Hon. J. T. TONKIN: Yes, it is the difference; it is all the difference and that is what is making our houses so much more expensive.

The Minister for Housing: But they are 2s. a week cheaper than the houses in Victoria.

Hon. J. T. TONKIN: But ours, according to the Auditor General, are costing £3.050, less the Commonwealth subsidy of £300.

The Minister for Housing: But the rent is £3 2s a week against £3 4s. a week in Victoria.

Hon. J. T. TONKIN: But in Victoria the houses cost £2,400; that is the difference, and they made sure that the contractor was responsible for the losses instead of the Commission. The chairman of our Housing Commission believed, until August of this year, that our Commission was not responsible; he thought the contractor was responsible as indeed he ought to be. But through somebody's failure—that is obvious because they did not fail in Victoria—we neglected to provide in the contract that the contractor would be responsible for the losses. Because we neglected to do that, there was no urge for the contractors to take extra precautions. I have been told that it was only after my motion was moved in

this House that instructions were issued that timber which had been lying out in the weather for months, together with other materials for housing, had to be collected and put under cover.

The Minister for Housing: Another of your scurrilous statements without any basis of fact!

Hon. J. T. TONKIN: No, it is not. That was told to me by a carpenter who was working on the job.

The Minister for Housing: You are always being told something by someone.

Hon. J. T. TONKIN: That was the statement made to me.

The Minister for Housing: You get this from people, this Esplanade talk.

Hon. J. T. TONKIN: This was a man working on the job.

The Attorney General: It is not good politics.

Hon. J. T. TONKIN: What is not good politics?

The Attorney General: This criticism of principal officers in charge of a department—the Principal Architect and men like that.

Hon. J. T. TONKIN: Does the Minister say I am not justified in comparing what takes place in Victoria—

The Attorney General: I did not say that.

Hon. J. T. TONKIN: —with what takes place here?

The Attorney General: I did not suggest that at all.

Hon. J. T. TONKIN: Then what did the Minister say?

The Attorney General: I was dealing with the general subject. You were criticising some permanent head.

Hon. J. T. TONKIN: And quite right, too, if I think a permanent head has fallen down on the job.

The Minister for Housing: Talking about timber out in the weather!

Hon. J. T. TONKIN: What I say and believe to be true is—

The Minister for Housing: You believe a lot of things.

Hon. J. T. TONKIN: But the carpenter I referred to was working on the job! He came and told me it was not until my motion had been moved in this House that instructions were issued to put the material under cover. Some of the material had been lying out for months and it was only then that it was carted in to houses that had been erected to such a stage as to provide cover for it.

The Minister for Housing: With 229 houses in course of construction, how could you expect to fit timber into them to provide cover?

Hon. J. T. TONKIN: I know that where builders are responsible for losses, they take every opportunity to look after material that is movable. In this case they paid no attention to that until it looked as if someone was taking notice of what was going on. Take the position regarding the tile battens. The Minister did not touch upon that subject at all. That furnishes one of the reasons why Victoria has cheaper costs than we have here. That is why 64½ houses were lost because battens were missing. No scaffolding was provided by Sandwell & Wood for their workers, so the men used the tile battens for scaffolding and much of the material was broken. Then other workmen used the broken battens for boiling the billy.

The Minister for Housing: How much extra did that cost the Housing Commission under the contract?

Hon. J. T. TONKIN: The battens cost 1s. a foot, and the State Housing Commission is responsible for all losses.

The Minister for Housing: No, it is not.

Hon. J. T. TONKIN: Of course it is.

The Minister for Housing: It is not responsible at all.

Hon. J. T. TONKIN: Let the Minister read the file.

The Minister for Housing: You want another of your reliable informers to tell you about it!

Hon. J. T. TONKIN: There is a minute on the file.

The Attorney General: Have you seen the contract?

Hon. J. T. TONKIN: Yes.

The Attorney General: What does it say?

Hon. J. T. TONKIN: What I am saying.

The Attorney General: If that is so, then you are right.

Hon. J. T. TONKIN: I suggest that the Minister, as Attorney General, ask the Minister for Housing, as he has every right to do, to let him see the contract tomorrow, and then he will be in a position to tell the House whether I am right or wrong on the point.

The Attorney General: If anything is wrong with the contract, it is probably the fault of the Attorney General's Department.

Hon. J. T. TONKIN: Yes. The file shows that the chairman of the Commission believed up till August that where losses of this nature occurred, they were the responsibility of the contractor. One of the officers of the Commission drew the chairman's attention to a certain clause in the agreement. If I remember right, it was Clause 5. When the chairman saw it, he then agreed that a claim could not be made against the contractor in respect of losses because of that provision.

The Minister for Housing: Seeing that the contract was drawn up while the chairman of the Commission was away, is it not possible that it could have been overlooked by him?

Hon. J. T. TONKIN: I did not make any suggestion regarding the chairman. What did I say?

The Minister for Housing: What you said.

Hon. J. T. TONKIN: I will leave it to the House. The Minister deliberately contradicted me when I said who was responsible for the losses. That is why I suggest to the Attorney General that he ask for a copy of the agreement so that he can peruse it.

The Minister for Housing: I did not say anything like that.

Hon. J. T. TONKIN: What did the Minister say?

The Minister for Housing: You said the chairman did not know until August that that was the position. I said the chairman was away when the agreement was drawn up, and it was quite possible that he did not know that the Housing Commission was responsible.

Hon. J. T. TONKIN: What is the point in that?

The Minister for Housing: You made the allegation that the chairman did not know until August that the Commission was responsible. While he was away he could not know what was in the contract.

Hon. J. T. TONKIN: I have merely stated the fact, and in no way was it in criticism of the chairman of the State Housing Commission.

The Minister for Housing: Why are you persisting with it?

Hon. J. T. TONKIN: To emphasise the point so that the Minister will understand.

Mr. SPEAKER: I think the hon. member's time has practically elapsed.

Hon. J. T. TONKIN: That does not worry me. The point is that if we carry on as at present there is no possibility of a reduction in rentals.

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

Ayes	....	....	....	22
Noes	....	....	....	17
Majority for	....	....	....	5

Ayes.

Mr. Abbott	Mr. Nalder
Mr. Brand	Mr. Nimmo
Mr. Butcher	Mr. Oldfield
Dame F. Cardell-Oliver	Mr. Owen
Mr. Doney	Mr. Perkins
Mr. Grayden	Mr. Read
Mr. Hearman	Mr. Totterdell
Mr. Hill	Mr. Watts
Mr. Mann	Mr. Wild
Mr. Manning	Mr. Yates
Mr. McLarty	Mr. Griffith

(Teller.)

Noes.

Mr. Brady	Mr. Needham
Mr. Graham	Mr. Nulsen
Mr. J. Hegney	Mr. Rodoreda
Mr. W. Hegney	Mr. Sewell
Mr. Hoar	Mr. Sleeman
Mr. Johnson	Mr. Styants
Mr. Lawrence	Mr. Tonkin
Mr. McCulloch	Mr. Kelly
Mr. Molr	

(Teller.)

Pairs.

Ayes.	Noes.
Mr. Bovell	Mr. Guthrie
Mr. Hutchinson	Mr. Hawke
Mr. Cornell	Mr. Coverley
Mr. Thorn	Mr. May

Amendment thus passed.

HON. J. T. TONKIN (Melville—in reply) [9.52]: The amendment will simply make us a laughing-stock of the countryside, but the Government has the numbers and can make that decision. I am reminded of something I read many years ago, "Majorities prove nothing; they only decide matters." When the Minister was about to deal with my motion, he started off in his usual way which is the refuge of every person who is without a case and that is, "Use abuse in proportion to what you lack in argument." That is an axiom the Minister follows every time he rises in his place.

The Minister for Housing: Does not the hon. member think that he abused the privilege of Parliament in regard to his statements about the Housing Commission?

Hon. J. T. TONKIN: No; and events will prove that I was perfectly justified. There will be a change of Government some day—

Hon. J. B. Sleeman: Shortly.

Hon. J. T. TONKIN: —and it will be possible for me to ascertain the information that I feel could be discovered at the Housing Commission, and then the Minister will hear all about it.

The Minister for Housing: You have had the files.

Hon. J. T. TONKIN: Have I had all the files?

The Minister for Housing: Pertaining to the Austrian pre-fab houses.

Hon. J. T. TONKIN: All the files having a bearing on those houses? The Minister, in dealing with the motion, quoted one, No. 655/44, but it was not amongst the files that were tabled.

The Minister for Housing: That is quite possible.

Hon. J. T. TONKIN: It was relevant to the motion; otherwise the Minister would not have been permitted to quote from it.

The Minister for Housing: You asked for all the files about the houses, and I think the one you referred to dealt with rents.

Hon. J. T. TONKIN: Are not the rents of these Austrian houses relevant?

The Minister for Housing: It is a separate file altogether.

Hon. J. T. TONKIN: The fact remains that the Minister quoted from it when dealing with my motion, so he must have thought that that file had some relevancy to the motion.

The Minister for Housing: You quoted from some old files that had nothing to do with the Austrian houses.

Hon. J. T. TONKIN: They were placed on the Table and I was entitled to quote from them. The file in question must have some relevancy or the Minister would not have quoted from it. It is the general rental file. That would be relevant. If it deals with the rents of these houses, it would have to show how the rents were calculated, and I claim that such a file was relevant to my inquiry, but the Minister did not table it. The Minister stated that the fact of the files being tabled here had put the Housing Commission to a good deal of inconvenience and had held up its work. Then he made the remarkable statement that the officers could not assess with any degree of accuracy the amount due to the contractors because the files were at Parliament House. I ask the member for West Perth whether he would believe that. Could not one assess what should be paid to a contractor on the work he had done after he had been at it for months, even if the files were at Parliament House?

The Minister for Housing: How could that be done if the files containing all the relevant data were here?

Hon. J. T. TONKIN: All the relevant data with regard to the assessing of progress payments were not on the files. Does the Minister mean to say that payments are not made on what the architects or supervisors declare to be the percentage of work completed in the week, fortnight or month?

The Minister for Housing: How would they know if the file was up here?

Hon. J. T. TONKIN: There was no file here that showed the monthly assessments.

The Minister for Housing: Probably you did not have a good look.

Hon. J. T. TONKIN: I had a good look. Let the Minister make no mistake about that!

The Minister for Housing: A pretty bad look, I should say.

Hon. J. T. TONKIN: The files to which the Minister refers, which would permit of the accountant's calculating the payment, would be the files that still remained with the accountant and did not come here at all. That is just nonsense.

The Minister for Housing: Those figures are not assessed by the accountant.

Hon. J. T. TONKIN: It is just nonsense to say that, because the files were at Parliament House, what was due to the contractors could not be assessed. What would happen if by chance the files were burnt? Would the contractors have to go without payment?

The Minister for Housing: I suppose they would, until another file had been built up.

Hon. J. T. TONKIN: So in that event, a way out could be found. I repeat that the Minister's statement that, because the files were here, the officers could not assess with any degree of accuracy the amount due to the contractors, was just nonsense.

Mr. Totterdell: The quantity surveyor would require a starting point from the file before he would recommend a payment.

Hon. J. T. TONKIN: The method is that the supervisor sends in a statement of what he regards as the percentage of work that has been done in the period. If he says the contractors have done five per cent. or two per cent., they are paid that percentage of the total.

The Minister for Housing: How would we know what the previous payment was unless we had the file?

Hon. J. T. TONKIN: It is not necessary to have the previous one because it is a matter of working on the percentage. If it were necessary to refer to the file to get the information, all that the Commission need to have done was to send a man to Parliament House to copy the required details, and that would not have taken him much more than half-an-hour.

The Minister for Housing: Do you think that only one item would have had to be assessed with 229 houses in course of erection.

Hon. J. T. TONKIN: The Minister's statement will not hold water.

The Minister for Housing: Nor will half of yours!

Hon. J. T. TONKIN: The Minister made some reference to the fact that, in reading a minute from one of the officers, I had used the word "interest" when I meant "extras"; but what that had to do with it, I do not know. I looked up "Hansard", and there was the word "extras"; and not "interest", so I must confess that the Minister's point goes completely over my head.

The Minister for Housing: If the hon. member wants to know, the extracts were taken from the "Hansard" duplicate and not from the printed version of his speech, and in his original version the word "interest" appeared.

Hon. J. T. TONKIN: Then that is the explanation. But the word in the minute I quoted was "extras" and the word in "Hansard" is "extras".

The Minister for Housing: There must have been an alteration in the rough copy, before the speech was printed.

Hon. J. T. TONKIN: It is possible I corrected it myself. The Minister spoke about a mere £10,000 in dispute as being about 1 per cent. of the £1,000,000 contract, and to be expected. Of course, as the member for Leederville pointed out, the £1,000,000 has not yet been paid. Less than one quarter of the contract has been completed, so it is not £10,000 in £1,000,000 but £10,000 in less than £250,000. As a matter of fact, there is considerably more than £10,000 in dispute.

This contract was for 900 houses. I added up the figures which the Minister supplied and they gave me only 750. He said that 229 were in course of construction, 130 had been completed and 391 were to be completed by the end of the year. If members will add those figures they will find the total to be 750 and not 900. I want to know what has become of the other houses in this contract. Who is going to do them; and what payment will this contractor get for the 150 houses which he is not going to erect; and who is going to pay the amount if he is to get it?

The main charge that the Minister should have attempted to answer properly is that in connection with the decision of the Commission regarding this contract and what he himself did with it. He satisfied the Deputy Premier, but it was clear to me that the Deputy Premier did not understand much about it because he thought the Minister for Housing had made his recommendation to Cabinet in accordance with the decision of the Housing Commission, which, of course, was not the case.

The Minister for Housing: The Commission recommended one builder. I said make it "builder" or "builders".

Hon. J. T. TONKIN: The Minister made it wider?

The Minister for Housing: Yes.

Hon. J. T. TONKIN: Let us see how much wider.

The Minister for Housing: "Builder" or "builders".

Hon. J. T. TONKIN: The Commission recommended that tenders be called.

The Minister for Housing: Private tenders.

Hon. J. T. TONKIN: I do not care where they were to be called.

The Minister for Housing: What is the difference between a public tender and a private tender?

Hon. J. T. TONKIN: When public tenders are called, all and sundry are invited to have a go. With regard to private tenders, people are selected from whom to invite those tenders. Tenders are invited and there is competition.

The Minister for Housing: How much competition have we been able to get in this State in the last five years?

Hon. J. T. TONKIN: It is no good trying to get over it in that way. The decision of the Commission was against what the Minister decided to do.

The Minister for Housing: No it was not.

Hon. J. T. TONKIN: Yes it was; and I will prove it. In his minute to the Minister, the chairman of the Commission said—and I will leave out the verbiage on top—

The acceptance of delivery and erection can be arranged in one of several ways.

He then proceeds to give five ways—

- (1) Public tender.
- (2) Private tender.
- (3) An invitation to one builder.
- (4) An invitation to a number of builders.
- (5) The work to be done by the Commission.

The minute continues—

The Commission has given careful consideration to the matter and feels that the best course would be to invite private tenders to enable one builder to be selected to do the work in accordance with suggestion No. 2.

So the Commission turned down No. 3, an invitation to a builder; and No. 4, an invitation to a number of builders; and it decided to recommend the calling of tenders.

The Minister for Housing: Private tenders.

Hon. J. T. TONKIN: Yes, private tenders.

The Minister for Housing: Which it did.

Hon. J. T. TONKIN: No, it did not.

The Minister for Housing: You do not know what private tenders are. Go back to school and learn!

Hon. J. T. TONKIN: The Commission gave its reasons with regard to No. 3, for an approach to and an arrangement for one builder. It said that this—

Would best suit the Commission, but it would undoubtedly bring criticism from other builders not given the opportunity and would no doubt claim to be equipped to do the work.

If I may be permitted to do so, I will add a further reason why that should not be done and that is that in respect of a contract of this magnitude—and the Minister admitted it was of considerable magnitude—it was wrong not to invite tenders—definitely wrong.

The Minister for Housing: It did, though.

Hon. J. T. TONKIN: No, it did not.

The Minister for Housing: Private tenders.

Hon. J. T. TONKIN: No.

The Minister for Housing: How many builders would be capable of negotiating—

Hon. J. T. TONKIN: Never mind how many would be capable! It would be necessary to write to them to find out.

The Minister for Housing: The Commission did find out and asked the only three who were capable.

Hon. J. T. TONKIN: This is the Minister's minute to Cabinet. He said that there were two methods, though the Commission said there were five. He said that one was—

By calling tenders from builders capable of undertaking this work.

That is what the Commission recommended. The Minister said the other method was—

By selecting a builder or builders who had proved to the State Housing Commission that they would be capable of performing such a contract.

Then the Minister said—

After some consideration, I recommend that the State Housing Commission be empowered to select a builder or builders to undertake this work.

So he recommends against the decision of the Housing Commission.

The Minister for Education: He selects two of their alternative proposals, that is all.

Hon. J. T. TONKIN: No, he does not, because the Commission submitted five possible proposals, gave reasons why four should be rejected and recommended one. The Minister put that recommendation forward with another one which had been rejected and recommended that Cabinet agree to the one rejected.

The Minister for Housing: Cabinet then had the alternative even though the Minister recommended that one. It had both suggestions before it.

Hon. J. T. TONKIN: Yes. Cabinet can be blamed instead of the Minister. I do not care; it is still wrong.

The Minister for Housing: Cabinet had the alternative, you admit that.

Hon. J. T. TONKIN: Yes, it acted on the Minister's recommendation.

The Minister for Housing: What was wrong with that?

Hon. J. T. TONKIN: A lot. Tenders should have been called for the contract which was for a million pounds and which, before it is finally settled, will involve the payment to Sandwell and Wood of considerably more than one million pounds.

The Minister for Housing: That is possible.

Hon. J. T. TONKIN: It is not only possible, but highly probable. Yet there is not a scintilla of evidence on the file to show that any proper approach was made to other builders to ascertain whether they would undertake this job.

The Minister for Housing: You ought to have another look at the files.

Hon. J. T. TONKIN: The member for Leederville had a look at them, as well as I did, and he could not find any evidence of it, either.

Mr. Totterdell: You know that in the extreme circumstances the Government would not have got a tender.

Hon. J. T. TONKIN: It had a right to try.

Mr. Totterdell: The builders were too smug, I will admit it.

Hon. J. T. TONKIN: The Government had a right to try to get tenders. It was not, as a Government, entitled to assume that there would be no tenders. It did not assume there would be no tenders for the asbestos sheets which involved only £50,000.

The Minister for Housing: That was something entirely different. There were only three builders capable of doing this job, and they were all approached.

Hon. J. T. TONKIN: I do not think they were.

The Minister for Education: You will not agree to think anything except what you think yourself.

Hon. J. T. TONKIN: I have reasons for doing that.

The Minister for Education: They are pretty small reasons.

Hon. J. T. TONKIN: No, they are pretty good reasons. I asked the Minister whether Plunketts were approached, but he would not say that he was certain they were.

The Minister for Education: He did say so in the course of his speech.

Hon. J. T. TONKIN: Well, I ask him now. Will the Minister stand or fall by his statement that Plunketts were approached in connection with the contract and asked to take it?

The Minister for Housing: I had nothing to do with approaching the contractors. It was all done by the chairman of the Housing Commission. He was advised by the Commission that these three builders should be contacted.

Hon. J. T. TONKIN: Does the Minister know for certain that Plunketts were asked?

The Minister for Housing: I do not know whether they were asked direct, but they were considered.

Hon. J. T. TONKIN: Have I not good reason to doubt? But I have stronger reasons still for believing that they were not asked.

The Minister for Housing: Another reliable informer.

Hon. J. T. TONKIN: The Minister might get a shock if I named him, so if I were the Minister I would not press too far.

The Minister for Housing: I suggest you name him.

Hon. J. T. TONKIN: Well, I am not going to act on the Minister's suggestion.

The Premier: So we get no shock.

Hon. J. T. TONKIN: The Premier might later. The Minister has his opportunity. The House has not closed down yet. He can still come here and make a definite statement that this firm was approached, but I do not think he will be in a position to make it. So the Minister failed miserably in attempting to answer the points which I submitted. He first of all said that my arguments were not entitled to credence because of the way in which I had got the information. Then he made the remarkable statement inferring that if I got the information on the occasion when some unfortunate incident occurred—referring to the meeting between Gorddard and me—then the information I had was right. The Minister cannot have it both ways. He cannot say it is without credence, and then say if I got it from this officer of the Commission he should know all about it.

The Minister for Housing: The less you say about that unfortunate incident the better.

Hon. J. T. TONKIN: That is my business, and I will carry the full responsibility for it. I emphasise that the Minister cannot in one breath say no credence can be placed on what I say—

The Minister for Housing: Neither it can.

Hon. J. T. TONKIN: —and then suggest that the information might have come from inside the Commission on the occasion when I interviewed an officer of the Commission who would know. I say that statement lets the cat out of the bag and shows very clearly that I am right on the spot with this criticism. Time will tell, and it will not be very long either, because this will become known when the final settling has to be done with regard to shortages of materials in all directions, and the final settling with the stockpile account.

I have not time to deal with this now, but the Auditor General's report makes very interesting reading with regard to the suspense accounts, and I will have an opportunity, on the Estimates, to say something about it. There was every justification for my motion. The houses in this State have cost hundreds of pounds more than they have elsewhere, not because of basic wage rises, high cost of materials, or any of the other reasons given by the Minister, but through sheer inefficiency and dereliction of duty in this State.

The Minister for Housing: Humbug!

Hon. J. T. TONKIN: The use of the word "humbug" by the Minister does not explain the difference of practically £500 between our costs and the Victorian costs. The Minister cannot get out of it that way. It is a matter of simple arithmetic because all we have to do is to put the larger amount on top and subtract the smaller amount from it and the larger amount is the Western Australian figure of £3,050 as against the Victorian figure of many hundreds of pounds less. So the question of the rental assessment has no bearing on this, and we would require to know what the average rent is for the locally built house in Victoria compared with ours to be able to arrive at a proper assessment on that figure.

The Minister for Education: On the same capital costs and on the same formula used in both States, the rentals should be the same.

Hon. J. T. TONKIN: But the same formula is not used in both States because in Western Australia the Government has done something which the Auditor General says it has no right to do; and it has spread the costs over all the houses that are left after taking out those sold to prospective purchasers. Instead of limiting to any particular year the increased costs, and spreading them over the houses for that year, a sum of £150 has been added to the houses built in 1945-46. That is something which has not been done in Victoria.

The Minister for Housing: Have we done that with the Austrian houses?

Hon. J. T. TONKIN: I believe so.

The Minister for Housing: Then you do not know what you are talking about because they stand entirely on their own feet.

Hon. J. T. TONKIN: I have seen no evidence to prove that, but on the contrary a statement appears in the Auditor General's report that the difference in the cost of houses built with imported materials as against those built with local materials has been spread over the whole of the houses erected in Western Australia.

The Minister for Housing: It is, but the Austrian houses are not included.

Hon. J. T. TONKIN: He goes so far as to say that in his opinion it should not be done; and I think he is right.

The Minister for Education: The Austrian houses could not be included because at the time he wrote the report only 12 had been erected.

Hon. J. T. TONKIN: No, 130 had been.

The Minister for Education: A few minutes ago you said 12 had been erected.

Hon. J. T. TONKIN: The Minister for Housing said tonight that 130 houses had been erected.

The Minister for Housing: That is the number now.

The Minister for Education: Not at the time of the Auditor General's report from which you are reading.

Hon. J. T. TONKIN: What has that to do with it?

The Minister for Education: You said that the Auditor General's report stated that the cost had been averaged over all the houses, but the Minister says the Austrian houses have not been included, and they could not have been included at that time because only 12 had then been erected.

Hon. J. T. TONKIN: Could not the estimated cost of these 12 houses have been averaged over the rest?

The Minister for Education: It would have had but a very slight effect over 6,000 or 7,000 houses.

Hon. J. T. TONKIN: It does not alter the fact that the principle to which attention has been drawn is considered by the Auditor General to be wrong. He says that the decision was that the cost should be spread over every house built in any particular year and adds that he cannot relate the increased cost to houses built in any particular year because the Commission has spread it over all the houses. I asked the Minister had this matter been submitted to the Crown Law Department for determination and he said that it had not. I suppose they were afraid to submit it. Why has it not been submitted to the Crown Law Department, seeing that it is a matter of law?

The Minister for Housing: It has been submitted, not by the Housing Commission but by the auditors, and it is there now, waiting for an opinion.

Hon. J. T. TONKIN: So no decision has yet been made?

The Minister for Housing: No.

Hon. J. T. TONKIN: I do not seem able to pick up immediately the item to which I referred but I will deal with it later—I assure the House that it is there—where the £150 has been added to the houses built in 1945-46, and I think £10 to the houses at the other end of the scale, those most recently erected.

The Minister for Housing: What has that to do with the Austrian houses?

Hon. J. T. TONKIN: I do not know.

The Minister for Housing: I have told you that they stand on their own feet.

Hon. J. T. TONKIN: I am not sure that they do, but we will find that out later when the figures are submitted. With regard to capital costs the Minister gave figures different from those given by the Auditor General.

The Minister for Housing: The Auditor General took the figures for 12 houses out of 900.

Hon. J. T. TONKIN: Then I suggest to the Minister that if £3 2s. is a proper rent on the Auditor General's figure—

The Minister for Housing: It was not assessed on that figure.

Hon. J. T. TONKIN: The Auditor General says it was.

The Minister for Housing: The Housing Commission did not make a guess based on 12 houses.

Hon. J. T. TONKIN: Then put the Auditor General right and let him make the correction, because he says here that the rent of £3 2s. per week was calculated on this cost which he mentions, and if the Minister says that that cost is wrong he has no right to keep the rent at £3 2s. per week but should reduce it.

The Minister for Housing: It will be reduced if it is found to be wrong. It is all subject to adjustment.

Hon. J. T. TONKIN: The Minister is sure that it is wrong now.

The Minister for Housing: No.

Hon. J. T. TONKIN: The Minister says that his figure of the capital cost, which is considerably below that of the Auditor General, is the correct one and yet according to the Auditor General the rent was calculated at his figure. If that figure is wrong and the Minister's is right the Commission has no right to charge the rent it is charging and the Minister had better reduce it. The motion, as now amended, will mean nothing at all. The Minister knows that if he approaches the Commonwealth Government and claims that because of basic wage increases, the increased cost of transportation and of local materials, these houses have gone up in price, he has not a chance in a million of getting an additional subsidy. He knew that when he moved the amendment which has rendered my motion innocuous, so that it can achieve nothing.

I do not care now whether the motion is carried or defeated but the debate has served to show that some developments can be expected at the Housing Commission as sure as night follows day and that eventually the chickens will come home to roost. When they do, we will see whether the Minister's answers were correct and whether there was a sound basis for the strictures I have made. I did not raise this question in the House without having had supplied to me plenty of information—

The Minister for Housing: Reliable information, from a most reliable source!

Hon. J. T. TONKIN: —and only portion of it has yet been used. I am waiting to see what situation will arise when the final settling with regard to the suspense account takes place and when the final accounting is done and we have to make up for the shortage of houses—we will be many short of the 900 that are sup-

posed to be erected—because then the cost will go up and if it is to be restricted to the Austrian houses and not spread over the others, what I have said will be proved to be true; that if there is any variation in the rents it will be a variation upwards.

Question put and passed; the motion, as amended, agreed to.

MOTION—RAILWAYS.

As to Restoration of Week-end Suburban Services.

Debate resumed from the 15th of October on the following motion by Mr. Brady:—

That in the opinion of this House the suburban rail services should be restored to normal running, particularly the Saturday afternoon and Sunday services.

THE MINISTER FOR EDUCATION (Hon. A. F. Watts—Stirling) [10.26]: The member for Guildford-Midland, when moving this motion, said that suburban rail services should be restored to normal running, particularly as regards the Saturday afternoon and Sunday services. I do not know that there is any abnormal running at present but I presume that the hon. member meant that the services should be returned to what they were before the recent industrial trouble.

Mr. Brady: Yes, the original number of services.

THE MINISTER FOR EDUCATION: I am sorry to have to tell the hon. member that although, for reasons that can be mentioned later if necessary, the Government may be prepared to make some concessions, what he desires cannot be achieved—now that I understand exactly what it is. A very long time ago—some two or three years now—consideration was given to the position of suburban railway services, because it was established on figures supplied by the accounts office of the Railway Department itself that the railway suburban services were even then losing many thousands of pounds per annum. In fact, had the figure not been reduced to what could be saved by abandoning the suburban rail services of that time, it would have been many hundreds of thousands of pounds, but I think it is apparent to everybody that simply by stopping trains running on a line one does not blot out the expenditure that has been incurred on that line. So it was reduced to a figure which would be the net saving supposing they were to cease; that reduced it not to many hundreds of thousands of pounds but to many thousands of pounds.

The position has by no means improved and it was not without careful consideration over quite a long time, that the recent action was taken to minimise the off

peak periods and, subject to something that I shall say later on, to stop the Saturday afternoon and Sunday services. Once again, the figures that were used were supplied by the Railway Department and it was a question only of what could be saved supposing that suburban trains ceased to run. It was found, on this occasion, that the saving would be as large a sum as £334,000 after making every possible allowance and not taking into consideration anything which, by any stretch of the imagination could be regarded as unfair to the calculation, and ignoring altogether the period during which the metal trades strike was on. The figures were taken over a period when no strike was in progress, but to the expenditure were added increases in wages which were current at the time of the calculation, because as between the period before the strike and the period after the strike there had been increases in wages. Therefore, in order to arrive at a reasonably correct figure, in the light of circumstances during the coming year, it was necessary to take those increased wages into consideration.

The costs of operation which were assessed in regard to this matter excluded all administration and supervision charges. It was contended that they could properly be chargeable to the running of trains on suburban lines that were not suburban trains, to wit, goods trains and country passenger trains that might run on sections of the suburban lines. So only expenditure which could be claimed conclusively to be directly chargeable to suburban passenger services was charged. As I indicated just now, the true measure of what would be saved by the closure, and in calculating those savings, nothing was taken into account with regard to the maintenance of rollingstock or the maintenance of the line itself. It was recognised that the line has to be maintained in any event for purposes other than for suburban traffic. Therefore it will clearly be realised that no effort was made to enlarge the financial difficulties of the suburban railway services.

On the basis that I have outlined, the grand total of savings to be effected by closure would have been £614,351. Against that was set off the maximum possible earning power of £281,478, leaving a net saving of £332,872. Proportionately by far the heaviest losses are incurred during the week-end services. Upon examination it was found that in the main they were the most poorly patronised and unfortunately on top of that they were charged, under awards, with rates that were either double time on Sunday or time and a half on Saturday. In consequence, even with the same patronage proportionately, they would have been dearer, but with a lessening patronage they became the most expensive part of the system and I use the word "expensive" as in relation to the calculated loss on the suburban services.

The only solution that could be found was a restricted service run by something other than a steam train but at that time, when these decisions were made, considerably more than half the locomotive power of the railway system was out of commission. What few diesel-electric coaches we had were sadly in need of overhaul. They had done yeoman service in many places during the industrial trouble and it was obviously impossible to do other than say, at least for the time being, that the week-end services must terminate. In regard to the week-day services, from information available from the railways, it appeared that 80 per cent. of the traffic carried on the week days was in the so-called peak periods, roughly before 10 a.m. and after 4 p.m. The balance when a large number of trains, I think 80 in all, were running during the week in the off-peak periods, was certainly not such as to induce any undertaking, with any idea of securing some relationship between costs and income, to continue the existing off-peak period services.

So it was decided that the peak period services should be restored as rapidly as possible. That was partly a question of engine power, but they were restored almost immediately to a very considerable degree and since then they have been added to, and to restore the off-peak services of week-days at approximately 50 per cent. of their former volume, endeavouring to work it to the best of the officers' ability as a service which would result in providing people, who must travel during these times, with travelling opportunities while at the same time ensuring and extending possibly, when there appeared a reasonable opportunity of passengers for the train so as to justify it, the running of such trains. That was the decision arrived at and that, I think, is a clear and sufficient explanation of that aspect of the matter.

The Minister for Railways, who, as members know, I represent in this House, has already publicly stated that, provided there is indication of sufficient patronage, he is prepared at week-ends to run trains to such resorts as were mentioned by the member for Guildford-Midland at times that would appear likely to obtain that patronage. Neither he nor anyone else I know of in connection with this matter, is anxious for one moment to prevent any citizen from undertaking such a journey as the hon. member mentioned, provided there are sufficient such persons reasonably to warrant the expense of running such a train.

I have no doubt whatever that suitable arrangements, at least to a limited degree as the summer draws on, will be made for that purpose. In addition, the Minister is prepared to consider the use of diesel coaches to an extent similar to what I have just mentioned, namely, if

there is sufficient patronage to warrant the running of them in a limited way. It is a well-known fact now, I think, that the cost of running a diesel coach can be very much lower, comparatively a small percentage only, than the cost of running a steam train. So, when vehicles are available for that purpose, consideration will be given to that type of journey.

Mr. Styants: Are you speaking now of diesel passenger locomotives?

The MINISTER FOR EDUCATION: I am speaking of diesel-electric coaches, not diesel locomotives, as such. We have not been accustomed to diesel locomotives here but always to coaches, but I agree the former are coming. Having dealt with these matters, I would remind members that there were several other subjects mentioned in the speech of the member for Guildford-Midland to which I now propose to make some reference. The hon. member had quite a lot to say about railway freights and fares, and the tremendous incubus placed upon metropolitan users by comparison with rural people, whom he classified as friends of the Government, and also quite a lot to say with regard to the bus services among people whom, if I remember rightly, he also classified as the friends of the Government, who he alleged had been given a franchise by the Government, and he made the allegation in such a way that it appeared this franchise had never existed before the present Government took office.

It is very desirable to correct false impressions offered in support of the hon. member's otherwise reasonable enough motion, from his point of view, and I propose to do a little correcting in the next few minutes. First of all, the bus service between Perth and Fremantle, now known as the Metro buses, was first authorised on the 24th October, 1924. The Perth-Armadale bus service of the same company was first authorised on the 13th March, 1925, and the Federal bus service to Bassendean was first authorised on the 1st June, 1928. It was in April, 1924, that the Labour Government, headed by that much respected citizen who has now unfortunately passed away—the late Hon. Philip Collier—came into office, and it continued to function until the third month of the year 1930.

Consequently, between the years 1924 and 1928, which were the years to which I referred in connection with the bus services, Hon. P. Collier and his Government were responsible for the management of the State. During that period, as I have said, those three services in particular came into operation. From the 8th April, 1933, to the 1st April, 1947, there were in office in Western Australia several Governments headed by distinguished leaders of the Labour Party; they held office continuously between those two dates. So, from the dates on which the

Fremantle, Armadale and Bassendean services started until the 1st April, 1947, there was a period of only three years—between 1930 and 1933—during which any other than a Labour Government could have taken action in a matter of this type.

On the 1st April, 1947, when the first Government headed by the present Premier took office, there were 84 licensed buses of the Metro Omnibus Coy. and 13 licensed buses of the Federal Omnibus Coy. The Federal Omnibus Coy., unfortunately, fell upon difficult times, and its services were finally superseded by a combination of others, but upon the Bassendean route, there are still 13 buses, and while the Metro Coy. has extended its services, there are still approximately the same number of buses on the Fremantle and Armadale routes as there were on the 1st April, 1947.

Mr. J. Hegney: What are you trying to prove?

The MINISTER FOR EDUCATION: I am trying to indicate that the little story told by the hon. member about the trend of the Metro Coy. and the reference to members on the Government benches contains about as much truth as many other allegations that have been made in the House recently. There are no more buses than there were then, and the buses I have mentioned commenced on the 24th October, 1924, and have been operating ever since. As I have indicated, October, 1924, was about six months after Mr. Collier's first Government came into office. That establishes the fact that members now on this side of the House are no more responsible for the establishment of those services than are members opposite and probably rather less. This is not to say that I disagree with what took place; quite the contrary, but I have stated the fact for the edification of the hon. member.

Mr. Styants: The carrying capacity of the buses today would be much greater than it was at that time.

The MINISTER FOR EDUCATION: Admittedly, but the population has expanded vastly. The population of the State has in that time risen from 405,000 to 605,000 and for the metropolitan area from 200,000 to 309,000. Those figures are approximate, but they are near enough to being correct and show an increase of about 50 per cent. in each case. The hon. member also had a lot to say about railway freights and fares. I have some interesting data that may be of value to him and probably also to other members and to the public.

Mr. Brady: I hope you have some information about the rail freight on super.

The MINISTER FOR EDUCATION: I have, doubtless much to the surprise of the hon. member, because it is a habit of mine to cover a fairly wide field. I do not

believe in narrowing it down too much. The hon. member observed that country freights and fares had not been substantially increased.

Mr. Brady: That is correct, is it not?

The MINISTER FOR EDUCATION: I shall tell the hon. member what the freight on super was on the 1st April, 1947, and what it is now. I have already demonstrated that the responsibility for 20 out of the 23 years preceding the 1st April, 1947, lies with members who believe in the same brand of politics as do members opposite. On the 1st April, 1947, the freight on super for 50 miles was 3s. 9d. per ton; in 1952 it was 20s. 7d. per ton, or an increase of 448 per cent. For 100 miles, the freight in 1947 was 4s. 7d. and is now 24s. 9d., an increase of 440 per cent., and so on until we come to 350 miles, to give an example of the telescoping that has occurred, but it is a particularly heavy increase from 9s. 10d. in 1947 to 42s. 6d. now, an increase of 352 per cent. I think the hon. member will agree that those are fairly substantial increases, bearing in mind the antecedents of this matter.

Mr. Brady: What about road costs? You are using road transport.

The MINISTER FOR EDUCATION: Speaking from memory, five and five-eighths pence per ton mile.

Hon. J. B. Sleeman: And a fairly good subsidy, is there not?

The MINISTER FOR EDUCATION: Not now. Mr. Wise was the author of that idea and I think it was an excellent one. I had no hesitation in following his idea and would do so now if circumstances permitted rather than have the present situation. It started with Mr. Wise in 1946 and continued until last year. Now unfortunately, it no longer exists. Turning to wheat, for 50 miles the freight in 1947 was 9s. per ton and is now 20s. 7d., an increase of 128 per cent. For 100 miles it was 11s. 8d. and is now 24s. 9d., an increase of 112 per cent., and for 350 miles, it was 22s. 3d. and is now 38s. 8d., an increase of 73 per cent.

Let us now turn to general traffic, first-class. For 50 miles in 1947 the freight was 24s. 10d. and it is now 49s. 6d., an increase of 99 per cent. For 100 miles the freight was 45s. and is now 82s. 10d., an increase of 84 per cent. For 350 miles—again showing the bona fides of the attempt to telescope it for long distance places such as the Goldfields—it was 118s. 6d. in 1947 and is now 175s., an increase of only 47 per cent. So it will be indicated to the hon. member that there have been some pretty substantial increases in the freights paid by the rural people. Let us have a look at what it costs to travel comparable distances on country passenger services. Suburban fares are now one class only, so country

fares have been taken at second class which is fairly comparable. Here are some figures—

Mileages	Suburban fare. (one class)	Country fare. (second class)
6	11	1 0
10	1 3	1 8
15	1 10	2 6
20	2 4	3 4
24	2 10	4 0

Mr. Styants: They get a metropolitan complex sometimes, don't they?

The MINISTER FOR EDUCATION: There is no doubt that some people have a metropolitan complex, and the member for Guildford-Midland is getting to be one of them when he makes an astonishing statement in his speech having reference to these things and speaks about "our friends." They are our friends, and I wish we could treat them better, and I do not know for the life of me why we do not.

Mr. Brady: If that is the best argument you can put up, it is pretty weak.

The MINISTER FOR EDUCATION: I am not putting up an argument but am refuting the hon. member's complaints.

Mr. Brady: You are not arguing a case but talking around the bush.

The MINISTER FOR EDUCATION: Not on your life! I am answering the hon. member's statements and will continue to do so, little as he may like it.

Mr. Brady: As a matter of fact, I am enjoying it.

The MINISTER FOR EDUCATION: It is a peculiar form of enjoyment.

Mr. Brady: It shows how weak your case is!

Mr. J. Hegney: We will take it as read.

The MINISTER FOR EDUCATION: No, we will not. One of the major troubles from the point of view of revenue from suburban services is the large number of concession fares that have to be granted. It is true that they have to be accepted for they are part and parcel of railway history. They are included in the railway awards. They are, in effect, the law of the land, and we must not in any way depart from them; nor do I complain about them. I merely state as a fact that of a total number of 10,000,000 suburban passenger journeys, 1,560,000 are made at concession fares or with privilege tickets or passes.

Mr. J. Hegney: Do concession fares include monthly tickets?

The MINISTER FOR EDUCATION: Yes, they are extended to monthly tickets. The ordinary fare payable is double the single fare for a return journey. Here are the concession fares:

Return tickets—Railway employees privilege tickets one half of the ordinary single fare (minimum 1s.).

Really in many cases that is one-quarter of the ordinary fare for a return journey.

Week-end excursion tickets as single fare plus one-third (minimum 2s. 3d.). These tickets are not available for journeys entirely within the suburban or outer suburban areas but could, for example, be purchased for a journey from Perth to National Park which is just outside the suburban area.

Periodical tickets — Apprentices whose wages do not exceed £5 per week—Monthly or quarterly tickets at two-thirds rate.

Students travelling to schools, colleges etc.—Monthly or quarterly tickets at one-third rate for students under 18 years of age or two-thirds rate for students 18 years and over.

Above 6th standard students—Term tickets (covering each school term) issued free.

Railway employees—Periodical tickets at half rate if employee in receipt of more than 45 per cent. of basic wage or at quarter rate if employee's rate of pay does not exceed 45 per cent. of basic wage.

The difference between the concession fare granted to students and the ordinary fare is recouped to the Railway Department by the Education Department.

It will be quite clear to members that because of these arrangements and awards there are a considerable number of passenger journeys which pay little more in proportion to the ordinary fare than a nominal fare and so make it more difficult for the losses on the suburban services to be kept to a minimum.

As the hour is growing late, I will not cover a great deal more ground that I could have covered had I started a little earlier in the evening. I have already said that it is impossible in any circumstances to consider the complete restoration of the off-peak period service on week days. That must remain and be regulated as well and as fairly as possible at approximately 50 per cent. of the pre-strike timetables, which we hope will give the railways an opportunity to make somewhere near a payable service out of them and at the same time provide those who must travel with a reasonably convenient service. With regard to the week-end services, I have already said that, provided there is some indication of sufficient patronage to warrant it the provision of a special type of train to resorts to which the hon. member made reference will be given very favourable consideration. Also, as soon as there is an opportunity of providing some kind of diesel-electric coach service, and provided there is some sign that it will receive reasonable patronage, that will also be given favourable con-

sideration. I do not think the motion is necessary and therefore I do not propose to support it.

MR. GRIFFITH (Canning) [11.9]: I listened to and read the speech made by the member for Guildford-Midland when he moved this motion. He began by saying—

Last Friday night, a public protest meeting was held in the Midland Junction Town Hall. The mayor of Midland Junction presided and Hon. H. S. W. Parker, M.L.C., myself and a number of other people concerned were on the platform.

There were about 200 people in the body of the hall. I think it will be agreed that to have a public meeting of 200 people in a town hall these days is no mean achievement, and indicates the feeling of the people in the district concerning the curtailment of the suburban railway services, and their entire elimination on Saturday afternoons and Sundays.

I agree with the hon. member that it is no mean achievement to get 200 people in a town hall for a meeting for this purpose, and I compliment him, and the people associated with him, in being able to stir up enough trouble to get 200 people to attend.

Mr. Brady: That is a very nasty statement, and is in conformity with your usual demeanour in the House.

Mr. Graham: Thank goodness he will not be here much longer!

The Minister for Education: I thought the remark was very complimentary.

The Premier: I did not think it was meant to be offensive.

Mr. GRIFFITH: The member for Guildford-Midland—

Mr. Brady: I suppose you are trying to make out that I called the meeting.

Mr. GRIFFITH: Apparently the hon. member has a guilty conscience on the subject. As for the wishful thinking of the member for East Perth, let us wait and see what the next election brings.

Mr. Graham: It cannot come quickly enough.

Mr. GRIFFITH: It is only the hon. member's opinion, and it is not shared by everyone in the House. The point is that there will be an election next March and the member for East Perth will go before the people, and it might be a good thing if they do not send him back here. In the meantime, why not let me make my speech without interruption? When the member for Guildford-Midland spoke, no-one could get a word in edgeways because he was like a rusty gramophone needle on a record that kept going all the time.

Mr. Brady: It seems to have been annoying to you.

Mr. GRIFFITH: Yes, the hon. member's voice annoys me at times.

Mr. SPEAKER: Order!

Mr. J. Hegney: What about dealing with the passenger service through Belmont?

Mr. GRIFFITH: The hon. member has no clues as usual. He does not know what my attitude is, but immediately jumps to the conclusion that I shall oppose the motion.

Mr. Brady: It is a bit late now to support it.

Mr. GRIFFITH: Does the hon. member think so?

Mr. Brady: Yes, the people are awake to you.

Mr. GRIFFITH: Another statement the member for Guildford-Midland made in presenting his motion, was this—

We should adopt a commonsense approach towards this business and we could probably have a reduced train service on Sundays.

I suggest that by placing those words in "Hansard" the whole basis of the hon. member's argument falls to the ground because they are inconsistent with his motion, which, in case he does not remember it, I will read—

That in the opinion of this House the suburban rail services should be restored to normal running, particularly the Saturday afternoon and Sunday services.

As the Minister representing the Minister for Railways pointed out, he did not know, and neither I think did the member for Guildford-Midland, that there was any abnormality in the running. We agree that what the hon. member wants is a restoration of the services. By placing these words on record the hon. member puts himself in the position that his motion falls to the ground. Even the member for Guildford-Midland will admit that the real cause of cutting out the train services—

Mr. Brady: Is the metal trades strike. Go on, get on with it.

Mr. GRIFFITH: The hon. member has given me the answer and he knows it to be only too true. If he does not know it to be true, perhaps he will answer this: Does he think the curtailment of the services would have come as soon as it did had it not been for the strike? His silence is obviously acquiescence. The Government has for some time since the strike been endeavouring to restore train services in the metropolitan area. Only this morning there was in the paper an article dealing with the additions of one or two extra trains because other loco-

tives have been placed into service. I represent some people who live along the Perth-Armadale route.

Mr. Graham: You misrepresent a lot of them, too.

Mr. GRIFFITH: I will treat that remark with the disdain it deserves.

Mr. Graham: And that flatters me.

Mr. GRIFFITH: I represent these people, and when the services were cut out it was natural that some of the people should approach me on the matter. Together with the Minister for Housing, whose border touches mine in the East Cannington section, I approached, through the Minister for Transport, the Kalamunda Bus Company with a view to providing a service in the week-ends. This service has been provided, and has proved quite satisfactory. I have received a number of communications from people in the district expressing thanks for the fact that the service has been placed there.

In moving the motion, the member for Guildford-Midland desired the restoration of train services. I, too, would like to see that restoration for the benefit of the people who live along the Perth-Albany line, and also for the benefit of others who live in the metropolitan area who are obliged to use trains in the week-end. But surely the time has come when we should have progressed a little more than to have merely the fond hope that we can sit down and wait until the people responsible for repairing the engines, which are in a bad state of repair due to the strike, can do something. The member for Guildford-Midland said—

The Government will tell the public that it is hanging on to these services until the diesel engines arrive next year. In other words, it is trying to convey the fact that it is hanging on to these services so that the people will get accustomed to using buses until next June or July.

We heard the Minister for Education, representing the Minister for Railways, say that the Government would be prepared to put trains into service in the week-ends for trips to certain resorts if the patronage for those journeys became evident; and we also heard him say that the Minister for Railways was prepared to run diesel-electric coaches in the suburban areas, provided the patronage warranted it. To my mind, it would be advantageous if we were to change over to diesel-electric coaches in order to provide residents of the suburban areas with a fast modern service which can be given so much more economically by means of such coaches than is possible by the use of steam trains. I agree with the principle of the motion, but do not think the member for Guildford-Midland used much foresight in framing it. If we are to rely on steam trains for these services—when

the trains are again available—I do not think it will be possible to restore them on a payable basis. I move an amendment—

That all words after the word "House" be struck out with a view to inserting other words.

The words that I propose should be inserted will make the motion read, "That in the opinion of this House steps should be taken to afford suburban residents railway services on Saturday afternoons and Sundays by diesel-electric coaches."

On motion by Mr. Styants, debate adjourned.

House adjourned at 11.22 p.m.

Legislative Assembly

Thursday, 6th November, 1952.

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.