

# Legislative Council.

Wednesday, 12th December, 1945.

	PAGE
Question: Workers' Homes Board, as to power to resume land .....	2696
Motion: Standing Orders suspension .....	2696
Bills: Albany Freezing Works Agreement, 3a., passed	2696
Municipal Corporations Act Amendment, Com., recom., reports .....	2696
Electoral (War Time) Act Amendment, 2a., remaining stages, passed .....	2699
Constitution Acts Amendment Act Amendment (No. 4), 1a. ....	2700
Loan, £56,000, 2a., remaining stages, passed .....	2700
Building Operations and Building Materials Control, Assembly's message .....	2709, 2718
Industrial Development (Resumption of Land), Assembly's message .....	2720
Increase of Rent (War Restrictions) Act Amendment, Assembly's message .....	2709, 2718
State Electricity Commission, Assembly's message .....	2723
Workers' Homes Act Amendment, 2a. ....	2709, 2718
Commonwealth and State Housing Agreement, 2a., Com., remaining stages, passed .....	2711
Superannuation and Family Benefits Act Amendment, 2a., Com., recom., remaining stages, passed .....	2723
Commonwealth Powers, Assembly's message .....	2732
Supreme Court Act Amendment (No. 2), Assembly's further message .....	2732
City of Perth Sanitation, 1a. ....	2732
Resolution: State forests, to revoke dedication, 2700, Adjournment, special .....	2711, 2732

Act, 1902-33, authorises the resumption of land required by the Minister for his "Public Work."

## MOTION—STANDING ORDERS SUSPENSION.

On motion by the Chief Secretary, resolved:

That during the month of December, so much of the Standing Orders be suspended as is necessary to enable Bills to be put through all stages in one sitting, and all messages from the Legislative Assembly to be taken into consideration forthwith.

## BILL—ALBANY FREEZING WORKS AGREEMENT.

Read a third time and *passed*.

## BILL—MUNICIPAL CORPORATIONS ACT AMENDMENT.

*In Committee.*

Resumed from the previous day.—Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

The CHAIRMAN: Progress was reported after Clause 44 had been agreed to.

Postponed Clause 21—New sections:

Hon. C. F. BAXTER: The object of the series of amendments I have placed on the notice paper is to give power to councils to purchase houses, either with loan money or from revenue, in order to cope with the present acute shortage of houses. Instances have occurred where suitable houses have been available from deceased estates and otherwise, which could be purchased fairly cheaply, and their purchase would have been a good proposition from the standpoint of both the council and the employee. The amendments give power to purchase houses from revenue and I would point out, that many councils at present have heavy credit revenue balances. It is better to use the revenue rather than to raise a special loan for this purpose. I think the power should be granted as it has often happened that a good officer has been unable to accept a position because he was a married man with a wife and family and could not get accommodation. Too little is done in the way of providing homes for employees, and a particularly bad example is the Railways

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

## QUESTION.

### WORKERS' HOMES BOARD.

#### *As to Power to Resume Land.*

Hon. H. SEDDON asked the Chief Secretary:

1, Under what section of the Public Works Act, 1902-1933, has the Government taken action to resume land in the metropolitan area as set out in the "Government Gazette" of the 16th November, 1945?

2, When, if ever, did Parliament agree that the power for resumption of land, under the Public Works Act, should be extended to the Workers' Homes Board?

The CHIEF SECRETARY replied:

1, Section 2—Definition of Public Work, Subsection (1) and Sections 10, 11 and 17.

2, Legal advice received from the Solicitor General stated that the erection of workers' dwellings under the Workers' Homes Act was considered to be a "public work" within the meaning of the Public Works Act, 1902-33. Section 10 of the Public Works

Department, which, I believe, should provide permanent homes for many of its employees. I move an amendment—

That in line 2 of proposed new Section 219A, after the word "purpose" the words "or purchase" be inserted.

Amendment put and passed.

On motions by Hon C. F. Baxter, clause further amended by inserting in line 2 of proposed new Section 219A, after the word "be" the words "sold under contract of sale or be"; by inserting in line 4, after the word "such" the word "leased"; by striking out of lines 1 and 2 of the proviso, the words "no freehold estate in any such land shall be granted to any employee and that"; by inserting in line 4 of the proviso after the word "land" the words "or the purchase of any such house"; and by adding at the end of the proviso the words "or out of the ordinary revenue of the council".

The HONORARY MINISTER: I move an amendment—

That Subsection (6) of proposed new Section 219B be struck out and the following new subsection inserted in lieu:—" (6) The rents and profits derived by the council from the leasing of houses, and the net profits derived by the council from the sale of houses, under this section shall be used and applied for payment of interest and sinking fund contributions or otherwise for the redemption of the loan from which such moneys were taken."

This is a consequential amendment made necessary by an amendment agreed to in another place. It was decided there that the building of such houses was to be confined to loan money, the idea being to give ratepayers an opportunity to express approval or otherwise of a building scheme for ratepayers. Subsection (6) was overlooked, so it must be amended here.

Hon. H. Tuckey: Do you say they are to build for the ratepayers?

The HONORARY MINISTER: For anybody.

Hon. H. TUCKEY: I do not think that would be wise. I have no objection to the council building houses for employees of the council but I intend to vote against the amendment as I do not think the council should build houses for ratepayers.

Hon. H. SEDDON: The amendment moved by the Minister applies only to a portion of Section 219B. The whole of

Section 219B deals with councils being authorised to build houses to be leased, let or sold on a contract of sale to any person. Unless the provision is deleted, Mr. Tuckey will not achieve his objective.

The Chief Secretary: A person who occupied such a house would be a ratepayer.

Amendment put and passed; the postponed clause, as amended, agreed to.

New Clauses:

The HONORARY MINISTER: Three consequential amendments are now necessary. I move—

That new clauses be inserted as follows:—

Amendment of Section 77.

8. Section seventy-seven of the principal Act is amended by inserting at the beginning thereof the words "Subject to section forty-four of this Act."

Amendment of Section 78.

9. Section seventy-eight of the principal Act is amended by inserting at the beginning thereof the words "Subject to section forty-four of this Act."

Amendment of Section 483.

35. Section four hundred and eighty-three of the principal Act is amended by deleting the word "mayor" in the last line of the section and inserting in lieu thereof the word "councillors."

New clauses put and passed.

Title—agreed to.

Bill reported with amendments.

*Recommittal.*

On motion by Hon. H. Seddon, Bill recommitted for the further consideration of Clause 21.

*In Committee.*

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 21—New Sections:

Hon. H. SEDDON: The proposed new Section 219B authorises local authorities to build houses for the purpose of letting or selling to anyone. I quite approve of the idea of a council being empowered to build houses for its employees, but I do not know that we would be justified in permitting councils to enter into the business of building and selling houses. A local authority might be tempted to believe that it might

do very well by embarking on this line of business. To test the feeling of the Committee, I move an amendment—

That proposed new Section 219B be struck out.

Hon. Sir HAL COLEBATCH: I see no objection to the proposed new section. Abundant safeguards are provided and, in many instances, it might be desirable for a council to have this power. A council wishing to exercise the power must set out its proposals with all material particulars and submit them to the Minister for his consideration. Then there is a list of the things the Minister may do to prevent abuse of power. If the proposal is approved, it has to be advertised in the "Government Gazette" and the money required for the purpose must be raised by loan. Under the Act, ratepayers are at liberty to object to the raising of a loan. Thus there are ample safeguards to protect the interests of the ratepayers.

Hon. F. E. GIBSON: I hope the proposed new section will not be defeated. It is necessary to give this power to local authorities. In some instances they have endowment funds which could be used for building purposes. The proposed section contains many safeguards that will prevent anything like wild cat schemes being inaugurated. I know of no activity in which a local governing body could be better engaged than in providing homes for ratepayers, particularly if they are of the type desired and at prices commensurate with the incomes of the ratepayers. Local authorities will be able to embark upon work of this nature without entering into competition with private enterprise. Under present conditions when the need for homes is so great every facility should be put in the way of local authorities to enable them to endeavour to fill the gap.

Hon. L. CRAIG: I hope the proposed new section will be struck out. It is not the function of a municipal council to enter into competition in the building of houses. One can imagine a long string of homes being erected for prospective ratepayers. If the tenants get into arrears with their rent, would the municipal council be brave enough to enforce payment or to enforce maintenance, and in that event who would foot the Bill but the ratepayers? The local authorities would

in effect become lending institutions. There is unlimited money in the community for the building of houses, and if this provision were passed I do not think it would lead to any more houses being built than are likely to be built under present conditions.

Hon. H. TUCKEY: If we give this right to municipalities, road boards will be justified in asking for a similar right. It would not be a good thing for road boards to enter into a house-building scheme. It is all right for them to build homes for their employees, but they should not be allowed to do so for the ratepayers in general.

Hon. G. FRASER: I hope the proposed new section will be retained. Municipal councils are elected to do what they can to improve their districts. One way in which they can do that is to establish model suburbs. I see nothing wrong with their being allowed to build homes for the ratepayers when they already have power to build for their employees. Councils will not be compelled to do this work. In many instances local governing bodies desire to erect certain buildings, but have no authority to do so. In the case of Kalgoorlie, for instance, had the municipality possessed the necessary power it would no doubt have attempted to meet the housing shortage there. I am opposed to the amendment.

Hon. H. SEDDON: I point out to Mr. Fraser that the Kalgoorlie municipality has not attempted even to obtain a residence for the Town Clerk. Municipal schemes of this nature have been tried out in the Old Country, with the result that many municipalities there have a heavy load of loan money on their shoulders because of bad advice given to them in connection with building schemes. Western Australia is passing through a period of transition. Large centres of population have been established because of the war, and the situation may be very much altered in 18 months' time when work is concentrated in other areas. We have had many building schemes put before us in the last two or three years.

We are about to pass an agreement with the Commonwealth concerning a big housing scheme and we also have the scheme for rehabilitation. The unfortunate man who wants to build a home for himself will

become priority No. XXX, behind all the schemes instituted for Government and local authority purposes. We should slow down on propositions of this kind. If we give local authorities power to build houses for their own employees that is as far as we should go. They should not be allowed to commit themselves to a heavy loan expenditure which the ratepayers afterwards may bitterly regret. In the eyes of the public the landlord is public enemy No. 1. We can imagine the attitude that will be adopted towards the local authority that attempts to run its finances on building lines.

The HONORARY MINISTER: Sir Hal Colebatch pointed out the safeguards contained in the proposed new section. It is provided that all these proposals shall receive the approval of the Minister who will naturally call in the departmental experts. The money then has to be raised with the consent of the ratepayers. This provision is put into the Bill with a view to assisting in meeting the acute housing shortage. It may lead to local authorities being of great assistance to people in their own districts. We want every section of the community to assist in solving the housing problem.

Amendment put and a division taken with the following result:

Ayes	..	..	..	11
Noes	..	..	..	14
—				
Majority against	..	..	..	3
—				

## AYES.

Hon. L. Craig	Hon. H. L. Roche
Hon. J. A. Dimmitt	Hon. H. Seddon
Hon. J. G. Hislop	Hon. H. Tuckey
Hon. A. L. Loton	Hon. F. R. Welsh
Hon. W. J. Mann	Hon. V. Hamersley
Hon. G. W. Miles	(Teller.)

## NOES.

Hon. Sir Hal Colebatch	Hon. W. R. Hall
Hon. C. R. Cornish	Hon. E. M. Heenan
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. G. Fraser	Hon. T. Moore
Hon. F. E. Gibson	Hon. H. S. W. Parker
Hon. E. H. Gray	Hon. C. B. Williams
Hon. E. H. H. Hall	Hon. G. B. Wood
	(Teller.)

Amendment thus negatived.

Clause, as amended in a previous Committee, put and passed.

Bill again reported without further amendment, and the reports adopted.

# **BILL—ELECTORAL (WAR TIME) ACT AMENDMENT.**

## *Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [5.17] in moving the second reading said: This Bill is similar in principle to the Legislative Council (War Time) Act Amendment Bill which was approved by Parliament earlier in the session. It proposes to continue the Electoral (War Time) Act, 1943, for a further period of 12 months, which will expire on the 31st December, 1946. The Act provides for the exercise of the franchise by qualified members of the Forces not at present residing in their electorates in respect of elections for the Legislative Assembly, the duration of the Act being for 12 months. A continuance Bill, extending the authority of the Act until the 31st December, 1945, was introduced and approved by Parliament last year. There are still in the Forces considerable numbers of people who are absent from their electorates by being in various other parts of Australia and oversea. There is always the likelihood of an election and the Government is desirous of ensuring that all members of the Forces shall have the opportunity to record their votes. I move—

That the Bill be now read a second time.

Question put.

The PRESIDENT: It is mandatory that a division be taken on this Bill.

Division taken with the following result:—

Ayes	..	..	..	26
Noes	..	..	..	0
—				
Majority for	..	..	..	26
—				

## AYES.

Hon. C. F. Baxter	Hon. E. M. Heenan
Hon. Sir Hal Colebatch	Hon. J. G. Hislop
Hon. J. Cornell	Hon. W. H. Kitson
Hon. O. R. Cornish	Hon. A. L. Loton
Hon. L. Craig	Hon. W. J. Mann
Hon. J. A. Dimmitt	Hon. G. W. Miles
Hon. J. M. Drew	Hon. H. S. W. Parker
Hon. G. Fraser	Hon. H. Seddon
Hon. F. E. Gibson	Hon. H. Tuckey
Hon. E. H. Gray	Hon. F. R. Welsh
Hon. E. H. H. Hall	Hon. C. B. Williams
Hon. W. R. Hall	Hon. G. B. Wood
Hon. V. Hamersley	Hon. T. Moore
	(Teller.)

## NOES.

NIL.

The **PRESIDENT**: There being more than the necessary majority of members voting in the affirmative, I declare the question passed.

Question thus passed.

Bill read a second time.

*In Committee.*

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

*Third Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [5.27]: I move—

That the Bill be now read a third time.

Question put.

The **PRESIDENT**: As the Standing Orders are mandatory on this point, I must ask members to divide again.

Division taken with the following result:—

Ayes	..	..	..	26
Noes	..	..	..	0
				—
Majority for	..	..	..	26
				—

**AYES.**

Hon. C. F. Baxter	Hon. J. G. Hislop
Hon. Sir Hal Colebatch	Hon. W. H. Kitson
Hon. J. Cornell	Hon. A. L. Loton
Hon. C. R. Cornish	Hon. W. J. Mann
Hon. L. Craig	Hon. G. W. Miles
Hon. J. A. Dimmitt	Hon. T. Moore
Hon. J. M. Drew	Hon. H. S. W. Parker
Hon. G. Fraser	Hon. H. Seddon
Hon. F. E. Gibson	Hon. H. Tuckey
Hon. E. H. Gray	Hon. F. R. Welsh
Hon. E. H. H. Hall	Hon. C. B. Williams
Hon. V. Hamersley	Hon. G. B. Wood
Hon. E. M. Heenan	Hon. W. R. Hall

(Teller.)

**NOES.**  
**Nil.**

The **PRESIDENT**: There being more than an absolute majority, the question passes in the affirmative.

Question thus passed.

Bill read a third time and *passed*.

**BILL—CONSTITUTION ACTS AMENDMENT ACT AMENDMENT (No. 4).**

Received from the Assembly and read 3 first time.

**RESOLUTION—STATE FORESTS.**

*To Revoke Dedication.*

Message from the Assembly received and read requesting concurrence in the following resolution:—

That the proposal for the partial revocation of State Forests Nos. 4, 14, 20, 27, 28 and 30 laid on the Table of the Legislative Assembly by command of His Excellency the Lieutenant-Governor on Thursday, the 6th day of December, 1945, be carried out.

**BILL—LOAN, £956,000.**

*Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [5.32] in moving the second reading said: This is a Bill which is usually submitted towards the end of the session for parliamentary approval, and by it the necessary authority is sought by the Government to raise money for the carrying out of the works detailed in the Loan Estimates. The amount asked for is £956,000, which, with the unused balance of previous authorisations, is estimated to be sufficient to provide for all the expenditure set out in the Estimates, and, in addition, to keep necessary works going after the end of the financial year until such time as further authority can be obtained.

Owing to the difficulty in obtaining labour and materials, it has not been possible to carry out certain works for which authority to borrow money has been granted by previous Loan Acts, and although provision is made in the Loan Estimates to proceed with those undertakings if and when conditions permit, it will not be necessary to authorise the raising of further money for them until previous authorisations have been exhausted.

Proceeds of loans raised during the last financial year amounted to £553,320, consisting of £390,000 from the Commonwealth Savings Bank and £163,320 raised locally, mostly by the investment of trust funds controlled by the Treasurer. During the past year the Public Debt was again reduced, the amount outstanding at the 30th June last being £95,894,885, on which the average rate of interest was £3 11s. 1d. per cent. This rate has since been reduced by the conversion in London of approximately

£13,000,000 of 5 per cent. loans to  $3\frac{1}{4}$  per cent.

Hon. H. Seddon: Have you any figures showing how much was repaid out of the converted loans?

The CHIEF SECRETARY: Yes. The stocks converted formed part of a total of £94,000,000 issued by the Commonwealth and several of the States on which option of redemption accrued to the respective Governments in July and August of this year. Conversion applications totalled £57,201,372, and as the offer was limited to £60,000,000 the result was satisfactory. The remainder of the debt, namely £34,000,000 was transferred to Australia so that the operation as a whole has had the effect of reducing our overseas commitments very considerably. This State's proportion of the amount converted and remaining in London is £8,296,687, and the Australian equivalent of the sterling debt transferred is £5,866,400. The overall benefit to the State by the reduction of interest from 5 per cent. to  $3\frac{1}{4}$  per cent., and the consequent saving in exchange will be £284,000 per annum—quite a substantial amount.

The total credits to the Sinking Fund for the current year, including contributions by the Commonwealth and earnings on investments, will amount to approximately £950,000, so the borrowing of the amount provided for in this Bill will have scarcely any effect on the net indebtedness of the State. Dealing with the loan programme, the Government's approach to the matter has been to include such items as will, it is hoped, increase immediately, or in the near future, the productive capacity of the State, and to limit to a minimum the expenditure on facilities which are necessary but which in themselves are not directly productive. Members are aware of the procedure which has to be adopted to obtain the consent of the Loan Council to a loan programme under the present system of co-ordination of loan works.

In pre-war days the Loan Council was concerned solely with the provision of loan moneys and had no authority to examine or criticise the manner in which the loan expenditure of the State was to be carried out. Having agreed on the total amount of loan money to be raised and as to its

allocation amongst the different Governments—and in this latter respect the Government had certain legal rights which could not be set aside—the functions of the Loan Council ceased. During the war, however, the Governments agreed that in order to leave to the Commonwealth Government for defence purposes as much as possible of the loan money available, they would limit their loan expenditure to such items as had a defence value or which otherwise were inescapable.

To enable this agreement to be carried out, a Co-ordinator General was appointed to whom all State loan programmes had to be submitted for examination and recommendation to the Loan Council. The loan programme now embodied in the Loan Estimates submitted in another place was prepared early this year for discussion with the Co-ordinator General, and was drawn up on the assumption that the war with Japan would continue during the whole of this financial year. Certain works which some members may feel should be included may be omitted, but it should be remembered that we are still in difficulties in regard to manpower and materials, particularly the latter, and until this position eases we are restricted respecting the works we can undertake.

It is true that with the increasing releases from the Forces we may find that before the end of June next the supply of manpower available will create a demand for employment in excess of what can be absorbed by private industry. To meet such a contingency a list of labour absorbing works has been prepared—not included in this programme—which will be commenced should the need to provide employment arise. All States have similar lists ready and are prepared to meet the emergency should it develop.

With regard to the Estimates, an amount of £1,550,000 is the estimated expenditure for this year. Last year the estimate was £1,556,000, the actual expenditure being £748,000, this was utilised under seven main headings, information concerning which will no doubt be of interest to members. Dealing with Railways, Tramways and Electricity Supply, the total estimated expenditure was £404,000. Actually, £91,000 only was spent. Under this heading additions and improvements to opened railways were esti-

mated to require £214,000, but, in fact, we spent only £68,700. This sum includes extensions to the steel foundry at Midland Junction workshops, new machinery at the workshops, and reconstruction of the subway at Claremont. These three items accounted for approximately £16,000. Progress work in connection with the deviation around the Swan View tunnel, estimated at £93,000, cost £42,000.

An amount of £22,500 was set aside for rollingstock for the railways, but here again only £1,400 was spent. Whereas £36,000 was included for the tramway system, the largest item in this section being for the erection of the new trolley bus garage estimated to cost £29,000, only £5,900 was spent during the year. For the construction of the new power station at South Fremantle and for other work connected with electricity supply provision was made for an expenditure up to an amount of £131,500, but only £15,000 was spent. This included £4,000 on the work connected with the City of Perth ring main feeder cable and £5,000 for the connection between Cottesloe and Fremantle. Only £2,300 was spent on the South Fremantle power station, mostly on preliminary expenses pending the calling of tenders. These have now been called and accepted, and it is hoped that the work will proceed rapidly. In connection with water supply and sewerage operations, the principal items of expenditure were as follows:—

	£
Cement lining of gravity main at Bridgetown and Albany .. ..	6,000
Sewerage house connections .. ..	2,700
Reticulation for sewerage in the Mosman Park district .. ..	2,900
Water Supply extensions in the metropolitan area .. ..	4,900
Purchase and fixing of meters .. ..	2,000
Work on the rising main from King's Park bore to Mt. Eliza .. ..	2,500
Further work on the 42in. main from Cannington to Victoria Park .. ..	5,400
Further progress on the renovation of the main Goldfields pipeline cost	18,500
Country extensions included—	
Totadgin .. ..	4,200
York-Beverley .. ..	8,000
North Merredin .. ..	1,300
Further work on the Boyup Brook Water Supply .. ..	4,500
Work on the Wellington Dam towards raising of the wall .. ..	2,800
Port Hedland Water Supply .. ..	1,800
Catchment area construction for the Lake Grace water supply .. ..	2,200

An amount of £2,000 was spent on preparatory work in reconditioning 29 "A" class dams in the South-Eastern districts, the full estimated cost of which is £16,000. Dealing with the development of mining, a loan of £5,400 was made to the Eradu coal mine for work which is being done there and which it is hoped will assist in working the coal deposits in that district. For the erection of the plant at Wundowie for the production of charcoal-iron and for wood distillation, £30,000 was expended; and on further work at the State alunite industry at Chandler £81,000 was expended, while £25,000 was expended on the erection and operation of the alumina pilot plant at Welshpool.

Turning now to public buildings, the expenditure on these totalled £74,000, excluding expenditure on hospital buildings. Most of the work was done on schools and, though individually the operations were small, they included work on the following:—

Narrogin School of Agriculture, Bassendean, Northam, Mount Hawthorn Infants, Inglewood, Dalkeith, South Kalgoorlie and Kalgoorlie Infants' School, Kensington, Applecross, Scarborough, North Perth, Mt. Lawley Junior Technical, Manjimup, Cannington, Northam High School, Selkirk Street, Albany High School.

Included in the expenditure on public buildings was also an amount of £12,000 for the purchase of the Church of England Orphanage in Adelaide Terrace. This orphanage had been used by the military authorities for some years during the war, and it was considered to be suitable for meeting the overflow of staff required principally for the Department of Agriculture. Though the building is old, it has been reconditioned to make it suitable for staff and public; and ultimately, when the new Government offices are built on what is known as the Government House site, the land will be a valuable addition to the Government-owned land in the city.

In connection with Harbours and Rivers, an amount of £8,000 was provided for additions and improvements to the North-West jetties, and £1,800 was spent on the completion of the Carnarvon foreshore protection and in provision of trucks for the Pt. Samson jetty. The sum of £53,500 was included for the Fremantle harbour works, and

the expenditure of £23,400 covered the following:—

	£
Slipway and capstans .. .. .	4,000
State's share of amenities building for waterside workers (Commonwealth provided £12,000) .. .. .	7,000
North Quay extension eastward ..	8,000

The balance was made up of a number of small items. The sum of £11,000 was included for work at the Geraldton harbour; but of this only £6,800 was expended. It was applied to the provision of a new slipway, the old one having become totally unusable. In the section Development of Agriculture, the main items of expenditure—£11,000—were incurred in connection with the further experimental work in the Ord River district. This work included the survey carried out by the Public Works Department and experiments on fodder of all kinds carried out by the Department of Agriculture. Under the heading of "Sundries," the two principal items were £80,000 spent on the erection of additional buildings at the W.A. Meat Export Works at Robbs Jetty. This work was carried out at the request of the Commonwealth Government, and when the Commonwealth ceases to have any further use for them the buildings will be taken over by the State at a valuation based on their usefulness to the W.A. Meat Export Works. Any difference between this valuation and the cost, less depreciation, will be met by the Commonwealth.

An amount of £120,000 was spent by the Workers' Homes Board under the Commonwealth-State Housing Agreement. This sum represents only a small part of the amount estimated, namely £490,000, but as I will deal with the difficulties of house building later in my remarks, I shall refrain from commenting on the subject at this stage. Turning now to the expenditure embodied in this year's Estimates, this is made up as follows:—

	£
Railways, Tramways and Electricity Supply .. .. .	455,000
Public Buildings, etc. .. .. .	376,000
Water Supply and Sewerage .. .. .	224,500
Development of Mining, etc. .. .. .	188,000
Development of Agriculture, etc. ..	93,500
Harbours and Rivers .. .. .	56,200
Sundries .. .. .	110,300
Departmental .. .. .	46,500

In connection with Railways and Tramways, an amount of £97,000 has been provided for

additions and improvements to opened railways, including £24,000 for additions to new machinery at the Midland Junction Workshops, £44,000 for further work on the deviation around the Swan tunnel, £3,800 for new offices for the accounts section of the Railway Department, £5,000 for purchase of two Diesel engine road buses for the Perth-Katanning run, and £20,000 for the commencement of a tank for the storage under water of Collie coal. This tank will be placed at Midland Junction and as a result it is hoped that reserves of coal may be kept on hand for some time. The sum of £35,500 is included for rolling-stock, including brake vans, and preliminary expense in connection with the purchase of six Diesel electric coaches and 12 trailers; and £20,000 is also included for the first expense in connection with the manufacturing of 10 passenger-type locomotives.

No provision has been made in the Estimates for the purchase of the 25 standard Garratt locomotives, as negotiations are still proceeding with the Commonwealth regarding the method by which payment will be made. The sum of £29,500 is included for tramways, including £21,000 for the completion of the trolley-bus garage. Electricity supply has been provided with £293,000, the main items being £50,000 for further work on the South Fremantle power station, £200,000 for the commencement of work on the South-West power scheme and £35,000 for additional high tension switchgear at East Perth.

Dealing with public buildings, provision for these covers a great number of items, the expenditure concerned being mainly for school buildings. Provision has been made for the additional expenditure of £180,000 on the Perth Hospital, which it is hoped will be completed by the end of 1946 or early in 1947. Members know that this has been a long drawn-out job, but the delays have been beyond the control of the Government. The building itself is practically completed; what remains now is the provision of the necessary equipment and mechanical services.

Referring to Water Supply and Sewerage, an amount of £10,000 is included for work on the Albany water supply, whilst £10,000 has been set aside for reconditioning the main sewer to minimise sewer gas.



Under the heading of Metropolitan Water Supply, the sum of £20,000 has been provided for further work on the 42-inch main from Cannington to Perth, £9,000 for cement lining of pipes and £8,600 for major city improvements, namely in King-st., Pier-st., Murray-st. and St. George's Terrace.

Under the heading of Goldfields Water Supply, the sum of £20,000 has been included for completion of branch main improvements, namely, at Goomalling, Kwoilyin, North Merredin, Westonia and Mundaring-Darlington; £10,600 is provided for the completion of the summit tank at Booraa, and £20,000 for further progress work on the renovation of the main pipeline. In the section, Water Supplies in Agricultural Areas, £20,000 has been included for a continuation of the work of reconditioning the "A" class dams.

With regard to the section, Development of Mining, the main items are £86,000 for additional work for the alunite industry at Campion and £80,000 for further work at Wundowie for charcoal-iron production. In regard to the alunite works at Campion, many difficulties have been encountered, the outstanding one having been the delay in the provision of the necessary material for the erection of the plant. Members are no doubt aware that the Government was unable to obtain a priority when the works were started, with the result that much improvisation had to be resorted to. This improvisation meant that numerous adjustments had to be made to the original plant design and many setbacks were encountered. The output of potash anticipated when the work was commenced was in the vicinity of 14 tons per day. This unfortunately has not been achieved, but the works are now functioning smoothly and the production in the latter few weeks has been up to 10 tons and slightly over per day. It is hoped that when the reconditioning of the plant now in progress is completed production will reach the estimated figure, and that an industry vital to the needs of Australia as a whole will be established.

The work at Wundowie is proceeding smoothly, though delays are also being experienced in obtaining the necessary equipment. Operations are expected to begin in 1946. Last year the Government sent one of its technical officers to America to investigate the operations of a wood extrac-

tion plant. I am informed that this officer has returned with a wealth of information which should be of the greatest value when the wood extraction plant is completed at Wundowie. This officer took with him the designs of the plant which is now being erected at Wundowie in order that he might discuss details with experts in America, and it is pleasing to know that no major alterations were suggested to our design. It is hoped that when the plant is completed in 1946 it will pave the way for the establishment of a very big industry in Western Australia.

Under the heading, Development of Agriculture, an amount of £13,000 is provided in connection with work at the Ord River settlement; £5,000 for the survey work and £8,000 for experimental work by the technical officers of the department. An amount of £22,000 is included for the construction of the veterinary laboratory at Hollywood, whilst an expenditure of £31,000 is estimated for the construction of a by-products building at Midland Junction; and £19,000 has been set aside for modern equipment for the Kalgoorlie Abattoirs.

Estimated expenditure on harbours and rivers includes £8,000 for further work on North-West jetties and £44,000 for other harbour works, the main items being £20,000 for work at Victoria Quay for the provision of an extra fueling berth for oil ships, and £10,000 for extension works westward at the North Quay. For sundries, there is an estimated expenditure of £110,000, of which £74,000 is for the completion of the gallery for the bulk-handling of wheat at North Fremantle and for the erection of buildings and sheds connected with the bulk-handling installation. The sum of £30,000 is included for the completion of the extensions at the W.A. Meat Export Works at Robbs Jetty.

It will be noticed that no provision has been made for housing. This is because, at the Premiers' Conference held last year, it was agreed that the money for the housing schemes under the Commonwealth-State Housing Agreement would be provided by the Commonwealth Government and would not form part of the States' annual programme. As a result of this agreement, the amount expended last year—namely £120,000—will be repaid to the State by the Commonwealth and will be included in our loan proceeds as loan repayments. The housing programme has not proceed-

ed as satisfactorily as could be wished. The delay has been due mostly to the shortage of materials which are produced in this State, notably bricks. During last year, the State Brickworks opened the second kiln and the Metropolitan Brickworks opened one of their two kilns. Great difficulty was experienced in keeping these kilns supplied with coal. Not only has the coal shortage interfered so seriously with brickmaking, but it has also interfered with the production of cement and plaster board, two essential commodities in house building.

The Government is very well aware of the urgent need to increase coal production, not only to maintain a building programme of the size contemplated in the Commonwealth-State agreement but also to improve it to the extent that a number of houses may be built by private enterprise equal to the number authorised under the Commonwealth-State Housing Agreement. To enable this to be done, it appears that the production of coal for bricks, cement and plasterboard will have to be doubled. This does not mean a very substantial increase in the total amount of coal now being produced and should not be beyond the capacity of those in charge of coal production; but it would mean a great stimulus not only to the house-building programme but to employment generally. The Government is so well aware of the need to provide additional housing accommodation that, if necessary, sacrifices in other directions will have to be made to enable a larger building programme to proceed. Before the year is out these details may have to be altered substantially. This was indicated by the Premier when he introduced the Estimates in another place.

If the need arises to relieve unemployment, some works not included in the programme will have to be substituted for those already there, and, if necessary, the programme enlarged substantially. After manpower and materials become available, other works not included in the programme may be undertaken. Members may rest assured that the Government will proceed with a programme of development as rapidly as facilities are available, in order that those men and women returning from years of service in the Forces may have provided for them the facilities to return to a normal, healthy and happy existence in this State. One must have great confidence in the future

of Western Australia, and I feel that under intelligent direction this State should progress rapidly. I think I have covered pretty well the whole of the items in this Bill, and I feel sure this programme will meet with the approval of members. I move—

That the Bill be now read a second time.

**HON. H. SEDDON** (North-East) [6.6]: This Loan Bill provides a considerable amount of cheerfulness compared with what has been associated with previous financial statements. I was particularly interested and pleased to notice in the course of the Chief Secretary's remarks that a very considerable redemption of loan money, of public debt, had been made in London and that there had been an application of the sinking fund to such a degree that this State has not only discharged oversea a very considerable proportion of its debt but has also, as part of that discharge, brought portion of it back to Western Australia or to Australia. That course of action is to be commended; and it is greatly to be deplored that it was not a characteristic of Government policy for a good many years in the past. It is now some 15 years since we were definitely off the London loan market; and during that period, on account of exchange, we have been paying a very high premium upon the moneys which have been remitted to London in order to meet our debt charges. So this departure is a very welcome one, which I hope will be followed by all Australian Governments in the future.

On the other hand, the position with regard to our Commonwealth commitments from the angle of defence in London has not yet been cleared up and the figures made available have, to a large extent, been contradictory. Obviously it was desirable that during the war any question of finance should be more or less obscured, and I hope that the Commonwealth Government, before long, will make available to us definite statements that will show exactly what commitments we did incur in connection with the world war and what steps have been taken to meet them. It is interesting to know that as a result of the sinking funds Acts, a sum amounting to £22,000,000 a year is now being paid by the Commonwealth and State Governments into the national sinking fund. That is an enormous amount; and

if the whole of that money could be devoted to meeting our oversea debts, the Australian position could be rectified oversea and quite possibly a reduction made in that exchange figure which is such a heavy load with regard to oversea payments.

In that connection, I think the policy which should have been encouraged to a very much greater extent than it has been—the policy of developing the export of food products to Great Britain—is a step in accordance with that policy of debt reduction and one which could be adopted and fostered through the length and breadth of this State. After all, we are very largely an agricultural community, and the big need in Great Britain at present is food. One cannot help thinking that the resources of the State for the next few years could be concentrated on food production in order that we might make available food products not only to the people of Great Britain but also to the starving people of Europe, even if we have to make arrangements to finance it ourselves and set that finance against our indebtedness oversea. That would go a long way towards still further reducing our oversea debt, in addition to the application of the sinking fund.

I was interested to note the figures quoted by the Chief Secretary in connection with this Bill. He indicated that while the measure authorised the sum of £956,000, it was intended that the loan expenditure should be very much greater. The Chief Secretary pointed out that there was a considerable unexpended balance in the loan fund at present. As a matter of fact, in the last return made available to us by the Treasury—a return which has been made up to the end of September—the amount shown as a balance in the loan fund is £1,200,000. So at first sight, it would look as though £1,200,000, together with the £900,000 now being authorised, should provide for a loan expenditure in the vicinity of £2,000,000.

There is, however, one feature in connection with our finance that may possibly very materially affect the balance of £1,200,000 which stands on that statement. Unfortunately, the trend of finance in this State with regard to the Consolidated Revenue Fund is fulfilling the anticipations of many persons who have been close-

ly following Government finance. At the end of last month, we attained the unfortunate position of having, for five months of this year, achieved an accumulated deficit of £700,000. That was the deficit for the first five months of this financial year. It is interesting to notice that in connection with the returns made from month to month, that unfortunate development arises from two courses which finance is following.

First, we find that our revenue is considerably declining, especially that of some of our public utilities. On the other hand, in spite of the forecast indicated some time ago in the Government's financial statement, there has not yet been achieved any reduction in expenditure month by month; on the contrary, expenditure has consistently increased. So we might find ourselves once more, or the Government might find itself once more occupying the unfortunate position occupied by a State Premier 25 years ago at the conclusion of the last war, when he achieved the unenviable distinction of being christened "Gone-a-Million Jack." I sincerely hope the present Premier will not achieve a similar unhappy distinction. Unfortunately, however, the trend of finance would seem to be entirely in that direction.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. H. SEDDON: After the carefully compiled and extensive statement by the Chief Secretary it may seem unnecessary to make further comment on the finances, but there are some aspects of loan expenditure to which I would like to refer. Before the tea adjournment I was directing attention to the progress of the Consolidated Revenue Fund, and indicating that, in this year in particular, there are two developments that have occurred and that are characteristic of a period which may be regarded as one of transition. I pointed out that revenue had been steadily declining while expenditure had been climbing. If we look at the figures for the whole five months we will find that in no one instance did the revenue come anywhere near that for the corresponding month of last year but, on the other hand, the contrary has been the case with expenditure, and in no month

was the expenditure equal to—let alone less than—that for the corresponding month of the previous year.

The experience with the Consolidated Revenue Fund has been that expenditure has been a more or less rigid item, and this present year is no exception to the rule. In fact, it would be a most extraordinary development if it were not so, because expenditure has been kept to a minimum during the last five or six years and there are many items which, under ordinary circumstances, would have been dealt with but which have had to be deferred. Some of those items must now be met and we must consequently expect that expenditure will continue to rise. Revenue is determined entirely by the progress of industry in the country, and in the transition period production is changing to such an extent that there must be a lag between production for war purposes and production for peace. We must expect this year to be more than usually deficient on the revenue side.

Unfortunately there seems to be little opportunity to develop an increasing revenue. Equally unfortunately there can be no attempt made to introduce special methods in order to increase our revenue by extra charges or taxation, because taxation has risen to a point today—largely by Commonwealth action—where it is rendered almost impossible to contemplate any further increase, especially in income taxation. I have introduced that aspect because there is already an accumulated deficit on the Consolidated Revenue Fund of £700,000. In the past that has been carried more or less by adjustments to the general loan fund. There has been maintained a large amount of loan authorisation over and above loan expenditure, and a characteristic of the war years has been an equally large amount of accumulated loan moneys which it has not been possible to expend.

In the statement issued by the Treasury for the three months ended the 30th September, 1945, there is shown a balance in the loan fund of £1,200,000, but if this deficit is being financed as it has been in previous years, against that balance in the loan fund, the amount of money available to be expended on legitimate loan works will be correspondingly decreased, and even at the

present time we find that out of that balance of £1,200,000, £700,000 has already been taken up to finance the deficit incurred in the first five months of this year. The usual process has been that those deficits have been carried by Treasury bills, and it may be recalled that we passed an amendment to the Financial Agreement 12 months ago, by which we provided that a one per cent. sinking fund should be maintained against any moneys raised for deficit purposes.

I can see no indication that any attempt has yet been made to carry this deficit in the form of Treasury bills and I therefore take it that it is correct to assume it is being entered against the credit in the loan fund. Incidentally, in view of the change taking place in our financial position in Australia at present, we will have to consider some scheme by which we can maintain that minimum one per cent contribution to the sinking fund in order to decrease our loan indebtedness more rapidly than we are at present reducing it. A reconsideration of the whole relationship between the Commonwealth Government and the State Governments as to finance is long overdue, particularly as to the defining of the spheres in which each shall operate.

It was interesting to note, in the remarks of the Chief Secretary, that a number of items mentioned in his statement have included loan expenditure both by the State and Commonwealth Governments. It would be interesting to know whether this State is ultimately going to be charged up with the amount of loan expenditure incurred by the Commonwealth Government and have to bear the charges for it, or whether the Commonwealth Government is going to retain full responsibility for these sums that have been mentioned. Last year we funded some £12,000,000 which represented consolidated revenue deficits and I suppose if the one per cent. sinking fund provision were to be strictly applied it should apply to that £12,000,000 as well as to any future deficit debits. Among the items referred to by the Chief Secretary, I was particularly interested to hear his remarks on the Railway Department, and to hear that expenditure was contemplated, particularly on rapid transport.

The provision of Diesel passenger vehicles is a step in the right direction.

If the Railway Department expects to retain the passenger traffic that has been forced on to it during the war by the petrol shortage, but which will rapidly return to the roads when petrol and rubber are available, it can only expect to do so by providing rapid and comfortable transport for passengers, and that can only be accomplished by introducing Diesel units. I hope to see the railways adopt a progressive policy so that on these long runs where passengers are regarded as merely a necessary evil attached to long goods trains there will be an attempt made to attract and recover permanent passenger traffic for the Railway Department.

Reference was also made by the Chief Secretary to the fact that a considerable amount of money was to be expended on water supplies. I am deeply interested in that question because the Goldfields water supply at present carries a heavy load of accumulated debt. The charges on that water supply line have been the subject of representations to the Government on many occasions and we were assured by the Minister for Works and Water Supplies that he was studying the position to ascertain whether something could be done to reduce those charges to some extent. Unfortunately there has been very little development in that direction and it appears to me that, if we are going to give the people in the country, on the Goldfields and in the outback areas something reasonable in the form of water charges, the question of consolidating the whole of the water supplies of the country under one administration and developing as far as possible a general flat rate for water is the only solution that can afford any real opportunity to those people. It is vitally important to the agricultural areas and the Goldfields that this should be accomplished.

We have realised, from our experience on the Goldfields in the matter of the production of vegetable supplies, that a cheap rate for market gardens would be reflected in the quality of the food supplied to Goldfields people there, and a cheap rate for the farmers, particularly for their stock and for the raising of their requirements, would be all to the good and would be definitely to the benefit of the health of the people living in those parts. Therefore there is every justification, in spite

of the criticism extended by the Minister for Education, for a consolidation of the water supplies with a view to bringing about this universal charge throughout the length and breadth of the State where water supplies have been established.

The position regarding our loan assets generally has not improved. Whereas we had a deficit of £1,900,000 in 1943, it rose to £2,000,000 in 1944 and to £2,300,000 in 1945. Seemingly there is very little chance of any improvement in the returns from those assets until a general improvement occurs in the production of the State. Reference was made by the Chief Secretary to the expenditure on hospitals. Speaking to that item in the Loan Bill, I am interested to notice that the provision covers not only hospital buildings and equipment which might legitimately be charged to loan, but includes also grants to hospital funds or other hospital purposes. I would like the Chief Secretary on some future occasion to explain that item in a little more detail, because I am wondering whether, under that heading, loan expenditure is being incurred when the outlay should really be charged to hospital revenue.

Reference has been made to the progress with the alunite deposits at Lake Campion. A little while ago we were told that £300,000 had already been expended on the scheme, and although the Chief Secretary told us that the production of potassium sulphate is 10 tons per day as against an estimate of 13 tons when the scheme was suggested, it would be interesting to know just how much of the £300,000 represents money which has been more or less wasted and which will have to be written off as being entirely unproductive. This is an item on which I hope the Chief Secretary will reply later.

Incidentally, there is an aspect that has been mentioned previously. The figure at which the potash salt is being produced is very much higher than we were able to import similar salt for before the war. I should like to know whether the Australian economy is going to have to pay the extra charge in the years to come and whether it will be necessary to establish tariff protection in order to provide a market for the potash we produce. It has to be borne in mind that

potash can be produced oversea at a very much lower figure than has as yet been attained by our scheme, and seeing that the international financial arrangement, which has been discussed and has been practically concluded, at present involves a scaling down of tariff provisions in various countries, one is inclined to wonder whether the protection which is expected in order to allow the industry to flourish will be forthcoming if, at the same time, we have to comply with the international arrangement in order to provide a market for our primary products oversea.

These obviously are aspects that arise in considering the loan policy of this country, and they are aspects that will materially affect our future position as a State. I should like additional information on the points I have mentioned and I could wish also to be informed as to exactly what is expected as the result of the introduction of the charcoal-iron proposition at Wundowie. I should like to know whether the economies supposed to be obtained from that proposition will not rather come from the by-products of the distillation of wood than the obtaining of a cheap class of pure iron. I have pleasure in supporting the second reading of the Bill.

Question put and passed.

Bill read a second time.

*In Committee, etc.*

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

Bill read a third time and passed.

## **BILL—BUILDING OPERATIONS AND BUILDING MATERIALS CONTROL.**

*Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to amendments Nos. 1 and 2 made by the Council and had disagreed to amendments Nos. 3 to 7 inclusive.

## **BILL—INDUSTRIAL DEVELOPMENT (RESUMPTION OF LAND).**

*Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to amendments Nos. 2 and 6 made by the Council,

had disagreed to amendments Nos. 3, 4 and 5, and had agreed to amendment No. 1 subject to a further amendment.

## **BILL—INCREASE OF RENT (WAR RESTRICTIONS) ACT AMENDMENT.**

*Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to the amendment made by the Council.

## **BILL—WORKERS' HOMES ACT AMENDMENT.**

*Second Reading.*

**THE HONORARY MINISTER** (Hon. E. H. Gray—West) [7.58] in moving the second reading said: When debating the Building Operations and Building Materials Control Bill I informed members that the Government intended this session to bring down legislation for the purpose of appointing additional members to the Workers' Homes Board. This Bill is the measure to which I referred. It proposes to amend the Workers' Homes Act, 1911-1943, which provides for the establishment of a board of three members, to enable the composition of the board to be increased to five persons. There can be no doubt that the activities and responsibilities of the board have grown considerably in importance since it was decided that a panel of three persons was adequate to control its activities.

The utmost credit must be given to the members of the board for the excellent work they have carried out on behalf of the people of this State. We are indeed fortunate that we have been able to rely upon the services of three such capable officers. These gentlemen are the Under Treasurer, Mr. A. J. Reid, who is the chairman of the board, Mr. Clare, the Principal Architect, who is the professional adviser, and Mr. Harler, the Assistant Manager of the Wyndham Meatworks, who is the business representative. It is the Government's desire that these three officers should remain on the board. Indeed, it would be a retrograde step to do otherwise, in view of the wealth of experience and knowledge that each officer has accumulated in his years of association with the board. The proposals are that another two persons shall be appointed to the board and it is thought that any

number in excess of this will tend to make it unwieldy. A panel of five will be compact and able to maintain constant contact with the administration; it will be readily available for interviews and be in a position to give immediate decisions when necessary. Looking at it from all angles it appears to be a very desirable number for a board of this nature.

The two new members will be representative of the building trades and of the building industry. One will represent the industrial unions of workers registered in connection with the various building trades in the State and will be a suitable person who is actively employed in building work. The representative of the industry will be required to be engaged in building and to possess a wide knowledge of and experience in the industry. The only other provision in the Bill stipulates that the non-Public Service members of the board shall be remunerated for their services and shall be entitled to receive such fees and allowances as are prescribed by regulations. The proposed new board gives the impression of being a balanced body and should, without doubt possess the necessary experience and stability to enable it to function satisfactorily. I therefore trust that members will agree to the Government's proposal in this connection. I move—

That the Bill be now read a second time.

**HON. H. SEDDON** (North-East) [8.2]: I hoped that the Minister, when introducing the Bill, would give some indication concerning the questions that arose when we discussed the Building Operations and Building Materials Control Bill. There are some important aspects in connection with the control of materials that still remain unanswered, and these materials will be controlled by this board. Although the composition of the board has been amended to include representatives of persons engaged in the industry, there is no indication, in the remarks of the Minister, to show that the Government is endeavouring to ensure that there will be a fair allocation of building materials outside the metropolitan area. All the representatives, even on the new board, will be persons domiciled in, and familiar with the conditions of, the metropolitan area, but unfamiliar with the country and not at

all favourably disposed towards a policy that will provide for the release of materials to the country. Neither have we had any indication to reassure us that the people who wish to build homes for themselves will receive any definite proportion of the materials that will be available and under the control of this board. That is an important aspect.

It has been demonstrated that the concern of the Government up to the present has been in connection with building schemes, whether they be the War Service Homes Scheme, the Federal Housing Scheme, or the Workers' Homes Scheme. But there has been no indication, nor have any figures been made available, to show that the board is prepared to contemplate the release of materials or facilitate the building of private homes by people who wish to build for themselves. I had hoped that the Minister would deal with this aspect which concerns people in the out-back. I assume that the information has not been made available to him and, of course, time now is too short for it to be made available before the Bill is dealt with by this House.

I do urge that in the interests of the people some light be thrown on the subject and a clear indication given as to how far the Government is prepared to go to meet this desirable demand on the part of persons who wish to build their own homes. The composition of the board provides for representatives of those who are engaged in building operations, apart from Government officers. I agree with the Minister that the activities of the Workers' Homes Board, within the scope to which it is restricted, have been entirely praiseworthy, but I would like a bit of light shed on the general aspect of building outside the activities of the board. I intend to support the Bill.

**HON. J. CORNELL** (South) [8.6]: I intend to support the second reading of the Bill. One correction of Mr. Seddon's remarks that I would like to make is that this board will have nothing to do with the War Service homes. That aspect of the matter is controlled by an Act of Parliament constituting a commission, and the commission does its own job. The acquisition of these two new men by the board

will be received with a good deal of pleasure by the existing board, and I think it is all to the good. There does, however, appear to me to be one omission from the Bill. I understand that under the present Act two members of the board form a quorum. The membership of the board has been enlarged, but no provision has been made for an altered quorum. That requires consideration. Is it intended that the present quorum shall remain, or that it shall be enlarged? Now is the time to deal with this. We will not be introducing another such measure as this during this session. I suggest to the Honorary Minister that he postpone the Committee stage until tomorrow in order to make sure about that point. I urge that the quorum be increased to a majority of the members of the board.

**THE HONORARY MINISTER** (Hon. E. H. Gray—West—in reply) [8.9]: Mr. Cornell's suggestion is a good one. I will postpone the Committee stage and have the necessary inquiries made. When speaking on the Building Operations and Building Materials Control Bill, I quoted the number of country premises dealt with during November, and that was a convincing answer to the suggestion that the existing Workers' Homes Board is not giving justice to the country people. I can assure Mr. Seddon that the new board will give the same consideration as has been shown in the past. A deputation from the Builders' Congress waited on the Premier and agreed to the principle contained in the Building Operations and Building Materials Control Bill. It is necessary that people who wish to build homes for themselves should be allotted their fair quota of materials. I feel sure this policy will be adopted in the future as in the past.

Question put and passed.

Bill read a second time.

### RESOLUTION—STATE FORESTS.

#### *To Revoke Dedication.*

Message from the Assembly requesting concurrence in the following resolution now considered:—

That the proposal for the partial revocation of State Forests Nos. 4, 14, 20, 27, 28 and 30 laid on the Table of the Legislative Assembly

by command of His Excellency the Lieut.-Governor on Thursday, 6th day of December, 1945, be carried out.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [8.11]: I move—

That the resolution be agreed to.

It is usual when dealing with the partial revocation of State forests to give members brief details of the areas dealt with in the particular proposals. In this instance the lands concerned are situated at Collie, Inglehope, Greenbushes, Boyanup Junction, Donnybrook and Hester, and the particulars are contained in papers which I propose to lay on the Table of the House. They are as follows:—

Area No. 1. About 2½ miles south-west of Collie. Comprising 8 acres 1 rood 32 perches and being Wellington Location 4504 as surveyed. Required as a factory site for the Collie Power Alcohol Distillery.

Area No. 2. About ½ mile south-east of Inglehope. Approximately 5½ acres of land applied for by an adjoining landholder as an extension of her present holding.

Area No. 3. Adjoining the south-western boundary of Greenbushes Townsite. About 86 acres of heavily cutover country of little value for forestry purposes. Applied for by the Greenbushes-Balingup Sports Club for the purpose of establishing a racecourse.

Area No. 4. About 3 miles north-west of Boyanup Junction. Approximately 201 acres of poor forest country which is being cut over for sawmilling. Several applications have been received for this area by the Lands Department.

Area No. 5. Situated 8 miles south-west of Donnybrook. About 10 acres. Applied for by the Preston Road Board as a Class "A" reserve for recreational purposes.

Area No. 6. Situated 1½ miles north-west of Hester. About 338 acres. Required by the State Government as a soldier settlement project.

Question put and passed, the resolution agreed to and a message accordingly returned to the Assembly.

### BILL—COMMONWEALTH AND STATE HOUSING AGREEMENT.

#### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [8.15] in moving the second reading said: The purpose of this Bill is to ratify an agreement entered into between the Prime Minister of the Commonwealth and the Premiers of the States, in connection with the construction of houses for let-



ting to persons who are in urgent need of accommodation. It is not necessary for me to elaborate upon the desperate shortage of houses in Australia today as this is a subject with which each member is fully conversant. Indeed, it is a problem which is not peculiar to Australia but which has world-wide ramifications.

Members will be aware that the extension of hostilities caused by Japan's entry into the war resulted in the enforced cessation of building activities in Australia in order that the exigencies of war could be dealt with. From early in 1942 until the middle of 1944 the only houses built were erected by the Commonwealth War Workers' Housing Trust on behalf of workers employed in essential war industries and which were of a temporary nature only. This immobilisation of the civilian building industry, which became accentuated by the migration of families from country districts to the metropolitan area and by the arrival of evacuees from war threatened or invaded territories, caused the development of a serious housing shortage throughout Australia.

This problem so grew in magnitude that in 1944 the Commonwealth Government found it necessary to arrange for a programme of home building to cater for civilian requirements. This matter was subsequently dealt with at several Premiers' Conferences, when it was resolved to proceed with the construction of a moderate number of houses of a modest type, these houses to be made available to approved tenants, and the Commonwealth to share in any losses resulting from the scheme. It was also decided that an agreement, to be ratified by the various Parliaments, would be effected between the Commonwealth and the States. This agreement, which has received the approval of the Commonwealth Parliament, is contained in the Bill which is now before the House. The agreement has already been signed by every other State of the Commonwealth, and Western Australia is the last to deal with it. I feel sure that this House will agree that the Government should be empowered to follow suit. The provisions of the agreement may be summarised briefly as follows:—

(a) The State has to nominate a housing authority who will act as agents for the State Government in implementing the agreement. The Workers' Homes Board has been appointed agents for this purpose in Western Australia.

(b) The houses erected will be for letting only though subsequently they may be sold.

(c) The rents to be charged for the houses are fixed according to a formula which provides for the amortisation of the houses and land over a period of 53 years, interest being charged at  $3\frac{1}{4}$  per cent. The rent also includes rates, taxes, and insurance, allowances for vacancies and for administration costs. Approximately the rent works out at about  $6\frac{1}{2}$  per cent. of the capital cost of the property.

Hon. H. Seddon: Does that provide for renovations?

The CHIEF SECRETARY: No. To continue with the summary—

(d) A system of rental rebates has been provided whereby the occupier of the house is required to pay one-fifth of the family income or the economic rental, whichever is the lower. Family income includes not only the earnings of the tenant himself but a proportion of the earnings of the members of his family.

(e) The housing authority is required under the agreement to have power to resume land for housing and to have power to abolish slums.

(f) Any losses on the scheme are shared as to three-fifths by the Commonwealth and two-fifths by the State. The losses are ascertained on an annual cash statement of receipts and payments which has to be certified by the State Auditor General and forwarded to the Commonwealth Government.

(g) The capital sums for the erection of the houses and the purchase of the land are found by the Commonwealth and the rate of interest charged is the interest rate on the latest long-dated Commonwealth loan floated prior to the erection of the houses.

(h) Every quarter the State housing authority has to advise the Commonwealth of the various housing projects commenced in that quarter and of the progress of the housing projects commenced before that quarter.

(i) Under the agreement the Commonwealth has undertaken to use its best endeavours to provide manpower and materials for the housing programmes.

(j) When a house is sold, any loss on the initial sale is borne three-fifths by the Commonwealth and two-fifths by the State and thereafter the Commonwealth ceases to have any interest in the house and any subsequent losses on re-sale or failure of the first purchaser to complete the purchase are borne by the State.

Approvals for the erection of houses are issued by the Commonwealth each quarter and are based on the number of houses it is considered that the State can undertake in that period. The Workers' Homes Board is responsible for deciding the localities where the houses shall be erected and will be guided in this connection by the applications re-

ceived for homes. Up to date approximately 2,000 applications, the majority from the metropolitan area, have been received. The number of houses approved by the Commonwealth for construction in this State up to the 31st December, 1945, is 745. Of this number 134 have been completed and the tenants are in occupation. Of these homes 89 are in the metropolitan area and 45, or 33 per cent., have been erected in country districts. A further 219 houses, 168 in the metropolitan area and 51 in the country, are almost ready for occupation, and preparations are in hand for the early construction of another 77 homes, all but four of which are in the metropolitan area. It can therefore be seen that of the 745 homes approved for Western Australia, up to the 31st December, 1945, 454 have either been constructed or are in some stage of construction.

It may be thought that from these figures there is a considerable lag in the programme so far as this State is concerned, but it must be borne in mind that it is less than 18 months since the scheme was first mooted and that at the commencement of building operations we in Western Australia were practically devoid of both manpower and building materials. The Government is making every effort to overcome these twin difficulties and it is hoped that the building programme will soon show a substantial improvement. It may be of interest to dwell briefly on the cost of these buildings. When construction was resumed in 1944 it was discovered that the costs were approximately 35 per cent. higher than in pre-war days, which meant that a house costing £800 in 1939 would entail an expenditure of about £1,050 to erect in 1944.

Hon. J. Cornell: You would not get the same job, either.

The CHIEF SECRETARY: Probably not, but that is the cost. The first houses built under the new scheme were slightly smaller than those erected by the Workers' Homes Board prior to the war. The average cost was £919 for a 4-roomed brick house, exclusive of land, administration and architects' supervision charges, and £977 for a 5-roomed house. The class of house now in course of erection is of a better type than these, and although a little more expensive it is considered that a greater value is being

received for their cost. These homes are more closely comparable with the pre-war type of Workers' Homes Board house. Consideration is now being given to the construction of a 5-roomed house which will include two bedrooms and a dining room and lounge. This type will cost £1,046 to erect and a similar home with three bedrooms will cost £1,160.

I am pleased to be able to inform the House that of late there has been a tendency for prices to firm, and it is hoped that the eventual improvement in the manpower and materials positions will result in a further fall in prices. At the same time, the costs of building in Western Australia compare more than favourably with those of other States in which the type of houses under construction permit of a comparison. In April last the costs of 4- and 5-roomed brick houses in Western Australia were £919 and £977 respectively. In Victoria they were £995 and £1,095 and in New South Wales £1,300 and £1,400. The cost of timber houses in this State also bore a favourable comparison with other States.

The rentals of the houses constructed under the agreement are calculated on a formula detailed in the agreement. Briefly stated, the rent is based on the amortisation of the house over a 53-year period, interest being charged at a rate of 3¼ per cent. The rent, which includes an allowance to cover rates, etc., is approximately 6½ per cent. of the capital cost of the house. The present weekly rental charges are about 25s. for a 4-roomed house and 27s. 6d. for a 5-roomed house. The principle of allowing a rebate based on the difference between one-fifth of the family income and the economic rental on the assumption that the former is the lower of the two enables a man on a low income with a family to be properly housed without imposing an undue burden on his financial position. Care will have to be exercised, of course, to see that unduly expensive houses are not provided, thus throwing a heavy burden on the Commonwealth and the States for rental rebates. The agreement provides that a minimum rent of 8s. per week shall be charged, no matter how low the family income may be. Family income includes not only the earnings of the tenant himself but

a proportion of the earnings of the other members of the household who may be in employment as well.

Clause 12 of the agreement which provides how the family income is assessed may appear to be somewhat complicated, but it is an endeavour to make sure that the proper family income is ascertained. Provision is made in the agreement for the sale of the houses at a later date. It is not proposed to make these houses available for sale immediately as it is felt that in view of the very great need for housing accommodation the houses should be on a rental basis only. When houses are sold the Commonwealth will share with the State in any initial loss, but once the house is sold any subsequent loss will fall entirely on the State. At the request of the Commonwealth Government, at least 50 per cent. of the houses are allotted to ex-servicemen and their dependants. So far most of the applications have been received from people who are eligible on this basis and more than 50 per cent. of the houses have been allotted to service personnel.

Obviously, it will take many years to overtake the shortage of houses. Even when it has been met, the house building programme will have to continue in order to meet the needs of those who are living in sub-standard houses. One of the conditions in the agreement is that the housing authority administering the agreement should have power to abolish slums. It is clear that this power cannot be exercised during the present intense housing shortage, but ultimately the problem will have to be tackled and sub-standard houses either improved or demolished. The agreement is identical with that ratified by the Commonwealth Parliament and submitted to and already signed by the other State Governments. It provides for a building scheme which is gradually approaching its objective and which has already proved of inestimable benefit to persons in dire need of accommodation. The near future will see an intensification of the scheme with consequent beneficial result to home seekers. In these remarks I have carefully covered all phases of the Bill, as well as of the agreement. I have much pleasure in moving—

That the Bill be now read a second time.

**HON. H. SEDDON** (North-East) [8.32]: This Bill peculiarly illustrates the difficulty under which this House is labouring in dealing with measures of this type in the very limited time available to members before the end of the session. The Bill is the result of an exhaustive inquiry into a plan for the erection of homes, and the agreement attached to it is presumably the outcome of that planning. I must confess that I find it very difficult to reconcile the figures furnished by the Chief Secretary with the actual results obtained from the management of houses. There are special aspects of this agreement which make it still more difficult; but I think it would have been fairer to the House if the Bill had been brought in at an earlier date in order to give members more time to study it.

The special feature of the agreement is that which has been publicised in the Press for a long time past; it is the determination of the rental to be charged to a person who is receiving a very low wage. That principle was adopted as being a practical method of meeting the wants of a person who was unable to earn the basic wage. Obviously, therefore, the authorities realise that a house could not be built at a price which would be within the reach of a man earning the basic wage. Instead of studying this question on the basis of the Arbitration Court's formula, which makes provision in the State basic wage, among other things, for a house in order that the man may live in a reasonable degree of comfort, the Bill provides that the house shall be built and the man shall pay a rent—not the economic rent—within the scope of his income.

We are therefore reversing that very important principle which has always been recognised in the determination of the State basic wage. Consequently, there will be a charge on the community straight away. While it is hoped that the charge may perhaps be a temporary one which may be overcome by an improvement in the cost of building, the loss, so far as we can ascertain at the present time, will be a permanent one and will be a charge on the community. So that we have the spectacle, first of all, of the voiding of the principle underlying the determination of the basic wage and, secondly, of the community being asked to make up

the difference between what the man can pay and the economic rent of the house. The Minister quoted some interesting figures relating to the increase in the cost of building. He showed that there had been an increase of 35 per cent. Incidentally, the class of house which will be provided will contain all the usual conveniences and amenities, but not the amenities which have been visualised by many people as representing the standard home which would be available to the worker after the war.

I am rather perturbed about the figures quoted by the Minister. He said that the interest charge upon these buildings was to be  $3\frac{1}{4}$  per cent. According to the agreement, there is to be an amortisation charge which will clear the cost in 53 years; so that obviously more than  $3\frac{1}{4}$  per cent. will be required to meet that charge. If we take one-half per cent., which is the figure determined under the Financial Agreement to wipe out a debt and as being the minimum sinking fund, that would bring the amortisation charge up to  $3\frac{3}{4}$  per cent. If the Minister's estimate of  $6\frac{1}{2}$  per cent. as being the over-all cost of the house is correct, then  $2\frac{3}{4}$  per cent. will be available for rates, taxes, insurance and upkeep. That figure might obtain in the earlier life of the building, but experience shows that depreciation charges increase very materially during the lifetime of the building.

Hon. L. Craig: Maintenance is not included in the  $6\frac{1}{2}$  per cent.

Hon. H. SEDDON: I understood the Minister to say that it was.

Hon. L. Craig: The Minister said it was not.

Hon. H. SEDDON: Is that right?

The Chief Secretary: No.

Hon. H. SEDDON: Then the economic rent must be a figure higher than  $6\frac{1}{2}$  per cent.

The Chief Secretary: No,  $6\frac{1}{2}$  per cent. is right.

Hon. H. SEDDON: But it does not include maintenance?

The Chief Secretary: No.

Hon. H. SEDDON: This illustrates why I would have liked more time to study the figures.

Hon. J. Cornell: You cannot alter it now.

Hon. H. SEDDON: But I think the case should have been presented more clearly to the public, in view of the fact that there will be a loss and that we ought to know exactly what we are committed to. It is useless waking up later on and saying the estimates were such a figure, and then find they were woefully out. That has been our unfortunate experience with loan works on which we have embarked. Apparently this is not to be an exception. The agreement and the Bill set out the method of ascertaining the family income upon which the rent is to be determined. This has been explained by the Chief Secretary. But I would refer members to Clause 14 of the agreement, which provides in Subclause (1) as follows:—

A dwelling may be sold by a State at any time after its completion, but except with the consent in writing of the Treasurer of the Commonwealth a dwelling shall not be sold at or for a price less than the capital cost of the dwelling ascertained in accordance with the provisions of the First Schedule to this agreement, provided that the total repayments of principal included in the annual amortisation allowance mentioned in subparagraph (a) of paragraph 4 of the First Schedule to this agreement) in respect of the dwelling may be regarded as part of the purchase price for the purposes of this subclause.

So provision is made for a loss to be incurred in the selling of the building. Of one thing we can be certain under this agreement. It is that there will be a considerable loss and that the State will have to face it. Consequently the taxpayers of the State will have to bear not only the cost of their own dwellings, but also a proportion of the cost of the dwellings to be erected under this agreement, as the agreement makes provision for a man who has been a member of the Defence Forces and who has been placed in the unfortunate position of being unable to earn the basic wage. There will be no objection on the part of any person to bearing his share of the loss in that instance; but where the scheme is extended to other persons I think there will be a justifiable objection to incurring a loss of much magnitude. Of course, as Mr. Cornell has pointed out, this agreement is presented to us to accept or reject. As it has been adopted by the other States it is unlikely that we shall reject it, but I do think we might have had some figures presented to

us that would show what we were taking on when we accepted a scheme of this description.

**HON. J. CORNELL** (South) [8.43]: My friend Mr. Seddon has said that more time should have been given to members to study the Bill. We have arrived at this position today: Parliamentary Government, as we knew it to exist between the State and the Commonwealth has in many respects practically ceased to exist today. What happens is that the Premier and other representatives join with the Commonwealth representatives and decide what shall be done. They say, "We are going to do it this way or that way. We will draw up an agreement and sign it and then ask our several Parliaments to ratify it." We either have to ratify or reject this agreement. It cannot be altered except in the same way as it was drawn up. We must realise today that we have surrendered what we once knew as Parliamentary Government.

Hon. H. Seddon: Is that a desirable feature?

Hon. J. CORNELL: I do not know whether it is. It crept in and is growing year by year like a snowball. We had exactly the same thing in connection with the Soldier Land Settlement Scheme. Agreements and schedules setting out conditions, so far as State legislation is concerned, may be altered; but we have little or no chance of altering this kind of agreement. Regarding the cost, the Chief Secretary referred to 34 per cent. He knows my home and how long it has been built. He knows the builder and is aware that the building has been erected for 5½ years. The builder has given me a definite assurance that if he were asked tomorrow to build a similar house, he could not possibly do it under a 50 per cent. increase in cost; and then he said that it would not be the same job as was done 5½ years ago.

That gives members some insight into the extent to which the cost of material and labour has risen in that period. I support the second reading of this Bill because there is no alternative. If, in application, it does not work out as its promulgators intended, I presume they will again put their heads together and formulate amendments to the agreement. I know from my connection with the Returned Soldiers' League that

week in and week out that organisation has asked the Commonwealth authorities—and to some extent the State authorities—to make amendments to conditions that were laid down and which it was thought would meet the case but which did not. In many respects I consider that will apply to this agreement, though I think it has been conceived with the best intentions. As hurdles present themselves, I presume the authorities will endeavour to get over them satisfactorily in the interests of the people the agreement is intended to benefit.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West—in reply) [8.48]: I introduced this Bill in such a manner as, if possible, to save time; and I went to a little trouble to cover, as I thought, every important point in the agreement. I felt that there would be little opposition to the agreement and was therefore somewhat surprised to find in Mr. Seddon one who is somewhat critical, first of all of the financial side of the agreement, and, secondly, of its basic principle. The basic principle is that the Commonwealth and the State shall combine in order to provide decent homes for those families who are on the lower incomes. However, I infer from Mr. Seddon's remarks that he considers that, as the cost of these homes is running to approximately £1,000 each, and that is a higher amount of money than would be provided for in the basic wage of this State, those persons should not be entitled to a building of this kind.

Hon. H. Seddon: What I pointed out was that obviously the basic wage needed to be adjusted in order that those people could pay that economic rent.

**The CHIEF SECRETARY:** The hon. member pointed out that we were getting away from the arbitration system which provides a certain proportion of the basic wage for the purpose of housing; and the only inference I could gather was what I have just said: Because in this State at present the proportion of the basic wage would be less than the value of the houses being built at this juncture, those people either should not have these houses or else some other method should be found whereby they could pay for them.

Hon. H. Seddon: Your last conclusion is justifiable, but the first is not.

The CHIEF SECRETARY: I am very pleased indeed that the Commonwealth Government has come into the question of housing. Had it not done so, it is quite certain that this State, as a State, could not have provided the number of houses that will be required. Had the Commonwealth Government not been prepared to accept three-fifths of any losses involved in the scheme, it is problematical whether this State could have carried on a housing scheme under the method provided in this agreement. I have already pointed out that while costs are high as compared with those of pre-war years, nevertheless there is every possibility that those costs will not be further increased but that on the contrary they may be reduced.

Hon. J. Cornell: You are an optimist.

The CHIEF SECRETARY: I like to be an optimist sometimes. The hon. member referred to his own home and what it would cost to build a similar house today. The contractor who built that house, had he been asked to give a price 12 months ago, would have allowed a considerable sum of money to cover what is called waiting time and lost time, that is to say, time lost in waiting for materials to come on to the job.

Hon. J. Cornell: The builders did not wait long.

The CHIEF SECRETARY: Not in pre-war times; but 12 months ago they did. They could not get materials, and that had an important influence on the high cost of building in the first instance under this scheme. With an improvement in the quantity of materials available and a great improvement in the manpower position, there will not be that same risk for the private contractor, and that will be reflected in the price he will charge for the building of houses. In addition to that, these houses are not being built singly. Contractors are taking contracts for quite a number of houses at one time, and I have no reason to doubt the advice given to me in connection with this Bill. With regard to the economic side of the question raised by Mr. Seddon, more particularly the 6½ per cent. basis I referred to, I can only say that is the advice tendered to me by those people who have given a lot of time and consideration to this agreement and who will have to operate it.

Hon. H. Seddon: Did that include maintenance?

The CHIEF SECRETARY: No; rates and taxes and insurance, I think I said, plus vacancies and administration. It seems to me that the people who are to be provided with these houses are entitled to buildings of a decent standard. Surely it is not too much to ask that families who are to be given preference for these houses should be entitled to as good a home as it is possible to give them. I think it is generally recognised that we shall be fortunate if there is not a loss; but that loss is going to be well worthwhile. Seeing that it is going to be divided between the State and the Commonwealth in the proportion of three-fifths to the Commonwealth and two-fifths to the State, I do not think we have much to complain about.

Hon. T. Moore: Seeing that we need families so badly, I think we will get out of it very well.

The CHIEF SECRETARY: Yes, I think it will pay dividends.

Hon. J. Cornell: Perhaps it will do away with the Workers' Homes policy of building homes for those most likely to pay.

The CHIEF SECRETARY: It may have that effect. But I think Mr. Seddon, who is usually very interested in matters of this kind, will agree that there has been quite a lot of publicity given to the scheme, which has been publicised for two years or more. It had its basis in a conference between the Commonwealth and the States, and now we have reached the stage where all parties are prepared to say, "This is an agreement which should be of some benefit to the States and of particular benefit to those people requiring these houses."

The fact that the measure comes to this Chamber at this particular stage of the session is something over which we have no control. It was introduced in another place only a little while ago. Members there dealt very expeditiously with it, and the mere fact that all other States have quite recently endorsed this agreement should be a sufficient guarantee that we have little to fear in regard to it. In any event, if we do not like it, we have to agree to it if we desire to have a scheme of house-building put into operation such as we have been promising the people of this State for some time past. While I recognise that the House is not likely to reject the measure or

attempt to amend it—because the Bill is comprised practically of the agreement; there is little else except the schedule comprising the agreement—I feel sure that notwithstanding Mr. Seddon's criticism, the great majority will be pleased to think that here is a scheme which will be of great benefit to a considerable number of people and may be the forerunner of thousands of houses which otherwise might not have been built.

Question put and passed.

Bill read a second time.

*In Committee.*

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clauses 1 and 2—agreed to.

Schedule:

Hon. H. SEDDON: I have taken out the figures given by the Chief Secretary and it appears that a two-bedroom house would work out at 25s. a week on the 6½ per cent. and to that would have to be added maintenance charges. A three-bedroom house would cost 30s. a week to which would have to be added maintenance. So the rents appear to work out to much the same as a person would have to pay for that type of house today. One obvious result, however, will be that nobody will indulge in the luxury of building houses for letting in future, except the Government.

Schedule put and passed.

Preamble, Title—agreed to.

*Report, etc.*

Bill reported without amendment and the report adopted.

Bill read a third time and passed.

**BILL—BUILDING OPERATIONS AND BUILDING MATERIALS CONTROL.**

*Assembly's Message.*

Message from the Assembly notifying that it had agreed to amendments Nos. 1 and 2. and had disagreed to Nos. 3, 4, 5, 6, and 7 now considered.

*In Committee.*

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

No. 3, Clause 9 (2) (c), page 5—Delete the word "one" in line 39, and substitute the word "two."

The CHAIRMAN: The Assembly's reason for disagreeing is—

An exemption of £200 is too high. The object of permits is to ensure a proper distribution of materials in short supply, and if the exemption limit is increased to £200 large quantities of material would be diverted to the detriment of urgent building work.

The HONORARY MINISTER: I move—That the amendment be not insisted on.

This is a vital amendment, the effect of which would be that a factory owner could spend £200 at once and another £200 after the 1st July. I suggest that the policy of the authorities would be to give a permit in every case where alterations or additions were urgently necessary. It is therefore safe to leave the £100 in the Bill.

Hon. H. SEDDON: I will take up the discussion on behalf of Mr. Thomson, the mover of the amendment. He said that the sum of £200 is very little to allow for alterations to a factory, seeing that it includes both material and wages, even though a man might be waiting on the doorstep at the 1st July to spend another £200. The situation must be desperate if, by July, we cannot afford to allow a man to spend another £200.

Hon. T. Moore: He can apply for a permit, and will get it if the necessity is urgent.

Hon. H. SEDDON: The position there would indicate that the alterations were going to involve a lot more than £200, which seems a small sum to set as the maximum for ordinary renovations to a factory. In the circumstances, I do not think the request of the Minister should be readily agreed to.

Hon. G. FRASER: I hope the Committee will not insist on the amendment. The weakness in Mr. Seddon's argument about the £200 and the man sitting on the doorstep is that in such a case there is no doubt that a man would get the permit. It would be granted in any urgent case. To raise the exemption to £200 without the necessity for a permit would make it difficult for urgent cases to get sufficient materials. Alterations that could be made with £200 would require a lot of material in the aggregate, and we know the rush that occurred when the permit was lifted and how supplies were sold in that period. I know of a case where a permit-

holder could not get cement, yet a person without a permit got  $1\frac{1}{2}$  tons. That is what would happen if this amendment were passed.

The CHAIRMAN: If the Committee does not insist on this amendment it would be logical for it not to insist on the others, because the same principle runs right through.

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

Ayes .. .. .	10
Noes .. .. .	15

Majority against .. . 5

# AYES.

Hon. C. R. Cornish	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. W. Miles
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. C. B. Williams
Hon. W. R. Hall	Hon. E. M. Heenan (Teller.)

# NOES.

Hon. C. F. Baxter	Hon. H. S. W. Parker
Hon. Sir Hal Colebatch	Hon. H. L. Roche
Hon. L. Craig	Hon. H. Seddon
Hon. J. A. Dimmitt	Hon. H. Tuckey
Hon. F. E. Gibson	Hon. F. R. Welsh
Hon. V. Hamersley	Hon. G. B. Wood
Hon. J. G. Hislop	Hon. W. J. Mann (Teller.)
Hon. A. L. Loton	

Question thus negatived; the Council's amendment insisted on.

No. 4. Clause 9 (2) (d), page 6—Delete the words "twenty-five" in line 5, and substitute the words "one hundred."

The CHAIRMAN: The Assembly's reason for disagreeing is—

The increase of the exemption to £100 would enable an almost unlimited number of non-essential works to be commenced without approval, to the detriment of new buildings and buildings requiring urgent renovations.

The HONORARY MINISTER: I move—

That the amendment be not insisted on.

This is a different proposition. In the case of alterations or renovations to buildings where there are ample supplies of paint, the question of labour comes in. There is evidence that 60 per cent. of houseowners are capable of painting their own houses. They may not be able to do the interior work, but they could do the exterior painting. Painters are very scarce and the rising of the exemption to £100 would withdraw many painters who are required for work on new houses. The charge for house renovations—I call it black marketing—is exorbitant, and this Chamber should stop it by adhering

to the limit in the Bill. By raising the amount to £100, we shall delay the housing building programme.

Hon. L. CRAIG: What the Minister says is not correct. Three or four months ago people could spend £100.

The Honorary Minister: No, this is the amount in the National Security Regulations.

Hon. H. Seddon: The amount was increased to £150.

Hon. L. CRAIG: When we were preparing for the Royal Show, stallholders were told they could spend £100 on their sheds etc.

The Honorary Minister: I think you are making a mistake.

Hon. L. CRAIG: I am not; we had specific instructions. We spent hundreds of pounds on seating and did it without a permit. We are asked to harden the regulation as compared with what it was three or four months ago. I cannot believe that such harsh restrictions are necessary. People should be encouraged to do renovation work.

The Honorary Minister: When some people have not got houses?

Hon. L. CRAIG: The number of houses being built would require only a infinitesimal quantity of the paint available. There is enough paint to do all the new houses and much renovation work as well. The material is available.

The Honorary Minister: But not the labour.

Hon. L. CRAIG: Only a few hundred houses are being built per year, and there is no reason why conditions should be made so stringent. It is time people were given an opportunity to put their homes in order. Thousands of houses are in a state of disrepair. A limit of £25 including labour would permit of very little work being done.

Hon. C. F. BAXTER: I think the sum of £100 is too low. The Minister pins his faith to a shortage of labour.

The Honorary Minister: There is plenty of paint available.

Hon. A. L. Loton: Perhaps brushes are short.

Hon. C. F. BAXTER: Ordinary workmen could be engaged to do much of the rough painting required. For six years people



have not been able to renovate their homes and they are going to pieces, just as are Government buildings, some of which are in a shocking state. To limit the amount to £25 would be only fiddling with the matter.

Hon. H. SEDDON: I have a copy of the National Security Regulations. Originally provision was made for painting, colouring, whitewashing, etc., £25, and for building £25, and the amending regulation provides £150. We have been under National Security Regulations for nearly six years, and I cannot imagine any painting, particularly internal painting, being undertaken unless it was necessary. The amount includes labour as well as material so the man who can do his own work has a definite advantage, but the £100 would not cover the difference when one had to pay for labour as well. The £100 proposed will be £50 below the limit now provided by the Commonwealth.

Hon. C. F. Baxter: A limit of £100 is too low.

The HONORARY MINISTER: The present limit under the National Security Regulations is the same as that in the Bill.

The CHAIRMAN: It was the same.

Hon. H. Seddon: It has been altered.

Question put and negatived; the Council's amendment insisted on.

No. 5. Clause 9, (2) (c), page 6:—Delete the word "twenty-five" in lines 15 and 16 and substitute the words "one hundred."

The CHAIRMAN: The Assembly's reason for disagreeing is—

The increase suggested in this exemption would permit of the erection of many non-essential buildings and would draw heavily and unfairly on materials in short supply.

The HONORARY MINISTER: I move—  
That the amendment be not insisted on.

Question put and negatived; the Council's amendment insisted on.

No. 6. Clause 9, (2) (g) (i), page 6:—Delete the word "twenty-five" in line 30, and substitute the words "one hundred."

The CHAIRMAN: The Assembly's reason for disagreeing to the Council's amendments Nos. 6 and 7 is—

The same objections as those raised regarding the other amendments apply to Council's amendments Nos. 6 and 7.

The HONORARY MINISTER: I move—  
That the amendment be not insisted on.

Question put and negatived; the Council's amendment insisted on.

No. 7 Clause 9, (2) (g) (ii), page 6:—Delete the word "one" in line 34, and substitute the word "two."

The HONORARY MINISTER: I move—  
That the amendment be not insisted on.

Hon. J. A. DIMMITT: I hope the amendment will be insisted on. For multiple buildings we should really have provided four times the amount, whereas we have merely proposed double.

The HONORARY MINISTER: This measure will be in operation for only 12 months and the owner could spend at the rate of £400 for the year. The amendment is not consistent and will have a bad effect on the supply of materials.

Hon. L. Craig: You can amend that so that a man may not spend the two sums in the 12 months.

The HONORARY MINISTER: Half the financial year has gone.

Hon. H. Seddon: Then he has been robbed of half the amount.

Question put and negatived; the Council's amendment insisted on.

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

## **BILL—INDUSTRIAL DEVELOPMENT (RESUMPTION OF LAND).**

### *Assembly's Message.*

Message from the Assembly disagreeing to the Council's amendments Nos. 3, 4 and 5, and agreeing to amendment No. 1 subject to a further amendment, now considered.

### *In Committee.*

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

No. 3. Clause 8 (1), page 6:—Insert after the word "and" in line 21 the words "subject to approval by Parliament shall".

The CHAIRMAN: The Assembly's reason for disagreeing is—

The acceptance of the Council's amendments Nos. 3 to 5, would cause considerable delay in

finalising applications and would thereby seriously prejudice the successful operation of the legislation.

The CHIEF SECRETARY: I move—

That the amendment be not insisted on.

Apparently another place has the same opinion that I had when this amendment was before this Chamber. If on every occasion we have to wait until Parliament has endorsed the resumption of blocks of land which, in some cases, will be particularly small, it will naturally create a lot of delay, inconvenience and even embarrassment.

Hon. T. Moore: To whom?

The CHIEF SECRETARY: To the people who desire to utilise the land, the private owner and probably the factory-owner, who may be anxious to make an expansion quickly or may desire the land for some other purposes connected with his business. A delay of five or six months might be costly to him and there might not be any objection to the resumption.

Hon. H. SEDDON: Not very long ago you, Mr. Chairman, referred to the fact that the system of Parliamentary government, as understood in Australia, has largely gone by the board. Here is an illustration of that very fact. In view of the actions of the Government in other directions, it is desirable that these transactions should be brought to the notice of Parliament in order that an opportunity should be given to discuss them.

Hon. T. Moore: For every block of land.

Hon. H. SEDDON: Yes.

Hon. G. Fraser: You will make us land and estate agents.

Hon. H. SEDDON: I am going to see that Parliament has an opportunity to do that for which it was created, namely, ensure that justice is done and that any section of the community suffering an injustice is given an opportunity to have it ventilated. The Minister said that it was possible that delay might be inflicted on a person desiring to acquire land to expand his industry. If a person has so little grasp of the developments associated with his industry as to find himself in a jamb within six months he must exercise very poor prevision. That argument does not carry much weight. The main reason why I ask the

Committee to insist on this amendment is that under today's conditions it is more than ever essential that Parliament should exercise the function to which I have referred.

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

Ayes	..	..	..	10
Noes	..	..	..	14
Majority against				4

#### AYES.

Hon. C. R. Cornish  
Hon. J. M. Drew  
Hon. G. Fraser  
Hon. E. H. Gray  
Hon. E. M. Heenan

Hon. W. H. Kitchin  
Hon. T. Moore  
Hon. C. B. Williams  
Hon. G. B. Wood  
Hon. W. R. Hall  
(Teller.)

#### NOES.

Hon. C. F. Baxter  
Hon. Sir Hal Colebatch  
Hon. L. Craig  
Hon. J. A. Dimmitt  
Hon. V. Hamersley  
Hon. J. G. Hislop  
Hon. A. L. Lalon

Hon. W. J. Mann  
Hon. H. S. W. Parker  
Hon. H. L. Roche  
Hon. H. Seddon  
Hon. H. Tuckey  
Hon. F. R. Welsh  
Hon. F. E. Gibson  
(Teller.)

Question thus negatived; the Council's amendment insisted on.

No. 4. Clause 8 (3), page 6:—Insert before the word "If" at commencement of sub-clause the words "Subject to subsection (1) hereof."

No. 5. Clause 11 (2), page 9:—Insert before the word "The" at commencement of subclause the words "Subject to approval by Parliament."

The CHAIRMAN: I have already stated the Assembly's reason for disagreeing to these amendments which are really consequential.

The CHIEF SECRETARY: I move—

That amendments Nos. 4 and 5 be not insisted on.

Question put and negatived; the Council's amendments insisted on.

No. 1. Clause 4 (2) (c), page 2:—Delete all words in paragraph (c) and substitute the following words:—"A representative of the Chamber of Manufacturers."

The CHAIRMAN: The Assembly agrees to the Council's amendment subject to the Council's making the further amendment—

Delete all the words in the amendment after the figure "4" in line 1 and insert in lieu the following clause to stand as Clause 4:—

4. (1) There is hereby established for the purposes of this Act a committee to be called "The Land Resumptions for Industries Committee."

(2) The committee shall consist of four members *ex officio* namely the persons for the time being and from time to time holding respectively the offices of—

- (a) Surveyor General;
- (b) Director of Industrial Development;
- (c) Chairman of the Town Planning Board as constituted under the Town Planning Act;
- (d) A representative of the Chamber of Manufactures;

(3) The said four members shall elect one of their number to be the chairman of the committee.

(4) Any three members shall form a quorum.

(5) The committee shall meet at such times, and at such place, and shall transact its business in such manner as may be prescribed by regulations.

The CHIEF SECRETARY: I move—

That the amendment, as amended, be agreed to.

Here again, apparently the Legislative Assembly desires that the chairman of the Town Planning Board shall be a member of this committee and, in view of the desire of this Committee that the Chamber of Manufactures shall also be represented, I have no objection to the number being increased from three to four.

Hon. H. Seddon: That was not the point. The point was that the Town Planning Commissioner occupied two positions under the Bill.

The CHIEF SECRETARY: That was the argument used by Mr. Dimmitt. He overlooked the fact that in one case he was dealing with the board, and in this case with the chairman of the board, who is the Town Planning Commissioner of this State and therefore a man whose opinion and advice should be valuable to this committee. Another place apparently wants the Town Planning Commissioner to be on this committee and evidently has no objection to a representative of the Chamber of Manufactures also. Members might regard the Assembly's amendment as a compromise, which we should accept.

Hon. J. A. DIMMITT: The whole basis of my amendment was my objection to the Town Planning Commissioner being in a position to lodge an objection and then move to the other side of the table and be one of the commissioners to deal with that objection. It was not my wish, particularly,

to have a member of the Chamber of Manufactures on the board. I simply mentioned that chamber because I thought a member of it would be a suitable person to replace the Town Planning Commissioner.

The CHIEF SECRETARY: I cannot make the position any clearer. In one part the Town Planning Board is referred to and the Town Planning Commissioner is a member of that body. In the other part the reference is to the Town Planning Commissioner himself.

Hon. H. Seddon: But it is the same person that is referred to.

The CHIEF SECRETARY: If the hon. member reads the whole subclause he will find that it is the board that is referred to. The Assembly has taken the view that because we inserted in the Bill provision for a representative of the Chamber of Manufactures, that is what we wanted. If that is not so, why did Mr. Dimmitt move it?

Hon. H. Seddon: As an alternative.

The CHIEF SECRETARY: The Committee agreed with Mr. Dimmitt and the Assembly accepted that as the opinion of this Chamber. The Government desires the Town Planning Commissioner, who is a professional technical man, as one of the committee and as a compromise agreed to a representative of the Chamber of Manufactures.

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

Ayes .. .. .	9
Noes .. .. .	16

Majority against .. .. 7

#### AYES.

Hon. J. M. Drew	Hon. W. H. Kitson
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. C. B. Williams
Hon. W. R. Hall	Hon. G. W. Miles
Hon. E. M. Heenan	(Teller.)

#### NOES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. Sir Hal Colebatch	Hon. H. S. W. Parker
Hon. O. R. Cornish	Hon. H. L. Roche
Hon. L. Craig	Hon. H. Seddon
Hon. F. E. Gibson	Hon. H. Tuckey
Hon. V. Hamersley	Hon. F. R. Welsh
Hon. J. G. Hislop	Hon. G. B. Wood
Hon. A. L. Loton	Hon. J. A. Dimmitt
	(Teller.)

Question thus negatived; the Assembly's further amendment not agreed to.

Resolutions reported and the report adopted.

A committee consisting of Hon. H. Seddon, Hon. J. A. Dimmitt and the Chief Secretary drew up reasons for disagreeing to the further amendment made by the Assembly to the Council's amendment No. 1.

Reasons adopted and a message accordingly returned to the Assembly.

*Sitting suspended from 9.50 to 10.18 p.m.*

## **BILL—STATE ELECTRICITY COMMISSION.**

### *Assembly's Message.*

Message from the Assembly received and read notifying that it agreed to amendments Nos. 9, 13, 16 and 17 made by the Council and had disagreed to amendments Nos. 1 to 8, 10 to 12, 14 and 15.

## **BILL—SUPERANNUATION AND FAMILY BENEFITS ACT AMENDMENT.**

### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [10.50] in moving the second reading said: In introducing this Bill to amend the Superannuation and Family Benefits Act, I am reminded of the fact that I had the privilege of submitting the original legislative proposals of the Government to this House in 1938. By passing that Act, Parliament gave to the public servants of this State the privileges which were being enjoyed by their fellow public servants in other States and the Commonwealth. It provided the necessary legislative machinery enabling public servants to participate in a scheme of contributory superannuation, and it gave that measure of security which is the aim of almost every individual in order that he and she might be able to provide for the eventide of their lives, or to meet unfortunate circumstances caused by ill-health which eventually could lead to early retirement.

The Bill is rather large and, in order that I may give a reasonable explanation of its provisions, my remarks will be somewhat lengthy. I regard the measure as being particularly important, and I think members will gather from my remarks that there is every reason for the amendments proposed. The Bill seeks to amend the Act in a number of parts and has relation to the actuarial investigations required to

be made at the end of each period of five years after the commencement of the Act. These investigations have disclosed the urgent necessity for increasing the contributions payable and for certain other adjustments.

Section 8 of the Act provides for the constitution of the Superannuation Board, which consists of three members appointed by the Governor, those members to appoint one of their number to be chairman. One of the members, it is set out, shall be the Government Actuary and one a contributor elected by the contributors. The Government Actuary died a few months ago and it is necessary that there should be a third appointment to the board. As there is no actuary in this State, we have no Government Actuary at present. I will explain later what has been done in that connection. The Act allowed a period of six months within which an employee could give the requisite notice of intention to contribute. That period expired on the 31st August, 1939, but the Act specifies that the board may extend the period in any case in which extension is reasonable. For employees then in the service, the commencing date for contributions was fixed as 1st July, 1939, the first deduction to be made from the first salary payment on or after that date.

After the first year's operations, there were 11,090 contributors, of whom 1,242 were females. In 1941 the total figures were reduced to 10,801. In 1942 the number was 10,452, in which year there were 242 retirements, and 261 resignations. In 1943 the total was 10,215 and there were 219 retirements and 195 resignations. In 1944 the number dropped to 9,911, and there were 212 retirements and 174 resignations. In 1945 the total was 9,168 and there were 684 retirements and 158 resignations. It will thus be noted that there has been a progressive depletion in the number of contributors to the fund. I have mentioned those figures because, during the war years, there was a lot of temporary employment in the Government service, and therefore there has been no possibility of any material increase occurring in the number of contributors. At the same time, quite a large number of retirements have occurred, mainly through

contributors having reached the retiring age, and there has been a considerable number of resignations.

In connection with the rate of contributions to the fund, Section 29 of the Act, in relation to quinquennial actuarial investigations, specifies that the actuary shall report and shall state whether any variation is necessary in rates payable to the fund or in the proportion payable by the State in respect of pensions. The section sets out:—

(1) An investigation as to the state and sufficiency of the fund shall be made at the expiration of each period of five years after the commencement of this Act.

(2) The investigation shall be made by the State Government Actuary or by an actuary appointed by the board and approved by the State Government Actuary.

(3) The State Government Actuary or the actuary, as the case may be, making the investigation shall report to the board the result of his investigation, and shall state whether any reduction or increase is necessary in the rates of contributions payable to the fund or in the proportion payable by the State in respect of any pension and, where the fund is found to be more than sufficient to provide for the benefits which are a charge upon the fund, he shall also state what additional benefits (if any) could, in his opinion be provided out of the surplus.

By those provisions it will be noted that there is a statutory obligation for an investigation to be made into the state and sufficiency of the fund in five-yearly periods, so that it can be ascertained whether the contribution rates are adequate to maintain the solvency of the fund. It would be only natural to assume, of course, that should the contributions be sufficient, then no alteration in the rates would follow. If, however, they were insufficient, then some alteration must necessarily be made. When this State's superannuation scheme was introduced in 1939, the tables of rates of contribution were those in the original Commonwealth Act of 1922, which were based on Australian mortality experience derived from the 1911 census. That course was adopted also by Victoria in 1926 and by South Australia in 1927, but in both those cases and also that of the Commonwealth, experience showed that the rates were too low. In consequence, to maintain the financial stability of the funds, their rates of contribution were increased.

The rate of interest upon which the calculations for this State were originally

based was 4 per cent. In the first year of operation of the scheme, war was declared, and interest rates began to decline. While 4 per cent. was obtained for some time, the average at the end of the five-yearly term was only 3½ per cent., the major portion of the securities being in 3¼ per cent. Commonwealth stock, that being practically the only avenue for investments. The late Mr. Bennett, who was the Government Actuary, in his report on the position of the fund as at the 30th June, 1944—the completion of the first quinquennial period—referred to the fact that the contribution rates required to be increased. He made the valuation on the basis of 3¼ per cent., and submitted scales of proposed new rates of contribution on that basis. Those proposed rates were higher than the revised rates in operation for the schemes in the other States, but those schemes had benefited from higher rates in their earlier years. Mr. Bennett also referred to the drop in the number of contributors as from the inception of the scheme. I have already quoted figures in this regard, but before dealing any further with the recommendation for increased rates I would like to refer members to the sixth annual report of the Superannuation Board, recently tabled in Parliament.

Referring to the number of contributors and the contributions to the scheme, the report discloses that the contributors at the 30th June, 1945, totalled 9,168, compared with 9,911 at the 30th June, 1944. New contributors for 1945 numbered 216 and exits 959. The exits consisted principally of 684 retirements at maximum age and 158 resignations from the service. The contributions for 1944-45 from contributors totalled £159,785, compared with £169,089 the previous year. Investments at the 30th June, 1945, totalled £1,198,681, the balance in the current account at that date being £6,848. The report discloses that the general decline in interest rates affected the position to the extent that the weighted average rate of interest on investments at the 30th June, 1945, fell from £3 13s. 4d. in 1944 to £3 11s. 9d. per cent. per annum, the main field of interest, as I said before, being limited to 3¼ per cent. Commonwealth War Loans.

Hon. L. Craig: Is that money all invested in Government securities?

The CHIEF SECRETARY: No.

Hon. L. Craig: Is some invested in mortgages?

The CHIEF SECRETARY: I could not say, but large sums are invested in gilt-edged securities, such as municipal loans and one or two very sound investments.

Hon. L. Craig: Are they trust investments under the Trust Act?

The CHIEF SECRETARY: I could not say whether they are all under the Trust Act. If Mr. Craig desires that information, I can secure it for him. I understand that in the early years of this fund the board was fortunate in being able to find avenues of investment which, in some cases, returned more than 4 per cent. It was so successful in the first five years that, according to the chairman, Mr. Bromfield, it was only £3,000 short of 4 per cent. The figures were something like £103,000 and, had the board secured £106,000 revenue, it would have achieved 4 per cent. Members are well aware that since commencement of the war there has been a gradual decrease in the rates of interest in almost all investments, and that in recent years the only investment that has been open to a board of this kind has been that provided by the Commonwealth War Loans with a maximum rate of interest of  $3\frac{1}{4}$  per cent.

The total annual liability to the 30th June, 1945, was £171,667, whilst the pension payments in 1943-44 and 1944-45 were £129,916 and £158,285, of which the State's shares were £117,246 and £142,102 respectively. That came from the revenue of the State. The liability of the fund for those two years was only £12,670 and £16,183 respectively, so it will be seen that the State is at present accepting most of the liability in respect of the pensions payable to pensioners. That position was, of course, to some extent, accepted by the State on the inception of the scheme in 1939, and there will be a burden on the State revenue in a declining proportion until the contributions, both State and contributor, are equal. This is brought about mainly because of what are known as concessional units being granted to those over the age of 30 at age 30 rates, and until all those entitled to concessional units disappear by retirement or death, the liability of the State will be greater than that of the fund.

I think every member is aware that when the scheme was introduced many men in the Civil Service were getting on in years and, had they been called upon to pay the rates appropriate to their age, their contributions would have been prohibitive. Eventually the Government decided that for the first four units these contributors should be allowed to join the scheme at the age 30 rate. I have already mentioned that the late Mr Bennett recommended an increase in the contribution rates. Following his death, there being no actuary available in this State, the Government secured the services of Mr. O. Gawler, of Victoria, as a consulting actuary. Mr. Gawler is the State Actuary of Victoria, and it may be of interest to members to know that he was at one time the Assistant Actuary in this State. He was asked to make an investigation into the scheme, with the result that he supports Mr. Bennett's recommendations for an increase. Mr. Gawler, however, bases his figures on a  $3\frac{1}{2}$  per cent. valuation after making certain allowances to which I shall refer later.

Mr. Gawler recommends that immediate action be taken towards the reduction of the deficiency, estimated to be a net figure of £386,011 as at the 30th June, 1944. He stresses the need for prompt action in view of the rates of contribution having been too low for a period of six years. Further postponement would, he says, involve the making up of greater leeway. He recommends that the rates be the same as the present Commonwealth rates for females and approximating those of the Victorian rates for males. The reason for the greater increase in regard to females is that their rates were much lower than the rates for males in the first instance. The alterations, however, have been dictated by the experience of the several funds, which show that the rates of mortality and invalidity employed in 1921, when dealing with the Commonwealth proposals passed in 1922, do not now apply, there being a falling mortality among average lives, more numerous cases of invalidity than expected and high mortality among individuals.

Women's mortality has been lighter than that of men, although the incidence of invalidity amongst women has been substantially higher. To enable the position to be more readily appreciated the rates of con

tributions for four units for several ages at entry are set out on a statement which has been tabled for the information of members. This shows the original rates, those now operating for the Commonwealth and Victoria, and those recommended by

the late Mr. Bennett and Mr. Gawler. I have a copy of these figures and, while I do not desire to quote the whole statement, I would like it to appear in "Hansard" for the purpose of record. The tables are as follow:—

### RATES OF CONTRIBUTION (FORTNIGHTLY) FOR 4 UNITS.

#### Males—Retiring Age of 65.

Age Next Birthday.	(a) Original Commonwealth and W.A. Rates.	(b) Present Commonwealth Rates.	(c) Present Victorian Rates.	(d) Mr. Bennett's Proposed Rates (on 3½% basis).	(e) Mr. Gawler's Proposed Rates (on 3½% basis).
	s. d.	s. d.	s. d.	s. d.	s. d.
16	4 3	4 4	5 1	5 2	4 11
20	5 2	5 4	5 11	6 4	6 0
25	6 9	7 0	7 5	7 11	7 7
30	8 5	8 9	9 1	9 9	9 5
35	10 7	10 11	11 5	12 3	11 9
40	13 7	14 2	14 11	15 9	15 4
45	18 0	19 3	19 11	21 1	20 9
50	25 4	27 10	28 6	30 2	29 9
55	39 4	45 6	45 4	48 9	48 2
60	78 10	97 10	96 4	103 8	102 6

#### Males—Retiring Age of 60.

	s. d.	s. d.	s. d.	s. d.	s. d.
16	4 11	5 6	...	6 6	6 1
20	6 2	6 10	...	8 2	7 6
25	8 1	8 9	...	10 3	9 9
30	10 4	11 3	...	12 11	12 3
35	13 6	14 10	...	16 9	16 1
40	18 2	20 3	...	22 6	21 11
45	26 0	29 5	...	32 5	31 5
50	41 8	47 10	...	52 6	51 4
55	88 9	103 6	...	116 3	114 5
60	479 9	549 6	...	598 4	585 4

#### Females—Retiring Age of 65.

	s. d.	s. d.	s. d.	s. d.	s. d.
16	2 8	3 10	4 4	4 8	3 10
20	3 4	5 4	5 4	6 2	5 4
25	4 4	7 0	6 6	7 10	7 0
30	5 8	9 0	8 2	10 0	9 0
35	7 6	11 6	10 4	12 6	11 6
40	10 2	15 2	13 6	16 2	15 2
45	14 2	20 6	18 4	21 8	20 6
50	20 10	30 2	26 6	31 4	30 2
55	33 8	51 2	42 10	52 8	51 2
60	70 0	116 8	91 6	119 6	116 8

#### Females—Retiring Age of 60.

	s. d.	s. d.	s. d.	s. d.	s. d.
16	3 6	4 8	5 4	5 8	4 8
20	4 4	6 6	6 8	7 6	6 6
25	5 10	8 10	8 6	10 0	8 10
30	7 8	11 6	10 8	13 0	11 6
35	10 4	15 2	14 0	16 10	15 2
40	15 8	20 8	19 0	22 8	20 8
45	21 10	29 10	27 6	32 4	29 10
50	36 6	48 4	44 6	52 4	48 4
55	80 8	104 8	94 6	117 0	104 8
60	445 6	551 0	498 0	619 6	551 0

'These figures indicate a rather severe increase in the rates of contribution for females as compared with the increase in the rates for males. The reason for that is that the original rates for females have been found to be considerably lower than they should have been, and that has been the experience in connection with the Commonwealth, Victoria and South Australian funds as well.

Hon. L. Craig: Whose figures are accepted in the Bill?

The CHIEF SECRETARY: Mr. Gawler's figures.

Hon. L. Craig: That is, on the 3½ per cent. basis?

The CHIEF SECRETARY: Yes.

Hon. L. Craig: That is optimistic.

The CHIEF SECRETARY: I may mention that had the amended rates been in operation on the valuation date, the present value of future contributions would have been increased by about £307,000—a very substantial amount. In Mr. Gawler's revision of the scheme, he recommends, to justify his 3½ per cent. valuation, that refunds of contributions to contributors who resign or are discharged, should be granted upon the basis known as the "actuarial reserve portion" of the contributions. The effect would be payments from about 75 per cent. of contributions after one year's membership to 100 per cent. after about 16 years. Mr. Gawler states that the present practice of refunding 100 per cent. of contributions to all contributors, irrespective of the number of years of membership, does not provide the essential margin for contingencies and throws a burden on the fund, as the potential risks are carried during membership and should be paid for by those covered. After 16 years the interest yield is regarded as sufficient to cover those risks.

The actuarial recommendations provide for the proportions of pensions payable by the State and by the fund in respect of age 30 concession units to be adjusted in accordance with the new tables, and for the latter to be applied without retrospective. Mr. Gawler is of opinion that, if the changes recommended by him are brought into force at an early date the deficiency will be reduced to a comparatively small figure and the position substantially

improved. I have tried to give full information on the proposals involved in the actuary's recommendations, and the facts have to be faced. If the fund is to continue, then the rates of contribution will have to be increased in accordance with the recommendation made by Mr. Gawler. There are three alternatives—

(1) To leave things as they are and ultimately the fund will become insolvent;

(2) abandon the fund, which would be a serious breach of contract to older men who cannot now insure or take out an annuity without tremendous expense; or

(3) to face the responsibility and accept the recommended rates.

The Government suggests the last mentioned is the best course, and this is recommended to Parliament. The procedure to be followed in this regard is set out in Section 41 of the Act. Subsection (2) of that section provides that as soon as practicable after the expiration of each five years, the Governor may, upon the recommendation of the Superannuation Board, prescribe tables of contributions which shall, subject to the approval of both Houses of Parliament, take effect from a date to be fixed by proclamation. Members will perhaps recollect that I placed on the Table of the House this afternoon the necessary proclamation in anticipation of the Bill being agreed to.

Hon. L. Craig: What will be the added contribution per annum by the State under this scheme? It will be a fairly substantial amount, and I would like to know if it is set out.

The CHIEF SECRETARY: It will mean that the Government will have to pay a fairly substantial increased amount, but I cannot give the actual figure at the moment. All I can say now is that the new rates are set out in the table I refer to, and it now remains for Parliament to grant its approval. I must say I do not think we have any option but to agree to the proposition. The board having recommended the adoption of the new rates in the report which I have tabled, together with a list of those rates, it now remains for Parliament to approve.

In regard to the various proposals in the Bill itself, the first clause is that dealing with the insertion of new definitions. The inclusion of the words "actuarial reserve portion of contributions" is to make clear



the meaning of the expression where it is used in sections relating to refunds. It is equivalent to the surrender value of an insurance policy. There are proposals in this clause to authorise and confirm the practice of paying "employer" contributions to the Superannuation Fund. Those contributions are received from hospitals, boards and other bodies in accordance with Section 6 of the principal Act, as amplified by the amending Act of 1939, and from others, such as the Commonwealth paying the "employer" share of the contributions while the services of the contributors are on loan. The next clause deals with a proposal under which certain permanent employees of local authorities will have the opportunity to become contributors for superannuation.

Hon. H. Tuckey: Is that necessary if the other scheme is being prepared?

The CHIEF SECRETARY: Yes. This will enable local governing authorities to come under the State scheme, but without any liability on the part of the State. It will be necessary for legislation to be passed dealing with that scheme if it is adopted by the local authorities, but we must have this particular provision in the Bill in order that they may become contributors in this way.

Hon. H. Tuckey: Would they then be involved in the two schemes?

The CHIEF SECRETARY: No. There will have to be legislation covering the scheme for the employees of local governing authorities, which will be on a somewhat different basis from that which we have for civil servants. Once that scheme has been approved by Parliament, it will be placed under the control of the Superannuation Board, and the local authorities will pay the money requisite under the scheme, which will be administered by the board on behalf of those local authorities. A draft of the proposals in regard to retirement benefits for the employees of local authorities is now being considered by those interested. The rates of contributions payable by employees of local authorities will be based on the rates recommended by Mr. Gawler where they can be applied.

As members are aware, following the death of the late Mr. Bennett, the Government arranged with the Victorian Government for the services of its Government Actuary, Mr. O. Gawler, to be available as

Consulting Actuary for this State. The Superannuation and Family Benefits Act stipulates that one of the members of the Superannuation Board shall be the Government Actuary. It is necessary to amend the Act in several instances to enable the vacant position to be filled by Mr. Gawler, and suitable provision has therefore been made in the Bill. There is a proposal which will enable any eligible employee to become a contributor at any time during his service. At present the prescribed time is six months from the commencing date of permanent employment. Those mainly affected would be juniors, who may not consider the importance of superannuation when they are first appointed, but in later years realise the advantages.

The necessity for the medical examination to be of recent date will be obvious, as it must be ensured that each one admitted to the scheme will not be a liability in relation to invalidity benefits. In this regard the Bill provides that the contributions shall be at actual age rates at the time of joining. The concession granted at the commencement of the scheme in 1939 to those over age 30, under which the State accepted the major portion of the liability for the first four units, will, of course, not apply to those joining the scheme in future, notwithstanding that they may have been in the Civil Service in 1939.

Under the Act at present it is mandatory for contributors under age 30 at the commencement of the Act, and others under age 40, to take the number of units according to their salary groups. The Bill proposes that the board may, upon special representation, exempt a contributor from contributing for more than two units, provided that the board is satisfied that he has made adequate provision for himself and his family. The proposal is to give each present or future contributor the option of increasing the number of his units, when he receives a salary increase taking him into a higher salary group. It is also proposed that a contributor may reduce his units to two only if he so desires. In this regard Commonwealth social legislation has effected the position, particularly in the case of those in the lower salary groups.

Hon. H. Tuckey: That seems to be in keeping with the scheme prepared for the road boards today.

The CHIEF SECRETARY: I have already said I anticipated that whatever scheme is adopted for the local authorities will be based on the recommendations of Mr. Gawler.

Hon. H. Tuckey: Another scheme may not be necessary.

The CHIEF SECRETARY: It will be necessary because under the local authorities' scheme—I do not know that we can go into that phase now—I understand that superannuation benefits will be available for employees up to 40 years of age and for those over 40 years there will be insurance or endowment benefits, and for the still older employees, insurance benefits. We can take it for granted that any scheme for the local authorities will be based on Mr. Gawler's recommendations, and I think that will be perfectly safe and sound. An important part of the Bill, is that which will give the retiring contributor the option of receiving a full pension or, alternatively—

- (a) a part pension and part refund, or
- (b) a full refund without a pension.

The fund would not be prejudicially affected by the exercise of any of these alternatives, as it would be relieved of liability. The Act at present does not provide for an alternative to the acceptance of a pension. One of the objections raised in connection with superannuation is that there is a direct contribution, which does not apply with the present Commonwealth social legislation. The proposals would enable each contributor to make his choice at the time of retirement. If contributing for four units of pension he could obtain a refund of his contributions for two units, and the superannuation of only £1 per week would enable him to draw the Commonwealth old age pension, subject, of course, to the means test which applies at the present time.

Hon. F. E. Gibson: To how much per week does one unit entitle a contributor?

The CHIEF SECRETARY: Ten shillings. Now that we are providing that a contributor may take two units per week, the amount would be £1, and when the time arrived, he would be able to come under the Commonwealth old-age pension scheme as well. One of the conditions attached to the recommendations of Mr. Gawler in connection with the increase in rates to a lesser extent than the suggestions of the late Mr.

Bennett was that refunds of contribution should not be the full 100 per cent. until the interest-earning power of those contributions equalled the risk that had been carried by the fund. In other words, the payment in the earlier stages would be on the actuarial reserve or surrender value basis. For contributors for age 65 retirement, the surrender value would be 100 per cent. of the contributions at the end of about 15 or 16 years for those who joined at ages up to 49 years. For those joining at later ages, the 100 per cent. would be available within shorter periods. For example, one who entered the scheme at 58 would get 78 per cent. after one year and the full 100 per cent. in 7 years.

With female contributors electing the age 60 for retirement, the periods would be less. For those who joined at ages up to 37 years the 100 per cent. would be payable in about 12 years. For those who joined at ages from 38 to 55 years, the full 100 per cent. would be payable after about 9 years. Approximate illustrations of actuarial reserve basis on surrender value percentage of contribution available for refund on resignation, are as follows:—

—Completed Years and Surrender Values—										
Age at Entry.	1 Year.	5 Years.	10 Years.	13 Years.	16 Years.					
<i>Males for Age 65—</i>										
15 to 49	75	% 80	% 81	% 85	% 86	% 90	% 91	% 95	% 100	
50 to 57	70	82	82	83	83	89	90	95	100	
58 to 60	73	82	89	90	90	93	93	100		

—Completed Years and Surrender Values—				
Age at Entry.	1 Year.	5 Years.	9 Years.	12 Years.
<i>Females for Age 60—</i>				
15 to 37	84	88	94	100
38 to 55	87	92	100	

Hon. L. Craig: Contributors would lose the interest on their money.

The CHIEF SECRETARY: That is so. It is also proposed that if a contributor who resumed work after having drawn an invalidity pension, subsequently left the service, the amount of refund would take into account the pension already paid, with certain qualifications which are already in force in Eastern States schemes. The Bill sets out that before any invalidity pensioner shall leave the State, he shall submit to the board a certificate from a duly qualified medical practitioner indicating the need of the pensioner to leave the State. In any case of invalidity, if a pensioner leaves the State there are difficulties in arranging for medical examination, and, apart from that, a

pensioner may go to a place where the climate is detrimental to his health or his recovery may be retarded.

The spirit and intention of the Act are that a person should be totally and permanently incapacitated before an invalidity pension is granted. The scheme is not in any respect intended as a sickness benefit scheme. To police the invalidity sections of the Act is difficult. Invalidity pensions are actually pensions paid in advance of the maturity dates and are therefore costly to the fund. Cases have come under notice where men drawing invalidity pensions were in receipt of full wages from other employment, and in one case a man was running a business. It is proposed to provide for such cases by giving the board power to cancel or reduce the pension according to the circumstances of the case. The reduction would not be such as to make the total income less than the basic wage.

There are other amendments in the Bill, mostly of a minor nature. I think it will be agreed from the information disclosed in the course of my remarks, that the Government has given full consideration to the whole question. After doing that it has decided to support the recommendations of Mr. Gawler whose report, together with that of the chairman of the Superannuation Board, was recently laid on the Table of the House for members' perusal. I think it will be conceded that there is really no alternative to Parliament's agreeing to the recommendation; otherwise the stability of the fund cannot be maintained. As I have already indicated, the recommendation for the increase of the rates requires to be dealt with separately from the provisions of this Bill. Section 41 of the Act deals with the position, the rates to apply as from a date to be fixed by proclamation after the approval of Parliament.

So far as the Bill is concerned, its important provisions may be summarised as dealing with recommendations regarding refunds on an actuarial reserve basis, or, in other words, the surrender value. Provision is made for a contributor, firstly, to be enabled to join the fund at any time instead of the limitation of six months, subject to satisfactory medical certificate and, of course, without the age 30 concession units which applied only at the commencement of the scheme in 1939; and, secondly, to have the

option of contributing for two or more units, without the compulsory provision now in the Act under which it is necessary up to age 40 to increase the number of units according to salary group increases; and, thirdly, present contributors to be able to reduce the number of their units to two if they so desire. Then again, those who contribute for more than two units would have the option, at retirement, of accepting the full pension, or a part-pension and-part refund, or a full refund of contributions.

I have given a fair summary of the main proposals contained in the Bill. They are very important, and in view of the figures I have quoted, and the factors I have mentioned, such as the reduced rate of interest on investments, the fact that the original rates were too low, as well as for the other reasons I have given, I hope that the House will agree that the provisions of the measure are in the best interests of all concerned. I therefore move—

That the Bill be now read a second time.

**HON. L. CRAIG** (South-West) [11.40]: I agree that the House must pass the Bill, but I regret it. Whatever the Minister may say, the Government is involved in huge contributions which, had the actuarial calculations been properly based at the beginning and a reasonable view taken of the trend of interest rates and provision made for reserves, the Government would not have had to meet. We are all in favour of superannuation schemes. Industries today are inaugurating such schemes. I know from figures which are submitted to me each week how tremendous is the increase in what the society with which I am associated terms group schemes. The society's business in this connection amounts almost to millions owing to large industries arranging group schemes on behalf of their employees.

Were it not impertinent for a layman to question an actuary's calculations, I would say that even now it is dangerous to accept a scheme based on a 3½ per cent. income. The rate seems to me to be too high. A scheme of this sort must make provision for reserves and contingencies. Things unthought of today suddenly occur. I know what the war has cost the society with which I am associated. Unexpected claims came in like a bolt from the blue, yet adequate reserves were there to meet them. It is un-

likely that interest rates will be increased. There will be a tremendous amount of loose money available for a long time. Without, as I say, questioning actuarial calculations, it does seem that at least a conservative rate should have been fixed.

Hon. H. Seddon: The rates were conservative at the time they were fixed.

Hon. L. CRAIG: It was not a conservative base. Was it  $4\frac{1}{2}$  per cent.?

The Chief Secretary: It was based on 4 per cent.

Hon. H. Seddon: The Government has been responsible for the reduction of interest.

Hon. L. CRAIG: The point is that it has cost the Government about £380,000, a great part of which should have been paid by the Government employees. They are now relieved of that payment, which will have to be met by the taxpayer. Owing to some legitimate misjudgment by an actuary, the taxpayer is involved in meeting that huge contribution. Other institutions are involved in the same way. Rates have come down; but provision had been made to meet contingencies.

Hon. J. Cornell: Are you referring to voluntary or compulsory schemes?

Hon. L. CRAIG: This is a voluntary scheme. Insurance is voluntary, too.

Hon. J. Cornell: I am referring to the schemes you are talking about.

Hon. L. CRAIG: They are all voluntary.

Hon. J. Cornell: The Commonwealth scheme is not.

Hon. L. CRAIG: In any business it is necessary to build up reserves to provide for something which cannot be foreseen. It looks as though the Government scheme never had a penny in hand to meet a contingency. It is not for me to say that the basis of the Government's scheme is wrong.

The Chief Secretary: It would have been all right if there had been no war.

Hon. L. CRAIG: The Government would have been right on the bone even then. I do not think the war made as much difference as that. The Government would have been in difficulties, perhaps in difficulties not so great as it is now. How many  $3\frac{1}{2}$  per cent. investments will the Government get? It is depending on the 4 per cent.

and  $3\frac{1}{2}$  per cent. investments which it secured in the past. Those investments must be running out all the time, and therefore the Government will be dependent upon the money in current account, on fixed deposit and in war loans. I may be talking bunkum.

Hon. H. Seddon: You are hitting the mark.

Hon. L. CRAIG: The Government must be very near the bone all the time, as it has no reserves to meet contingencies which might arise. I must support the Bill, but members will see what a misjudgment has cost the State. The State cannot afford £380,000. It cannot afford 2s., if the truth be told. I do not know what we can do but accept the Bill. I do so with reluctance.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Bill passed through Committee without debate and reported without amendment.

#### *Recommittal.*

On motion by the Chief Secretary, Bill recommitted for the further consideration of Clause 8.

#### *In Committee.*

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 8—Amendment of Section 23:

The CHIEF SECRETARY: In line 4 of Subclause (1), the words "and any employer" and in line 7 the word "department" are in inverted commas. I desire them to be removed and single inverted commas placed before and after the words "employer" and "department." The inverted commas should appear before "and" in line 4 and after "Act" in line 8.

The CHAIRMAN: The Clerks will make that alteration when preparing the Bill for assent.

Bill again reported without amendment, and the reports adopted.

#### *Third Reading.*

Bill read a third time and passed.

**BILL—COMMONWEALTH POWERS.***Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to amendments Nos. 1 and 3 made by the Council, had disagreed to No. 2, and had agreed to No. 4 subject to a further amendment.

**BILL—SUPREME COURT ACT  
AMENDMENT (No. 2).***Assembly's Further Message.*

Message from the Assembly received and read notifying that it had agreed to the Council's request for a conference on the amendment insisted on by the Assembly, and had appointed Mr. Smith, Mr. Styants and Mr. McDonald as managers for the Assembly, the President's room as the place of meeting and the time 1.30 p.m. on Thursday, 13th December.

**BILL—CITY OF PERTH SANITATION.**

Received from the Assembly and, on motion by Hon. J. A. Dimmitt, read a first time.

**ADJOURNMENT—SPECIAL.**

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) I move—

That the House at its rising adjourn till 11.30 a.m. to-morrow.

Question put and passed.

*House adjourned at 12 o'clock (midnight).*

**Legislative Assembly.**

*Wednesday, 12th December, 1945.*

	PAGE
Questions : Country hospitals, as to shortages of staff	2732
Rayon goods, as to local manufacture	2733
Migration, as to shortage of shipping	2733
Schools of agriculture, as to students and staff	2733
Rat-infested vessels, as to fumigation at Fremantle	2733
Country water supplies, as to North Baandee extension supply	2734
Returning R.A.A.F. personnel, as to deviating of "Athlone Castle"	2734
Legislative Council Referendum Bill, as to being laid aside in Council	2734
Harbours Development and Control Select Committee, extension of time	2736
Wool Handling Delays Select Committee, extension of time	2736
Bills : Mining Act Amendment, Com., report	2736
Constitution Acts Amendment Act Amendment (No. 4), 2a., remaining stages	2737
Building Operations and Building Materials Control, Council's amendments	2742
Council's message, Assembly's request for conference	2771
Industrial Development (Resumption of Land), Council's amendments	2744
Council's message, Assembly's request for conference	2772
Albany Freezing Works Agreement, returned	2747
Electoral (War Time) Act Amendment, returned	2747
Increase of Rent (War Restrictions) Act Amendment, Council's amendment	2747
State Electricity Commission, Council's amendments	2748
Loan, £550,000, returned	2760
Commonwealth and State Housing Agreement, returned	2760
Commonwealth Powers, Council's amendments	2760
Supreme Court Act Amendment (No. 2), Council's request for conference	2764
City of Perth Sanitation, 2a., remaining stages	2764
Motion : State Forests, to revoke dedication	2741
Council's message	2760
Superannuation and Family Benefits Act, proclamation of tables of contributions	2760
Annual Estimates : Votes and Items discussed	2767
Adjournment, special	2772

The SPEAKER took the Chair at 4 p.m., and read prayers.

**QUESTIONS.****COUNTRY HOSPITALS.***As to Shortages of Staff.*

Mr. SEWARD asked the Minister for Health:

1, Is he aware that unless additional (a) nursing staff, (b) domestic staff, is supplied to country hospitals within the next few weeks, several of them will be compelled to close?

2, If not, will he make immediate inquiries by telegram to ascertain what the position is and which hospitals are so situated?

3, If the position is as described in question No. 1, what steps is he taking to remedy the position?