scribed marks or brands, and appointing places within such districts at which all unmarked or unbranded meat shall be exhibited for inspection.

The amendment proposes to insert instead of "prescribed districts," the words "any prescribed district or part of a prescribed district."

I would like to know from the Minister why this has been included. Why does the department want to set out a part of a prescribed district? I would have thought the department would be most anxious to leave in the words "prescribed districts" because they would be all-embracing. However, the Government wants the expression to be "part of a prescribed district."

If people cannot sell meat unless they comply with certain orders or regulations in a prescribed district, why should it now be brought down to "part of a prescribed district"? Does that mean that part of a prescribed district may not have to comply; or does it mean that the balance of the district, if not in the part of the prescribed district, will not have to comply with certain regulations? I would like to know quite a lot more about this aspect of the Bill before I could support it.

In regard to other parts of the Bill, with monetary values changing, I feel that we can accept the amendments where they lay down that the penalty of 40s. is to be stepped up to 200s. I would think the very fact that the department now sees fit to increase these penalties to this particular figure, indicates that the department realises there should be heavier penalties; and I do not think any member of this House disagrees with that. There should be heavier penalties on people who are going to play around and not comply with the requirements of the Health Act.

I hope the Minister will give much more information in regard to the matters to which I have referred. I cannot see that it would be equitable and just if a certain drycleaning system, which is not yet established in this State, were excluded from the second schedule, and were to be introduced into, say, Midland Junction, Guildford, or Bassendean, which are in my electorate, while other drycleaning establishments already established in these localities and covered by the second schedule, had to carry on under their offensive trade nomenclature.

As far as I am concerned, until such time as the Minister can give a lot more detail in regard to why these amendments are brought forward, I cannot support the measure.

Debate adjourned, on motion by Mr. Runciman.

House adjourned at 5.40 p.m.

Legislative Council

Tuesday, the 13th September, 1966

CONTENTS

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

QUESTIONS (2): ON NOTICE

NATIVES

Robin Graham: Deduction of Social Service Payments by Department

1. The Hon. R. H. C. STUBBS asked the Minister for Mines:

   Will the Minister inform the House of the following particulars in regard to Mr. Robin Graham, fettler of Norseman:—

   (1) How long was he absent from work due to ill health?

   (2) How long was his family provided with rations by the Native Welfare Department, and what was the cost of such rations?

   (3) Was any money taken from Mr. Graham by the Native Welfare Department officer at Esperance, and if so—

   (a) did the amount include the social service payments made to him;

   (b) did the amount include a refund cheque issued by the Taxation Department (File No. 817106);

   (c) were receipts issued for the money taken, and if so, what are the numbers and dates of such receipts;

(d) upon whose authority was the money taken from Mr. Graham by the officer of the Native Welfare Department;

(e) were any store accounts paid with the money taken; and

(f) was any of the money returned to Mr. Graham to enable him and his family, consisting of his wife and nine children, to meet commitments until such time as he received his first pay after resuming work?

(4) Would treatment similar to this be meted out to a white person?

The Hon. A. F. GRIFFITH replied:

(1) Mr. Robin Graham ceased work originally on the 4th April, 1966, resumed employment on the 23rd May, 1966, ceased again on the 3rd June, 1966, and resumed work on the 28th July, 1966.

(2) From the 12th April to the 17th August, 1966, with the exception of two weeks in May when rations were not issued. Assistance continued beyond final resumption of work because of alleged delay in payment of social benefit. Cost of rations is in excess of $347.71. Some accounts have not yet been received at Kalgoorlie.

(3) (a) and (b). Yes. $100.60 was received from Mr. Graham, comprising $60 cash and taxation cheque $40.60, on the 30th August, 1966. (He received Social Service cheques about the 18th August, 1966, for $164.99, and inquiries on the 8th September, 1966, reveal he received a social service payment of $94.85 between the 9th and the 11th May).

(c) Receipt No. 1801 for $100.60 issued on the 2nd September, 1966. (Earlier issue not possible because revenue receipt book not received at Esperance until the 1st September, 1966).

(d) Superintendent eastern division. In accordance with the oft-repeated departmental policy of not indulging in hand-outs, recovery of a reasonable amount of assistance provided is required to avoid double benefit payments. In this case, because of the size of the family, the superintendent assessed that a sum not in excess of two-thirds of the value of the rations provided during the period covered by social service payments should be made.

(e) No. See answer to (2).

(f) No. He resumed work on the 28th July, but the family was provided with food until the 23rd August, due to the W.A.G.R. practice of holding two weeks' pay. For example, on the 12th August he would have received two days' pay and would receive a full pay on the 26th August. The rations provided from the 17th to the 23rd August were on a strictly recoverable basis.

Also, the department approved of remission of this family's rent from the 30th May to the 12th June.

(4) A white person in a similar situation would be given one week's relief through the Child Welfare Department, and if further relief was needed a procuration order on the whole of the social service benefit would be required before further assistance was obtained.

Relief entitlements are the same for both white and native persons.

HOUSES AT MT. PLEASANT

Damage by Sand Trucks: Liability of Main Roads Department

2. The Hon. C. E. GRIFFITHS asked the Minister for Justice:

As the Main Roads Department has recently denied liability in regard to damage caused to houses along the route between the Brentwood sandpits and the Mitchell Freeway project, would the Minister advise the House—

(1) Were the persons who actually carried out the investigations and who subsequently decided that the damage was not caused by the sand trucks in question, qualified in this particular engineering field?

(2) What are the qualifications of these persons?

(3) Were any investigations made in relation to alleged damage to any houses in Gunbower Road, Mt. Pleasant?

(4) If the answer to (3) is "Yes"—

(a) when were these investigations made;

(b) what, if any, tests were made; and

(c) on what basis was it decided that the damage was not caused by the sand trucks?

The Hon. A. F. GRIFFITH replied:

(1) Yes. The investigations and decisions were made by professionally-qualified engineers.

(2) The engineer in charge of the investigations holds a Bachelor of Engineering Degree and was advised by the Public Works Department, Architectural Division.

(3) Yes.

(4) (a) The 12th August, 1966.

(b) Vibration characteristics attributable to trucks were measured with a Grubb-Parsons transistorised portable vibration meter.

(c) A decision was made after consideration of reports on inspection of houses, results of vibration tests, examination of technical literature on damage to buildings by vibrations, and legal opinion.

GRAIN POOL ACT AMENDMENT BILL

Third Reading

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

CORNEAL AND TISSUE GRAFTING ACT AMENDMENT BILL

Second Reading

THE HON. G. C. MacKINNON (Lower West—Minister for Health) [4.43 p.m.]: I move—

That the Bill be now read a second time.

The Corneal and Tissue Grafting Act was passed in 1956. The Act enables persons to donate their eyes or other body tissues for transplantation into the bodies of living humans. It does not authorise the use of these donated tissues for other purposes.

There is an Australia-wide shortage of human pituitary glands. These glands are used for the production of growth hormone and follicle-stimulation hormone. These therapeutic substances are now available as a pharmaceutical benefit under the National Health Act. The difficulty of maintaining supplies is a continuing embarrassment.

All States have been asked to facilitate the collection and supply of this material. The State of New South Wales recently amended its legislation in almost exactly the same manner as is proposed in this Bill.

Clause 4 of the Bill introduces a new definition of "therapeutic substance." Clauses 5 and 6 repeal sections 3 and 4 of the principal Act, and substitute new operative sections to cover not only the donation of eyes and other tissues, but also their use for the production of therapeutic substances. Clause 7 adapts section 5 to the existing Act so as to extend its operations to this new field proposed in the Bill.

Members will find, on examining the Act, that there are adequate provisions to safeguard against the taking of such tissue against one's will before one's death. I mention this aspect because it might possibly be raised later in the debate. As I have said this matter is particularly well covered.

Perhaps it might be as well if I give a slight word of explanation with regard to the growth hormone. I understand this is used for some cases of dwarfism, and the follicle-stimulation hormone is, I understand, used to stimulate the female follicle in certain cases of sterility. I hesitate to go further, because I have no doubt that Dr. Hislop will explain this aspect of it infinitely better than I will. So, with your permission, Sir, I will leave the technical details to him.

Debate adjourned, on motion by The Hon. J. G. Hislop.

HOTEL PROPRIETORS BILL

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Justice) [4.48 p.m.]: I move—

That the Bill be now read a second time.

The Australian Hotels Association, in a submission to me some little time ago, pointed out that the existing provisions contained in the Innkeepers Act of 1920 make an innkeeper vulnerable to any unscrupulous person who chooses to bring a damaged vehicle to the parking area of an hotel—which is classified as an inn—and requested that the Act be amended. It was further pointed out that the English Act, upon which the 1920 Act was based, had been amended following recommendations of a law reform committee which were published in 1954. One of the committee's recommendations was as follows:—

> Innkeepers should continue to be under a strict liability to travellers in regard to the loss of property other than motor vehicles brought to the inn.

In this connection, it is pointed out that there is, in fact, a substantial distinction between the car which a traveller brings with him to an inn and which, unknown to the innkeeper, and contrary perhaps to his express instructions, may be left in a car park. There is, I say, quite a distinction between the car and other property which the traveller takes inside the inn and over which the innkeeper has some measure of control.

There is this further important feature that most motor vehicles are these days

covered adequately by insurance against loss, so that frequently, in a case of a claim against an innkeeper, the contest is merely one between two insurance companies. This, I add, bearing in mind the law reform committee's views that, "An innkepeer should no longer have a lien for his charges on a traveller's motor vehicle." As members will appreciate, the existing laws covering these matters can be traced back into history to the by-gone days when highwaymen were on the roads and innkeepers sometimes acted in collusion with them.

In present times, at common law, an innkeeper is, as it were, an insurer liable for all goods of lodgers which may be lost in the inn, unless it is shown that they have been lost owing to the negligence of the owners. However, the liability has been restricted in England for a good many years and, under the Innkeepers Act of 1920, is restricted here to a sum of £30, that is $60, excepting, in the words of the section, property "not being a horse or other live animal or any gear appertaining thereto or any carriage", which latter may be construed as including a motor vehicle.

There is the exception to which I have already referred where goods or property have been stolen, lost, or injured through the neglect of the innkeeper or one of his employees, and also the important exception of goods deposited expressly for safe custody with the innkeeper and his obligation to accept such responsibility.

There are already two Statutes dealing with related matters—the Innkeepers Act, 1920, as already referred to, and the 1887 Act of a similar title. It is not desired that the Statute book should be loaded with three brief Acts on the subject of innkeepers, and opportunity was therefore taken to draft the Hotel Proprietors Act, now being introduced as a new Act rather than an amending one, thus permitting the repeal of both existing Innkeepers Acts.

I would further explain that the Western Australian Licensing Act does not call premises, licensed under publican's general and wayside-house licenses, hotels. The only such reference in our Act is to a "limited hotel" which has but a restricted license; and, for this reason, the Bill contains a definition of "hotel" as meaning a house that is deemed under section 119 of the Licensing Act, 1911, to be a common inn. Subsequent references in the Act are thus enabled to employ the commonly accepted term of "hotel", as in the title itself.

It will be seen upon reference to this rather compact measure that in clause 4 is briefly enunciated the application of the law to hotel proprietors in the matter of duties, liabilities, and rights.

In clause 5 is set out the main purpose and function of the Bill when it passes into an Act; that is, the modification of liabilities of hotel proprietors.

In subclause (1), the liability of an hotel proprietor for loss of or damage to property brought to his hotel extends only to such as is brought there by a guest, and then only to such loss or damage as occurs during the period of the guest's entitlement to the use of the accommodation which has been engaged.

In clause 2, the hotel proprietor is completely exonerated from liability to a guest for any loss or damage to any vehicle; and that includes any live animal or its harness or equipment, or for anything left in a vehicle.

Subclause (3) limits the liability to $100 in respect of any one article, or $200 in respect of any one guest. Members will note that, in this part of the Bill, the monetary values existing in 1920 have been brought up to date. Whether on comparing the two figures this will be accepted as a statement of fact I am not too sure. In 1920, the limit was £30, as earlier stated.

The provision in paragraph (a) of subclause (3) renders the hotel proprietor fully liable if through his own or one of his servants' default, neglect, or wilful act, a guest's property is stolen, lost, or damaged.

In paragraph (b) there is a provision which renders the hotel proprietor fully liable in respect of property deposited by or on behalf of a guest expressly for safe custody with the proprietor or one of his servants, though he may require such property to be handed over in a container fastened or sealed by the depositor. All references which I am making to the "liability of an hotel proprietor" are to be construed as references to his liability as such and not to his liability in any other capacity. An hotel proprietor is under the same liability, if any, in respect of the damage to the property of a guest as he is in respect of its loss.

The obligation of the hotel proprietor to accept guests' property for safe custody is clearly set out in paragraph (c). In the event of his refusal to accept such goods for safe deposit, he will automatically become fully liable and lose the protection generally provided under clause 3. Furthermore, an hotel proprietor, wishing to invoke the limited liability available under that clause, is obliged to display in a conspicuous place the notice as set out in the schedule to the Bill.

By virtue of the common law, innkeepers already have a well-established right to a lien for the price of a guest's food and lodging over all property which he brings to the inn with him. This right obtains here and is supported by the power of sale given by the 1887 Act.

The proposal contained in clause 6 relating to this lien is simply that it would no longer apply to a guest's motor vehicle. Otherwise, it will continue in full force and effect as at present.

Its application is clearly defined in clause 7, under which an hotel proprietor has the right to sell at public auction any property on which he has a lien as the hotel proprietor. It is only necessary that the lien has been in existence for a period of not less than six weeks, and that notice of the auction setting out the description of the goods and the name of the owner, if it is known, be published in a local newspaper at least one month prior to the day upon which the auction is to be held.

Whereupon, an hotel proprietor may, out of the proceeds of a sale effected pursuant to the provisions of clause 7, pay the costs and expenses of the sale and notice, and recover such amount as would have been payable to extinguish the lien and then, on demand, pay the surplus, if any, to the guest.

Debate adjourned, on motion by The Hon. W. F. Willesee (Leader of the Opposition).

BILLS (2): RECEIPT AND FIRST READING

1. Plant Diseases Act Amendment Bill.
   Bill received from the Assembly; and, on motion by The Hon. G. C. MacKinnon (Minister for Health), read a first time.
2. State Electricity Commission Act Amendment Bill.
   Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Mines), read a first time.

STATE HOUSING ACT AMENDMENT BILL

Second Reading

Debate resumed from the 8th September.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [4.59 p.m.]: This Bill is before the House in an endeavour to widen the scope under which the State Housing Commission may operate.

Over the years it has been found that one of the problems which exists is the anomaly in regard to eligibility when purchasing a dwelling in a country area as compared with the metropolitan area. There is a difference in eligibility in the country between the State Housing Act and the Commonwealth and State Housing Agreement. A new provision is being incorporated in this amending legislation whereby the income eligibility of an applicant in the country will be extended. A considerably greater allowance will be made for the country applicant than would be the case for a metropolitan applicant. There is a limiting proviso that not more than 50 per cent. of the amount allowed in the case of the country applicant would be applicable to the metropolitan applicant.

The basis of the State housing agreement developed from the original concept of workers' homes. In the case of workers' homes it was intended to give every consideration to people in the lower income groups so that they could establish homes for themselves, in which they could live and which they could ultimately purchase.

We are finding it difficult to establish a true basis for the entitlement to purchase a home, and this difficulty is increasing in relation to the funds available to be spent on housing .

It could be said that the purpose of the first clause of this amending Bill will encourage decentralisation. It is a direct encouragement for people on reasonable—and considerably higher—incomes to purchase homes in various country districts. The obvious benefit of such a policy need not be outlined because if people can have a stake in the land, and can own their own homes, then wherever those homes might be situated is where the people will reside permanently.

This amending legislation has been brought before us as a result of some compromise in another place. A figure has been arrived at which the commission may interpret to the benefit of an applicant from a country area. The assessing for eligibility, with a demarcation between applicants from the country and those from the metropolitan area, is a very necessary step and one which should be approved. It is true that north of the 26th parallel a different situation exists. The eligibility there is determined not so much on a statutory basis, but rather on an administrative basis.

Another clause in the Bill increases the permissible valuation—excluding the land value—to a figure of $8,000 per unit on which the application for a second mortgage may be arranged by the Housing Commission. This provision takes cognisance of the fact that there is an upward trend in the cost of building. There must be an appreciation of that situation otherwise many people would not come within the ambit of this Act.

The important point about the second mortgage provision—as was pointed out by the Minister—is that the amount of money advanced by the Housing Commission, in the purchase of a home, is considerably less. This means that the commission will be able to help considerably more people than is the case when the commission applies its funds to the initial mortgage in the provision of a home. So, where a house can be built, with the first mortgage arranged outside of the Housing Commission, it is of great benefit to the commission to have to finalise the issue by the provision of a second mortgage only.

There is a further extension of the situation regarding the 25 per cent. which is being made available by the commission, in that the commission will now be able to extend the application not only to moneys appropriated by Parliament, but also to moneys which may become available to the

commission through its powers of borrowing. This wider scope must, in turn, lead to wider fields of housing for people within a particular income bracket.

There would be no point in delaying the passing of this Bill; I see a lot of good in it. I am concerned that we have to raise the levels of income eligibility; and I wonder whether the person on the very low income is still being catered for, as was the case when the idea of a worker's home was originally conceived.

The Hon. A. F. Griffith: The worker lives in a different priced house and earns a different income now.

The Hon. W. F. WILLESEE: It is true to say that it was originally thought of in a different era, when costs and incomes were lower. Nevertheless, we cannot evade the problem when related to the present-day set-up. I am not saying this Bill excludes the lower-income people. However, I hope that we are taking care of all the people—may I say, all the time—and whilst we are faced with this problem of rising incomes and rising costs there is the person who might possibly lag behind the permissible higher income level. That is the field for the State Housing Commission to develop, and to which it can apply its resources.

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [5.11 p.m.]: I would like briefly to thank Mr. Willesee for his support of the Bill. We are not able in this Bill, or in this type of legislation, to deal with the problems of all the people. State housing legislation deals—or attempts to deal—only with the problem of a section of the people whose earning capacity is set out in the terms of this amending Bill.

The object of State housing legislation is to provide houses for workers in the lower income range. It is necessary, and it has been necessary from time to time, not only to raise the permissible amount of income allowing qualification, but also to increase the permissible amount to be expended on a house.

Those two problems are related one to the other; as the wages rise, so the costs of houses increase. This Bill is an attempt to keep abreast of that particular situation.

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.

FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT BILL

Second Reading

Debate resumed from the 8th September.

THE HON. F. J. S. WISE (North) [5.15 p.m.]: With considerable interest and enthusiasm I support the Bill. It is a remnant and a constant reminder of the bad old days through which this State passed. Those were the days when the annual budget of the State was £8,000,000 and not £100,000,000, and when the moneys used by the State were raised within the State by taxation of various kinds imposed by the Government of the day. It was not the largesse that is handed out to the State Governments by the Commonwealth today under section 96 of the Constitution. We have received in more recent years up to £11,000,000 per year from that source, but there was none of that in the old days.

The State had just passed out of the years when there was a per capita taxation payment of 25s. to the people of this State. That pertained at the time of the introduction of this legislation. How different were those days from today! In those days the State Government relied upon its own taxation and special payments, and yet we had a pauperised farming community; we did not have an affluent and wealthy farming community such as we have today. That change has occurred only in recent years.

It is necessary, therefore, to reflect a little on what happened and what was the reason for the introduction of the Rural Relief Fund Act and the Farmers' Debts Adjustment Act. I had a little to do with both Statutes. I had the responsibility of stating a case to obtain another £100,000 annually, year after year, from the Commonwealth. Those were the years when the Dominion League was in existence, forcibly and strongly, and when The Hon. H. K. Watson was busily preparing the case for the secession of this State from the Commonwealth. I would not be surprised if he is one of the last members of the league who are still alive; in fact, he may be the only one.

The Hon. H. K. Watson: One of my colleagues of those days was buried yesterday.

The Hon. F. J. S. WISE: As Mr. Watson has just stated, one of his colleagues of those days was buried only yesterday. Those were difficult days for the people and for Governments. Although it is not so very long ago, they were the formative years of this State; when the Premier of the day (Sir James Mitchell) was roundly condemned and criticised for being courageous enough to put in train land settlement proposals. He was criticised because of the colossal losses people averred were being incurred.

I will not admit that one of the worst things that ever happened was the State going into debt because of land settlement. Without taking into consideration the aftermath of those years we surely had to answer for great debts, but had not those debts been incurred at that time this State would not have reached the state of development it has reached today. Those were the years when the farmers received

1s. and 1s. 6d. a bushel for their wheat; when wool was 1s. lb. f.o.r. Fremantle, and when lambs were 10s. a head.

The Hon. T. O. Perry: And butterfat was 8d. a lb.

The Hon. F. J. S. WISE: Yes, that is correct. That was not so long ago, but, in respect of the wheat and sheep areas, which had been pushed out far to the east, thousand of farmers in the succeeding years were beset by extremely serious circumstances and, strangely enough, their greatest time of trouble was after the depression. Their worst period was in the years from the early 1930s right through to 1938 and 1939. It would be safe to say that if the World War had not broken out when it did in 1939 there would have been a great deal of wheat left on the hands of the farmers in this State when, at that time, they were offered about 9d. or 1s. a bushel for it.

That was not long ago. It was in 1939, when most people, thinking loosely of this background, were of the opinion that the depression was long since over.

It is pertinent to observe that in those years Mr. White was the manager administering the Farmers' Debts Adjustment Act with a staff of about 30 people. They were handling the claims of farmers under sections 5 and 11 of the Farmers' Debts Adjustment Act particularly, in association with the Rural Relief Fund Act.

The Hon. H. K. Watson: Why could not the country storekeeper have similar protection?

The Hon. F. J. S. WISE: As Mr. Watson has implied, the country storekeeper had a shocking time. When I was Minister for Lands and Agriculture in those years I often found that of a farmer's debt of £7,000, the storekeeper was owed £100. But that storekeeper had a multitude of debts of a similar amount or more, and in the ultimate he was paid 1s. in the pound. That was the situation in which the country storekeeper found himself. In one year the money written off by unsecured creditors amounted to over £600,000.

In the *Votes and Proceedings* for 1938 is found the report of the Rural Relief Fund, for the year ended the 30th June, 1938, as tabled in both Houses, and from it one ascertains that money was never sufficient to meet the debts of farmers in those years. Up to that year the total allocation was £764,000, and the number of applications and accounts finalised in 1938 was 2,522. That was the number of people who were faced with either having their debts adjusted or walking off their properties. The classification of the properties was as follows:—

Wheat and Sheep	2,174
Grazing	218
Orchard and Mixed	30
Dairying	100

Few people would realise that only a short time ago those figures were related to the circumstances of farmers in this State.

I can recall a queue of people, headed by the late Iggy Boyle, who waited as a deputation on the then Minister for Lands and Agriculture. The queue stretched half way down St. George's Terrace. Those people were waiting upon the Minister because of the unhappiness that had followed the dreadful financial situation in which many farmers had been placed.

I have mentioned the plight of country storekeepers, but not only were they seriously affected; the local governing bodies also found themselves in a serious financial position. In fact, very few local governing bodies were solvent in those days and they had to be kept afloat by means of loans and small grants. Part of the 1938 report of the Rural Relief Fund reads as follows:—

> The Trustees have examined and tentatively approved 2,830 proposals for debt adjustment. If and when completed on the basis approved by the Trustees, the total advances involved will amount to £874,007 in settlement of claims totalling £2,513,006. It can be seen that adjustments have again been delayed by shortage of funds.

I have mentioned local governing bodies. In 1938, road boards had to write off £42,000. Therefore, in justification for the initial introduction of this Act, before the Commonwealth made any contribution whatsoever, that was a very serious State responsibility.

I have already mentioned, and I can clearly recall, the local storekeepers being paid at the rate of 1s. in the pound. Those were men who trusted the farmers of their districts; who financed them and, indeed, went bankrupt for them. In one year unsecured creditors wrote off debts totalling £662,192, and the Agricultural Bank, in the same year, wrote off £655,577 of farmers' debts. The total sum advanced from the fund in that year was a little over £500,000, and a great many farmers walked off their properties in those years.

It is hard to believe, is it not, that as recently as the first year of the World War people by the dozen were walking off farms? When the position had to be continually faced by the State Government, one of the difficulties was associated with the inability, in the first years of the World War, to obtain sufficient superphosphate in order to carry out the following year's seeding. There was no contemplation in those days of the prospect of another 1,000,000 acres being made available each year for production, because superphosphate was unobtainable.

Without any ego I might say that I played a hand in the situation at that time. I can recall evolving a case for

Commonwealth consideration and placing it successfully before the Commonwealth, through The Hon. George McLeay, that the farmers of this State be recompensed on an acreage basis on the area put out of production.

I evolved that plan and, at Commonwealth level, I was successful in obtaining £500,000 a year for three years to keep farmers on their properties because they were unable to seed. It sounds a silly circumstance, does it not, that farmers should have been paid for not seeding their acreage?

The Hon. T. O. Perry: What years were they?

The Hon. F. J. S. WISE: That occurred about 1942.

The Hon. L. A. Logan: And 1941.

The Hon. F. J. S. WISE: At that time, had it not been that The Hon. George McLeay represented a State almost as seriously affected as Western Australia, my plan would not have succeeded. But, strange as it may seem, I am extremely proud of that plan as one of the achievements in my own background.

Under section 11 of the parent Act, 3,695 applications for relief were dealt with, and, in addition, under section 5—that is the receivership control section of this legislation—hundreds of cases were determined, some of which were very sad indeed.

In 1938 there were 985 stay orders issued under section 5 to prevent people from being, not depressed, but overwhelmed by their debt situation. I mentioned that the State initially took the responsibility for rural relief, and it was not until 1935 that the Commonwealth Treasurer agreed to, and passed, legislation for the purpose of making payments to, or for the benefit of farmers to enable them to make compositions or schemes of arrangement with their creditors in respect of their debts. To show the variation in the value of money, although we have received no funds from the Commonwealth since 1944 we have, under this heading, obtained £1,283,000, and there is still in the Treasury trust account an amount of £214,146.

So it is very important by the introduction of this legislation by the Government that the Act should be kept alive just in case it is needed again. I remember when the Minister for Local Government, a year or two ago, had to revive it, because it had lapsed and had gone beyond its time. The proposal in this Bill is to extend the Act for five more years. I think it is an important move.

It is pertinent to observe that written off in the debts raised against farmers under this heading was the amount of £1,063,000, but only £224,000 has been repaid. I am amazed that there are so many recipients of this relief, still alive today, who experience shyness in repaying their indebtedness. Of course, no interest is charged for these advances. They were simply free loans, or as it turned out to be, almost free gifts.

The Hon. L. A. Logan: Some of these people can afford to repay their indebtedness but have not done so.

The Hon. F. J. S. WISE: That is right. In the life of this legislation there have been over 4,000 adjusted accounts of farmers; and today they would not be farmers had it not been for that assistance. Whilst many millions of pounds of debts have been written off—debts of many kinds associated with agricultural development in Western Australia—I still think it has been a remarkable investment.

The people who are now enjoying the fruits of the development by the first lot of pioneers are very fortunate indeed, because although development was less costly in those days than it is now, the asset has appreciated considerably. I thought it wise not to let this Bill pass by merely saying that it is a continuance measure and one which we should support; and let it rest at that. I think by reflecting on some of the things which were done in those times we might get an inspiration to which we could look forward.

THE HON. S. T. J. THOMPSON (Lower Central) [5.34 p.m.]: As one representing the farming community, I cannot let this Bill pass without making some mention of the history of this legislation, in view of the comments which were made by Mr. Wise. He gave us a very enlightened story of the events leading up to the original Bill. Whilst I did not directly derive any benefit at that time from the provisions of the Act, I appreciate what it did for many farmers, particularly those in the eastern areas of the great southern.

I took over my farming property in 1929, so it can be appreciated that I was one of those who felt the effects of the hard times. Hundreds of farmers in the eastern districts were kept on their properties as a result of the passing of the original Act. During these years I did a considerable amount of shearing in the eastern districts. The cheques, in most instances, came from the stock firms which had supplied and stocked the farms. Were it not for this legislation hundreds of successful farmers at the present time would not be successful, and would not be the asset which they are now to the State. With those brief comments I support the measure.

THE HON. J. HEITMAN (Upper West) [5.36 p.m.]: Mr. Wise has given us the story of the farmers who started off in the stark old days, and this is a matter for reflection. Like Mr. Syd Thompson I started farming in 1929, and took off my first harvest in the 1930-31 season. Instead of receiving about 4s. 6d. to 5s. for the wheat produced during that harvest, the best price offering was 2s. a bushel at

the opening sales, and the price eventually came down to 1s. 6d. a bushel. This was the year when most farmers found it very difficult to carry on, because there was no Farmers' Debts Adjustment Act.

They had to battle with the firms to whom they owed money. In many instances they had to pay 25 per cent. interest to enable them to carry on for another 12 months; very often the rate was 18 per cent.; and the majority of firms charged about 12½ per cent. on the money owing by farmers.

From 1931 to 1939 I think wheat averaged about 2s. 2¾d. a bushel. I remember on many occasions, when farmers were asked to bring a small quantity of wheat into town for feeding poultry, they demanded the return of the wheat bag, pointing out that it cost 3s. 6d. while the wheat was worth only 6s. Those were difficult times.

The introduction of the Farmers' Debts Adjustment Act prevented the stock firms, the oil companies, and others from charging exorbitant rates of interest, and required them to shoulder some of the responsibility, because the low world prices for primary products were adversely affecting the farmers. This Act gave the farmers some chance of paying off their debts.

Like Mr. Syd Thompson I was one of the fortunate ones who were at that time indebted to the stock firms, and who paid them off. I owed £1,500 in 1930-31, but by paying current accounts and reducing the indebtedness, I paid off those firms by 1946. It took a long period to hit the front, because in those days the prices paid for farm produce were very low.

The Hon. F. J. S. Wise: Were you affected by the low prices?

The Hon. J. HEITMAN: Yes. Wheat was not the only low-priced commodity. While wool fetched around 1s. a lb. f.o.b., a farmer had an alternative method of selling. He could sell it privately and obtain about 8½d. or 9d. per lb. on the property. If he sent the wool to Perth he would receive an average price of about 1s. per lb. f.o.b., but it still cost him 3½d. per lb. to market it. On these prices it was impossible for many farmers to remain on their properties, and many did leave, despite the introduction of the Farmers' Debts Adjustment Act and the efforts of the stock firms in trying to keep them going.

It was in 1941, when the war was on, that farmers were really hit hard. Most of them were trying to put in bigger acreages, in an effort to get them out of their difficulties. In 1941 I intended to sow 1,500 acres, but farmers had to reduce their acreage by one-third, because of the lack of superphosphate. In those days a farmer was allowed 40 lb. of superphosphate per acre for two-thirds of the acreage that had been cropped up to 1941.

The Commonwealth Government came to the assistance of farmers by granting them 12s. per acre for the area that could not be sown, and this proved to be of great assistance. In my case I had 1,200 acres under fallow, and I still intended sowing 1,500 acres; but as I could not obtain sufficient superphosphate I could sow only 1,000 acres. I was allowed 40 lb. of super per acre. Today that quantity of super per acre sounds quite silly, especially as farmers are now using up to one bag per acre, and 90 lb. to one bag to top-dress the pastures.

I thank Mr. Wise for his efforts in bringing about the introduction of the Commonwealth financial assistance, because it was a great advantage to the farmers who were not able to crop the acreages they intended to crop. They were subsidised at the rate of 12s. per acre for the area which they could not sow.

In those days the pastures were not as good as they are at the present time. It was not a case of having 500 acres which could not be sown, and on which sheep could be run; because in the depression years the farmer did not have sufficient pasture or fencing, and he could not develop the farm as well as pay off the cost of putting in the crop and taking it off. Mr. Wise said that the farmers of today were very wealthy. I have often thought that, too, and the farmer today certainly handles a lot of money. However, I want to point this out: In the depression years the farmer could buy a new combine for £84, but today the same machine costs £1,200; he could buy a good header for £252, if he had the money, but today he has to pay about £5,000 for this machine.

The Hon. F. J. S. Wise: I would not like to anticipate the probate that many farmers have to pay.

The Hon. J. HEITMAN: I shall deal with that aspect. It seems that the only time the farmer is really wealthy is when he is dead, because the Taxation Department valuers assess his property at a high value. This ensures that the estate looks healthy. On many occasions I have known of properties which were assessed for probate at £70,000 to £80,000, but the beneficiaries were unable to obtain finance to pay the probate. On some occasions such properties have been put up for sale by public auction, and the highest bids were £38,000 to £40,000, or half of the value assessed by the Taxation Department.

I agree that today farmers are in a better position, and they handle a lot more money, but I do not think they are quite as well off as many people would have us believe. I attended a field day yesterday where I was told that if farmers grew more pasture and stocked it heavier they would have the cheapest method of soil conservation. This might be quite right, but it is not the cheapest method, because it costs a lot of money to produce pasture and to

maintain it. Furthermore, the cost of stock today is very high. I am afraid that my idea of soil conservation is quite different from the one I heard expressed. Everybody thinks that today farmers are home on the pig's back, but as far as I am concerned I am much better off today—being both a farmer and a member of Parliament—than I was during the depression years.

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [5.44 p.m.]: My colleague, the Minister for Health, has been obliged to leave the House to attend a function on behalf of the Government; therefore on his behalf I thank members for their support 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.

BUILDERS' REGISTRATION ACT AMENDMENT BILL

Second Reading

Debate resumed from the 8th September.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [5.47 p.m.]: This Bill, which the Minister introduced last week, contains some alterations to the practice adopted by non-registered builders. Under a loophole in the law, they have been building homes in the first instance for their own use, but have subsequently been selling them, possibly at quite lucrative figures, and then building other houses on the same basis, which subsequently, they have sold also.

When introducing the Bill, the Minister said—

> Some unregistered builders have been capitalising on these provisions by erecting buildings of a greater value than $1,600 each, ostensibly for their own use, but after a short period of occupancy, have disposed of them, only to start the same procedure over again.

If these builders have been erecting a property exceeding $1,600 in value, why was not some action taken against them? Mention is made in this Bill of the fact that $1,600 was the maximum value permitted, and this is being increased under the Bill to $2,400, which legitimately is enough. However, taking the text—

The Hon. J. M. Thomson: Would you say it was enough?

The Hon. W. F. WILLESEE: The amount has been increased by 50 per cent. and I would say that that would be reasonable when we take into consideration the fact that recently we decided that 50 per cent. was the legitimate relationship between country and town values.

The Hon. L. A. Logan: What do you mean when you say that action should have been taken?

The Hon. W. F. WILLESEE: If the maximum was $1,600, and a person exceeded it, some action should have been taken.

The Hon. L. A. Logan: That was dealing with work for other people—not for himself.

The Hon. W. F. WILLESEE: When replying, the Minister may be able to clarify that point. Several amendments in the Bill deal with the conversion of pounds to dollars, but I have noticed that, in many cases, the natural conversion has not been applied. For instance, clause 5(d) reads—

> (d) by substituting for the words, "fifty pounds" in line eleven of subsection (2), the words, "two hundred dollars."

In my opinion, the "two hundred dollars" should have been "one hundred dollars".

The Hon. L. A. Logan: This is an increase in the penalty.

The Hon. W. F. WILLESEE: Clause 7(b) reads—

> (b) by substituting for the words, "Fifty pounds" in line twenty-one of subsection (4), the words, "Two hundred dollars."

That also represents an increase of 100 per cent. However, the amendment in clause 8(b) is as it should be. The £100 has been converted to $200. This has been done also in clause 9(b). But clause 10 again contains the disproportionate conversion of £50 to $200. The same principle applies in clauses 11, 12, and 13. Clause 11 converts £20 to $50, instead of $40; clause 12 converts £50 to $200, instead of $100; and clause 13 converts £20 to $50, instead of $40.

Clause 15 deals with fees, and paragraph (b) reads as follows:—

> (b) by substituting for the words, "a fee of five pounds five shillings" in lines three and four of subsection (3), the passage, "such fee, not exceeding twenty-five dollars, as the Minister determines."

We could expect that $25 would be the maximum, which would not necessarily be imposed. Although this last amendment has no relationship with the previous ones I have quoted, it contains the same inconsistency.

When I first read the Bill I understood that these amendments to the amounts were necessary merely to convert the currency. However, they are not consistent. The penalties have been raised, apparently without consideration. We should be consistent in the best in-

terests of this legislation. In all previous Bills introduced this session, when converting pounds to dollars, the correct ratio has been maintained.

If, in the conversion from pounds to dollars, an increase has been made, some explanation should be given as to the reason, in order that we might scrutinise it. It may be that a simple explanation for the changes does exist but, in my opinion, the increases are quite drastic when we consider that the simple explanation given to us was that the amendments merely involved a conversion from pounds to dollars. The sharp increases involved warrant close inspection by members of this House.

The balance of the Bill, dealing with unregistered builders, tends to thwart them so that they will not be able to continue the practices they adopt now. However, the submission of a statutory declaration to the effect that within the preceding 12 months the builder concerned had not obtained a permit to build from any other local authority, would not completely prevent him from building if he wished to do so. He need allow only 12 months and a day to elapse before he submitted an application to a local authority, and he would be immediately eligible for a permit to build another house. In that way he could continue as he had been in the past.

Under the amendment, instead of being able to build at will, an unregistered builder will merely have to allow 12 months to elapse in order that the obligations under his statutory declaration might be fulfilled; but the declaration itself would not, in essence, stop him from continuing what he has been doing all along.

Under this Bill an unregistered builder will not be permitted to erect flats, but he could build two units at ground level. For the life of me I cannot see the deterrent in that provision. It may be said, in a spirit of charity, that he might want one of these two units in which to place his mother-in-law.

The Hon. R. Thompson: He would be foolish!

The Hon. W. F. WILLESEE: However, I think that would be much too close for the happiness of any family. I think that most likely he would eventually sell these units. I wonder whether the Government has looked closely enough into this matter and will achieve what it desires. I do not think that the unregistered builder will have anything to worry about under this legislation.

It is pleasing to note that those who are not of British nationality will be able to obtain registration. In the past some of these people have been experienced in their own countries, but have been disappointed when they have arrived here because their qualifications have not been recognised in Western Australia. Consequently they have left the State. I therefore applaud this amendment because it will give these people an opportunity to be employed in the industry for which they have been trained, and this will in the future, I am sure, obviate the disappointment that many have experienced up to date.

As the Builders' Registration Board has given its approval to the fact that partnerships, companies, or incorporated bodies need do no more than exhibit the registered number at their works and in their advertisements, rather than comply with all of the paraphernalia that was necessary under the Act, I think it is reasonable, sensible, and proper that this piece of amending legislation should be brought forward, because it will promote a more workmanlike approach within these organisations.

There is nothing further that I can see in the Bill which is of material issue. I certainly do not intend to oppose it. If he is able, I would like the Minister to elaborate on the points that I have raised. In the interests of consistency, I think those penalty features to which I have drawn attention should be corrected. In every instance where a change is made from pounds to decimal currency, I think the appropriate figure should be written into the legislation and if, at some future time, it is found that this figure is inadequate to meet the situation, the matter should be brought before Parliament and increased penalties requested. I do not think they should be put forward in this manner.

With regard to the unregistered builder and his statutory declaration, apparently the Government feels it is achieving its objective on this matter. It is not for me to oppose the Government. However, I can assure the Government that it is only prolonging what has been going on for some considerable time.

Sitting suspended from 6.3 to 7.30 p.m.

THE HON. J. M. THOMSON (South) [7.30 p.m.]: This Bill contains amendments to 13 sections of the principal Act, and I listened with interest to the Minister's introductory remarks when he said that the amendments were of a minor nature. Some of them are of a minor nature, of course, and others are necessary to bring fees and penalties into line with present-day money values. I was also interested to hear Mr. Willesee refer to these matters when he spoke to the second reading. From my reading of the Act, the penalities referred to are the maximum penalties that can be imposed by a court; they are not necessarily the penalties that would be imposed, because the provision refers to the fact that such and such a penalty shall not exceed a certain sum.

However, when it comes to the question of fees for examinations, I think this is a matter at which the Minister should

have a second look. The Act now states that the examination fees shall not exceed £3 3s.—and the Bill proposes to amend that to make it $2 for each subject—and the registration fee is 10s. 6d. with 2s. 6d. for any certificate. By the Bill the registration fee is to be increased to $4 and the cost of the certificate remains the same—25c.

I have with me a document which relates to the knowledge required for builders' registration examinations, and this sets out the subjects involved. I think Mr. Willesee had a point when he said he thought the fee of $2 for each subject was a little high, because 10 subjects are involved. This is something we could have a further look at to see if the increase is justified. While it is realised there is a reference to the fees not exceeding those laid down, it must be noted that the fees now being charged are the maximum allowable under the Act as it stands. Therefore, I have no doubt that if the Bill is passed in its present form the examination fees charged in the future will be the maximum allowed under the Act; namely, $2 a subject. However, as I said, this is something which can be further discussed in Committee, and it is a point to which serious thought should be given.

As the Act stands an unregistered builder can carry out maintenance and additions to buildings to a limit of $1,600, and this figure is to be increased to $2,400 by the Bill. I do not think that increase is overgenerous, particularly so far as the people engaged in the trade are concerned. I do not think any person in the industry would be disadvantaged if the figure were increased to $3,000 in view of the increased costs of building materials, travelling, and wages. In fact, I think we should give serious thought to extending the figure proposed in the Bill to $3,000. I hope the Minister, in replying to the second reading debate, will comment on that aspect, and will give serious thought to it.

I noted with interest the amendments in the Bill that are designed to tighten up sections 4 and 4A of the principal Act. These amendments are designed to prevent the unregistered builder from getting around the law, as apparently some of them have been doing. If we pass legislation we should make every endeavour to ensure that people do not circumvent the law, but apparently some unregistered builders have been doing this in the building of their own homes for purposes of sale. If we are to have an Act covering the registration of builders then we must make it operate in the way that Parliament intended it to operate.

With reference to the question of naturalisation, section 10 of the Act now states—

> He has satisfied the board that he—
>
> (i) has attained the age of twenty-one years; and
>
> (ii) is a natural born or a naturalised British subject; and

I agree with the deletion of subparagraph (ii), because if we wish to encourage skilled migrants to come to this country we should not place an embargo such as the one I have just mentioned on them. For personal reasons a migrant may desire to retain his nationality, but the way the Act is worded now he would be prevented from doing that if he wished to become a registered builder. Therefore I think this amendment in the Bill is appropriate and I support it.

One other point that has exercised the minds of a number of people in the building industry is the fact that the Act states—

> This Act shall apply within the metropolitan area as defined in the Second Schedule of the Metropolitan Water Supply, Sewerage and Drainage Act, 1909-1951.

Various people in the building industry in the country areas have expressed disappointment that the Government has not seen fit to extend the provisions of the Act to cover the whole State. It is indeed a complex question and, while it is necessary and desirable that we should endeavour to raise the building standard, or to maintain the present high standard in the metropolitan area, I think it is equally necessary that there should be a high standard in the country areas.

As I have said, many people in the building industry believe that the Act should be extended to cover the country areas to protect people who, from time to time, have been victims of fly-by-night builders. These builders, because they cannot operate in the metropolitan area, have gone to the country and have engaged in unethical practices which have brought discredit upon those who are endeavouring to maintain a high standard of building in country districts.

The Hon. E. C. House: They do not fly by night. They stay there for a long time.

The Hon. J. M. THOMSON: That is worse still. I have been asked, and no doubt many other members have been asked, why the Act has not been extended to cover country districts as well as the metropolitan area. I shall not attempt to explain the reasons why as it would be a difficult matter to convince some people about this point; but the fact remains that because of the compactness of the metropolitan area, and the density of building within that area, it is far easier and more economical to police the Act efficiently than would be the case in country districts if it were extended to cover the whole State.

Because of the distances involved it would be necessary for those supervising this work to travel, and because of the costs incurred the proposition would be

impracticable and not as efficient as it should be. Accordingly I consider that we must give a great deal more thought before we extend the provisions of the Builders' Registration Act to the whole of the State. I say this because I feel we cannot afford to penalise quite a number of young men who are competent at their trade, and who desire to become master builders. We should not place upon the Statute book restrictions which in any way will prevent these young men from pursuing an occupation at which they consider they could be quite efficient.

At the same time, however, there are people who have no knowledge of building whatsoever, and who apply to the local authority and receive permits to carry out building construction. They have no knowledge of the trade they wish to pursue; but because they can wield a hammer and push a saw they feel that they should be entitled to tender for and secure work and contracts. If the people wish to entrust work to the type of person to whom I have referred that, of course, is their business. The remedy, of course, lies with the people themselves.

In the case of a tender; a person generally looks at the price and feels that if the work can be done for the price quoted he is prepared to give it a go. But in some instances this proved to be ill-considered and costly. In those cases it has been found—particularly in the case of buildings on farms—that the clients have been given a very raw deal by the builders concerned. It is most desirable that we should do something to prevent these unscrupulous people who call themselves builders from carrying out these unethical practices. They have no experience whatever and no stability in the trade. In our endeavour to prevent such persons from exploiting the situation we must be careful not to jeopardise or place restrictions on those who, because of their knowledge and aptitude, are efficient at their trade.

On the other hand, because such people are efficient at their trade it does not necessarily follow that they can pass the examinations set by the examination board. These examinations may discourage many men who are getting up in years from registering. They feel that perhaps they are too old to sit for and pass such examinations; and yet with their knowledge and long experience they are quite capable of estimating a contract and carrying it out satisfactorily, irrespective of the class of work involved.

The Hon. E. C. House: What is wrong with the grandfather clause?

The Hon. J. M. THOMSON: The grandfather clause is not applicable.

The PRESIDENT: Would the honourable member please speak up? It is very difficult to hear him.

The Hon. J. M. THOMSON: I was answering an interjection made by Mr. House. I presume he is referring to a provision in the Act which enabled builders who were engaged in building and who were not registered to qualify within a certain period of time and to get their certificates. But this provision expired in 1961. It no longer operates.

The Hon. G. C. MacKinnon: They were given a second opportunity to get in. Mr. Baxter and I were on the committee that made this possible. There is no excuse for anyone being out now.

The Hon. J. M. THOMSON: I think the Minister and I are at cross-purposes. I was replying to an interjection made by Mr. House concerning the grandfather clause. Prior to that I was speaking about the difficulties surrounding the extension of the Builders' Registration Act throughout the State. We all know of the difficulties that could confront the Public Works Department or the Housing Commission if they had to obtain tenders from registered builders in all the small towns of the State. If the provisions of this Act were extended to the country districts they could quite easily lift the price of building, because it could mean builders coming in from the city and other areas. Because of this fact I have had to have a second look at the wisdom of extending the provisions of the Builders' Registration Act throughout the country districts.

As time goes on, and as the population of the State increases, we may be able to pursue this course of action. This, however, is not the opportune moment to pursue such a course. Mr. Willesee referred to the time allowed an unregistered builder who seeks permission to build from a local authority, and to the fact that he must sign a statutory declaration that he has not applied for a permit within the last 12 months. I think we could extend that time; and it would be a good idea to have a look at that provision in the Bill to see whether the time should not be more than 12 months. It would be of great benefit if we did extend it. There is not very much in the Bill to discuss, because the amendments are of a minor nature.

The Hon. A. R. Jones: Why are you saying so much?

The Hon. J. M. THOMSON: I am sorry if the honourable member has not followed what I have had to say. I think this Bill would be better discussed in Committee, and in view of the queries raised by Mr. Willesee and myself, perhaps the Minister will agree to take the Committee stage later on. I have no hesitation in supporting the Bill, but I think a great deal more thought should be given to extending the provisions of the Act to the country districts, before any firm decision is made in this matter.

THE HON. N. E. BAXTER (Central) [7.55 p.m.]: As the Minister explained, and as one can read from the Bill, there are several major principles involved. The first of these is the extension of the

amount up to which an unregistered builder can build. It has been increased from £800 to $2,400. In view of the fact that this amount has existed in the legislation for a number of years, it is not surprising that the amendment is before us, because building costs have risen considerably. One could say that they have not risen 50 per cent., but then, of course, we would be referring to entirely new buildings, rather than to the work that is done by these unregistered builders, which generally takes the form of additions to premises, and so on, where small amounts are involved.

The Hon. J. G. Hislop: What could you build for $2,400?

The Hon. N. E. BAXTER: It would not be possible to build a house for that sum; but it would cover additions and alterations, the building of garages, and so on.

The Hon. J. G. Hislop: I thought Mr. Jack Thomson said he could build two small houses for that amount.

The Hon. N. E. BAXTER: That is for himself. The next amendment deals with restricting an unregistered builder to prevent him from breaking the law by building a dwelling house for his own purpose, selling it, and then building another, also with a view to selling it. We then have several penalties provided for breaches of the Act.

The final amendment concerns registration fees. The present fee for the registration of a builder is £5 5s. and this is to be increased to a sum not exceeding $25, if the Minister should so determine. There is possibly some justification for this increase, because the amount the board would receive from the original figure of £5 5s. per head would not give it the finance necessary to administer its affairs or to carry out the inspection work necessary. This, of course, to some degree limits the functions of the Builders' Registration Board.

There are some aspects of this legislation which I believe have militated against its successful operation. One such aspect is the ignorance of the public of the existence of the board, or of its powers. A number of people do not know there is a Builders' Registration Board; nor do they know what assistance they can receive from it. They have a house built and the work may be shoddy; but the people generally shrug their shoulders and feel that they cannot take any action against the builders, because if they did they would not get anywhere. They feel that they have a certain amount with which to build a house and furnish it, and that they cannot afford to employ the services of a solicitor.

I hope the Minister will consider the possibility of the board having a pamphlet printed and issued through local authorities, so that when a permit is granted by the local authority the pamphlet may be forwarded to the owner of the building to be constructed. In this way he will know what rights he has with the Builders' Registration Board.

If the builder does not do the right thing, and uses shoddy material and does shoddy work, the person concerned could go to the Builders' Registration Board and get some redress. I discussed the Builders' Registration Board with some competent builders who felt that the board, at the present time, is not of much use. These were quite sound gentlemen as well as good builders and they felt that the public does not have access to the Builders' Registration Board, with the result that builders are getting away with shoddy work, even though they are registered.

One of the reasons for this is that people do not know they can take their complaints to the board, and that inspectors will go out and see the building and obtain redress for them, without any cost to the person concerned. I trust the Minister handling the Bill in this House will refer my suggestion to the Minister for Works in an endeavour to have the board issue a pamphlet to any person who is having a house built. This pamphlet could be given to the person concerned when the permit for the building is issued by the local authority.

The measure is a good one, but I trust that in the future the Builders' Registration Board will be more useful than it has been in the past. For the reasons I have outlined, I support the Bill.

THE HON. R. THOMPSON (South Metropolitan) [8.2 p.m.]: When the parent Act was first introduced, in 1939, it met with quite a lot of opposition, and that has been the position with subsequent amendments that have been made from time to time. Many people doubted whether it was desirable that the Builders' Registration Board should come into existence; and, from time to time, when the board has been under discussion it has been claimed that it is the only one of its kind in Australia. I think another State has now adopted the same type of legislation.

The Hon. L. A. Logan: Not yet.

The Hon. R. THOMPSON: I know of two States that were seriously thinking of adopting something along the lines of our Builders' Registration Act. The suggestion just put forward by Mr. Baxter is one which is worthy of consideration by the Minister, and by the board itself, because, on occasions, I have referred to the board complaints from persons who claimed they were not getting a fair deal. In every instance the board has carried out a thorough investigation and its inspector has done a workmanlike job. He has always been impartial in carrying out his duties; and, in all cases I have referred to the board, the inspector has given advice

to the purchaser of the building in regard to what action he should take. In the case of complaints, these have been rectified.

As Mr. Baxter said, it is not everybody who will complain, particularly to members of Parliament, as they do not expect a member of Parliament to have the knowledge of a builder. However, people can be told that the board does exist for their protection.

I would recommend that stronger action than that suggested by Mr. Baxter be taken. I consider that when contracts are signed—and they are signed before a builder lays the foundations—it should be written into them that in the case of a dispute as to workmanship, or the standard of building, the purchaser has the right of reference to the Builders' Registration Board. That could make everybody happy inasmuch as people would have in their possession a copy of a contract which had been registered in the court and which showed that the Builders' Registration Board existed for their protection, just as much as it does for the protection of the builders.

Like my leader (Mr. Willesee), I would like the Minister to give some justification for the increases in some of the penalties. I know we are trying to stamp out substandard work, and control people who do things outside the scope of the Act, but with most of the Bills that have been brought here for conversion from pounds, shillings, and pence to decimal currency, there has been, as near as possible, an equalisation with the existing figures in the Act. I support the Bill but I think the Minister should justify these increases.

THE HON. E. C. HOUSE (South) [8.7 p.m.]: I rise to support the Bill. The original document is quite comprehensive and deals very fully with every facet of the building trade. However, as Mr. Jack Thomson said, the measure applies only to the metropolitan area.

I do not know whether you, Sir, will permit me to speak of country areas, but it would appear that if a comprehensive document such as this is necessary to protect people in the metropolitan area, with the present expansion taking place in big centres like Bunbury, Albany, and Geraldton, it is only reasonable that the same sort of protection is needed. There is now a lot more money in those areas, and very nice homes are being built. However, people are forced to engage country builders. Some are able to get a city man to come down, but with the cost of his board, travelling time, and so on, it adds considerably to the price of a home. For this reason the country builders do most of the work.

I do not think it is unreasonable to expect that people in the country should be protected from unscrupulous builders—and we have them.

There is another problem, and it is this: The State Housing Commission always accepts the lowest tender, regardless; and only recently a big job in a country town was awarded to a secondhand car dealer. He virtually knows nothing about building and I believe some peculiar things have gone on. However, with the help of architects and so on it is possible that a reasonable job will eventuate. In another large country town quite a big contract was let to the greengrocer.

Today we place great emphasis on training people properly, irrespective of their field of endeavour; and the Government is very strict on this. Yet in the building of a costly home—and it is costly today—there is virtually no protection outside the metropolitan area. I did not know this grandfather clause had been in existence; and provision should be made in the Act for country building so that, with a reasonable examination, most of the country builders should be allowed to continue.

With modern travel and good roads, there is no reason why country builders should not come down to the city and undergo courses of training and gradually obtain certificates. This would be a great help to the whole of the State and not just the country areas. After all, we are all part and parcel of the same set-up, and I hope this suggestion will be given a certain amount of consideration.

THE HON. S. T. J. THOMPSON (Lower Central) [8.12 p.m.]: A little while ago one honourable member said that there was not much to talk about on this measure, but it has raised quite an amount of discussion. I cannot let some of the remarks passed by the previous speaker go without defending the building that is going on in country areas. Maybe the Housing Commission is using unregistered builders, but it is providing us with good houses.

The Hon. E. C. House: I said it accepted the lowest tender.

The Hon. S. T. J. THOMPSON: I happen to know that the Housing Commission goes thoroughly into the capabilities and financial standing of all of its tenderers before a tender is accepted.

The Housing Commission has adopted a policy of letting contracts for houses in block groups. For instance, the commission will build two houses at Kojonup, two at Wagin, and two at Narrogin, to make one big group of houses. Eventually I was able to get the Housing Commission to call tenders for a block group of four houses in Wagin; and in that respect the commission is doing quite a good job. Maybe there are unregistered builders in the country, but no-one is compelled to use their services. If a person so desires, he can wait until he can obtain the services of a registered builder.

The Hon. H. K. Watson: I was surprised at the suggestion that the greengrocer built a house!

The Hon. S. T. J. THOMPSON: There is nothing to prevent country people from having a house built by a registered builder. If a builder had to go out of the trade because the time allowed under the grandfather clause has expired, it is necessary for him to pass an examination to be registered; and there is nothing to prevent him from doing that. But heaven forbid us from passing legislation that will preclude chaps building in excess of $2,400 in the country. We have shearing sheds that cost £5,000 or £6,000 which were built by amateur builders.

The Hon. G. C. MacKinnon: They are well built at that.

The Hon. S. T. J. THOMPSON: Yes. So, if we are going to have this overall legislation for the registration of builders throughout the whole of the State the figure relating to unregistered builders will have to be higher than $2,400 for it to be acceptable in country areas. I apologise for taking up the time of the House in speaking to this Bill which has not much in it to talk about.

THE HON. L. A. LOGAN (Upper West—Minister for Local Government) [8.15 p.m.]: For a Bill which has nothing in it on which to speak, a lot of interest has been created. This is possibly one of the few Bills every clause of which has been under discussion. The main points that have been mentioned are penalties, changeover to present-day values, the grandfather clause, registration fees, the country setup, and one or two other matters.

I think Mr. Willesee might have misinterpreted what I said in regard to the penalty clauses. I said that, in the main, the clauses referred to variations in fees, and to penalties being altered to bring them into line with present-day monetary values. Mr. Willesee might have thought I was talking about the changeover to decimal currency. The penalties have been changed from pounds to dollars.

This Bill is mainly to stop unauthorised builders from building, and as the penalties were set some time ago, £50 has been raised to $200 in order to bring the penalty into line with present-day values. The maximum fine is $200 and, when compared with the original figure, I do not think it is far short of the values of the day. This is not the only Bill to be presented here this session where similar alterations have been made. There have been three or four other Bills to my knowledge where penalties have been increased to bring them up to present-day values. If the Bills are not here now, we will have them shortly.

I do not know whether the raising of the figure from $1,600 to $2,400, to which amount an unregistered builder may build without a permit, is enough. I suppose we could say any figure—$3,000 or $2,000. It would be a pretty rough guess, but I think the fact that we raised the amount by 50 per cent. puts it somewhere near current valuations in regard to building.

The statutory declaration by a builder that he has not built within the last 12 months may not, as Mr. Willesee mentioned, overcome the problem associated with those builders. I am prepared to have a look at this part of the Bill. A builder is not supposed to build to a value beyond $1,600, unless the building is for his own purposes and not for sale. However, after the expiration of 12 months he is able to sell and start to build again. I will admit that 12 months is not very long.

I do not intend to take the Bill through the Committee stage tonight. I will look at this matter further and take it up with the Minister who handles the responsible department to see if he is prepared to accept some extension of the period of 12 months. It could be that we are not really doing what we set out to do by making a stipulation of 12 months.

With regard to the registration fees to be paid, I would remind Mr. Thomson that if he looks at the second-last page of my notes he will see that I said this measure proposed an increase in the charges for examination fees. The maximum fee was set in 1940 and that is the figure which is in the Act at the moment. The examination comprised six subjects.

The Hon. R. Thompson: To which Mr. Thompson are you referring? Three of them spoke to the Bill.

The Hon. L. A. LOGAN: I am replying to Mr. Jack Thomson. I said that the number of subjects has now increased to 10, with successive examinations of each student taking place over a period of from three to four years. The costs now incurred in holding these examinations far exceed the total of the fees raised and this necessitates an increase in fees.

Mr. Baxter said that the fees paid to the registration board today were not adequate to cover the duties performed by the board. That is the reason for the increase in fees. With the difference in costs, the different method of examining applicants, and with the time lapse between examinations we thought it better to charge a fee for each subject. I hope Mr. Jack Thomson will appreciate the need for the increase.

Referring to the grandfather clause, I am satisfied that, having given two extensions, we should not extend it any further. It was up to the person concerned, no matter where he lived in Western Australia, while the grandfather clause was in existence, to become registered.

The Hon. E. C. House: Builders in the country do not need to be registered.

The Hon. L. A. LOGAN: Anybody living in the country could have been registered.

I do not think we should extend the clause for ever and anon. We will never raise the standard if we do that. The Cockburn Mr. Thompson is aware that we are the only State in Australia which has builders' registration.

Two months ago, when the conference of Ministers for Local Government was held in Western Australia, this point was raised. At that time no other Minister was prepared to introduce a measure such as this.

The PRESIDENT: I would ask the Minister to address members by their correct initials.

The Hon. L. A. LOGAN: Thank you, Mr. President. Since the conference I have received a report from the registration board and I have sent a copy to each of the Ministers. Whether they will act at this stage, I do not know.

The Hon. R. Thompson: The people in New South Wales were giving thought to the matter.

The Hon. J. M. Thomson: Victoria was also giving thought to it.

The Hon. L. A. LOGAN: I agree that there are some builders in the country who are not qualified, but I would venture to say that if one tried to force every builder in the country to become registered, many buildings would not be built. I agree with Mr. Syd Thompson that many houses would not be built for the State Housing Commission if we relied entirely on master builders.

The Hon. E. C. House: Why do we have to have a lower standard than the rest of the State?

The Hon. L. A. LOGAN: I do not know that the standard is lower.

The Hon. E. C. House: Then why have registered builders in the city.

The Hon. L. A. LOGAN: To my knowledge there are registered builders in Albany, Geraldton, Bunbury, Narrogin, and I do not know how many other centres. They are registered master builders.

Several members: Registered builders; not master builders.

The Hon. L. A. LOGAN: Registered builders. Those registered builders are available for anyone who wants a registered builder. When one looks at the areas around those centres which I have mentioned, one will see that a large area of the State is covered. Not too many registered builders are prepared to go outback to build, so the itinerant builder has to be relied on. He is usually prepared to live under pretty rough conditions and he gets on with the job. I think if we tried to make builders throughout the State register, the country people would suffer.

The Hon. J. M. Thomson: That is the difficulty.

The Hon. L. A. LOGAN: So the time is not right to extend this registration to the whole of Western Australia.

There are registered builders in all the centres of the State and they are available for those who want them. Regarding the question of publicity, raised by Mr. Baxter and Mr. Ron Thompson, the difficulty is that it is not always the owner who puts in the application for a building permit. Over 90 per cent. of the applications are submitted by the builder or the architect.

The Hon. R. Thompson: The owner's name must be on the application.

The Hon. L. A. LOGAN: But the application is submitted on behalf of the owner, and the plans and specifications are returned to the builder.

The Hon. R. Thompson: The owner's name should be on the contract.

The Hon. L. A. LOGAN: I will ask the Minister to look at that. I think the suggestion has some merit.

A great deal of trouble is caused by builders who build a house and, when it is almost completed, a building inspector will find that it is four inches, six inches, or a foot too far over the building line.

The Hon. R. Thompson: Sometimes it is three feet.

The Hon. L. A. LOGAN: The faults range from three inches to three feet. It is a most difficult situation. If the builder is forced to reduce the size of the house by four inches, that can spoil its appearance. These mistakes are made by registered builders. However, that has nothing to do with this Bill but I thought I would mention it in passing.

The only outstanding matter we have to discuss at the moment is whether we will extend the time beyond 12 months in the case where a builder has to sign a statutory declaration. I am prepared to leave the Committee stage of the Bill until the next sitting, and I thank members for their discussion.

Question put and passed.

Bill read a second time.

COUNTRY HIGH SCHOOL HOSTELS AUTHORITY ACT AMENDMENT BILL

Second Reading

Debate resumed from the 8th September.

THE HON. J. DOLAN (South-East Metropolitan) [8.28 p.m.]: The Act to which amendments are proposed in this Bill came before Parliament in September, 1960. On looking through the debate which occurred at that time it rather surprised me to see what a conflict of opinion there was about the legislation. The debate centred not so much on the purpose of the Bill, but on a few aspects contained in it.

The first point taken was by a northern member who complained that the Bill made no provision whatever for primary school children who had to go to fairly big centres for their education, and who found it impossible to be accommodated in hostels. The result was that there were two or three divisions on the various clauses, and a conference took place between the two Houses before the Bill was eventually passed.

The Bill of 1960, which became the Act, authorised the setting up of an authority which would be responsible for the accommodation of children, or students, who were enrolled in high schools; and would be responsible for the supervision and maintenance of the hostels.

In view of the crossfire that went on over borrowing authorities last week, it would be appropriate to let the House know that this was one authority which was given permission to raise £100,000 a year to carry on its work successfully, and that a year later an amendment was proposed to the Act to grant the authority borrowing powers up to an annual amount of £200,000, because three or four hostels were required urgently and it was necessary for the authority to have the money. I agree entirely with what was proposed at that time.

There is now some doubt over the legality of possible action by the committees which are constituted by the authority under the original Act, and the Bill proposes to clear the issue and to ensure there is no legal flaw. I also applaud that action. If, at any time, there is any doubt about the legal aspect of a Statute, Parliament should take steps immediately to rectify it.

Since the Act was first passed in 1960 hostels have been built in various parts of the State, from Carnarvon in the north to Esperance in the south, and at present there are 13 hostels established throughout Western Australia. Some are for boys only, some are for girls only, and some hostels accommodate an equal number of boys and girls. I have visited the Merredin hostel and I found it leaves little to be desired.

Whilst speaking on this question I suggest the time is fast approaching when a hostel should be built in a place which, to my mind, seems to lend itself to the building of a hostel. That place is Kalgoorlie, which has a recognised senior high school, and where the form of education given is of an extremely high standard. The town of Kalgoorlie is centrally situated to cater for children who come from along the northern line from places such as Menzies, and for those who come in from along the trans.-line, and those who come from Norseman. At present the students from Norseman either go down to Esperance or to Merredin. I consider there is greater affinity between Norseman and Kalgoorlie—in view of the fact that they are both mining towns—than there is between Norseman and Esperance.

With the development of Kambalda, and Koolyanobbing which will be on the rail route when the standard gauge railway goes through, there will be a number of children whose parents will be seeking to have them educated in Kalgoorlie. So I put forward the suggestion that one of next hostels to be built should be built at Kalgoorlie.

There is only one aspect of the Bill that concerns me and I have made reference to this before. I consider that when the Minister makes his second reading speech on a Bill and he outlines certain proposals in general terms it might be of assistance if he generalised a little. Towards the end of his second reading speech, when introducing the Bill, the Minister said—

> It is proposed the regulations will provide for, firstly, the engagement and dismissal of hostel staff and the determination of their powers and duties; secondly, the regulation and control of admission, suspension, and expulsion of students and their conduct within the hostels; and, thirdly, provision for the maintenance and enforcement of discipline.

It would have been of great help to members if the Minister could have said, "So far we have had no trouble with these matters, and there has been no trouble when exercising discipline over the children or with their conduct, or, if there has been, it has been only of a minor nature."

If the Minister had said that it would have given the members of the House greater confidence in regard to the working of these hostels and their operation than they might otherwise entertain.

The Hon. G. C. MacKinnon: You have had enough experience to know what happens at these hostels, and that some trouble can be experienced.

The Hon. J. DOLAN: Yes, I have had experience of these hostels and I am quite prepared to accept, when the Minister is giving his second reading speech, his assurance when he says, "We have had no trouble of a serious nature, and these authorities should be given permission to delegate their powers to deal with problems as they arise."

The Hon. G. C. MacKinnon: You read the newspapers and therefore you know that if I made that statement it would not be correct.

The Hon. L. A. Logan: I think he is fishing.

The Hon. J. DOLAN: I do not know. I do read the newspapers, but I do not know whether there are some statements published that I might miss.

The Hon. A. F. Griffith: On the other hand, you could be your usual good self and take it for granted that there has been no trouble.

The Hon. J. DOLAN: I have had enough experience of youth—whether boys or girls —to know that under proper supervision there is no trouble with them and in that respect I am all in accord with the provisions of the Bill. I say that quite openly. However, I believe this always gives rise to the suspicion that things are not all well, and the Minister could immediately correct that impression, whether it should be in the minds of members, or in the minds of members of the general public.

The Hon. G. C. MacKinnon: You have done that.

The Hon. J. DOLAN: That is right, and as long as the Minister is satisfied, then I am. For that reason I support the Bill and hope it has a safe passage through the House.

THE HON. J. M. THOMSON (South) [8.37 p.m.]: This is a brief Bill and the introductory remarks made on it were just as brief. I support the measure, but in doing so I trust the regulations that will be made from time to time will not overlook efficiency for the sake of appeasement. When I say that I have in mind the period before the Country High School Hostels Authority came into being. At that time there was an agreement between the then hostel management committees in the various country towns and the Education Department. That agreement embraced the rules and regulations under which the management committees administered and controlled the hostels that were established in the various country districts.

I have yet to be informed that those agreements did not work, and were unsatisfactory to both parties to the agreement. I know that the enforcement of discipline was one of the problems that confronted management committees, and I believe the same exists today. Not only is the enforcement of discipline essential at these hostels, but also it is essential to have the backing of authority in attempting to apply discipline; but because of the disinclination of the student—and not infrequently the parents—to accept the requirements in this regard, the committee's task is not an easy one.

In view of that, I hope the rules and regulations which may be designed under this Bill will not be governed by a principle of appeasement to the staff of the various hostels, and the students who are residents, or to parents who, from time to time, may complain about the discipline that is exercised because their children complain they are required to abide by the regulations, or because the children have been reprimanded for not being in their rightful places when required, but were elsewhere, with the result they may be requested to leave the hostel.

This is the type of problem which confronts the management committees from time to time. Therefore, so long as the regulations are designed to strengthen the authority of the management committees, and their control over the students, I believe much good will result. So in the hope that such will the case, I support the Bill.

THE HON. N. McNEILL (Lower West) [8.40 p.m.]: In a way it is rather curious, and it is a reflection of the times that, for the purpose of a Bill of this nature, the Government delegates to the officers of the Education Department certain powers to discipline our children. It is taken as read, of course, that when a parent sends his child to a boarding school, or some other place, that parent automatically delegates to the controlling body the power to discipline his child.

Because the Country High School Hostels Authority is established under legislation passed by Parliament, it must be given power to meet any emergency and to ensure that there shall be no recriminations in the event of its exercising disciplinary action over the children resident at the hostels. It is fairly clear that the Government is treading upon dangerous ground when it starts to pass legislation to give power to anybody to exercise control over children. Any parent can be somewhat touchy on this subject. A parent has no compunction in disciplining his own child, but how far is the parent prepared to go when he gives somebody else *cart blanche* to discipline his child when, as in this instance, that child is domiciled elsewhere for the purpose of being educated?

It is also peculiar when one realises that the parent Act, which was passed in 1960 and amended in 1961, has been functioning ever since in a very satisfactory manner under the administration of this authority and yet, in fact, without having had this disciplinary power under the Act. In his second reading speech the Minister indicated that the authority had certain powers regarding the appointment of a committee or committees, and the delegation of powers and functions to that committee. However, from my reading of the parent Act there appears to be no doubt whatsoever. The only power the authority had was to appoint a committee consisting of its own members. The only committees that could be appointed by the authority were groups of members of its own six members. The authority had no powers of delegation and no powers to appoint any other committee to supervise and maintain a hostel, and it certainly had no power to delegate any of its functions or powers to any other body.

I find it a little surprising that an authority of this nature, which is concerned with these very domestic considerations affecting children who are required to be away from home for extensive periods, has not been given this power.

One wonders how it has functioned; one can only come to the conclusion that the bodies of management operating country high school hostels have assumed certain powers which are not conferred by the legislation.

I do not dispute the giving to them of those powers, because I think that is very necessary. One might well contend that one of the many causes of breakdown in juvenile behaviour in these days—I presume there are many causes—is the lack of discipline, wherever it might be imposed. For that reason I agree beyond a shadow of doubt that power should be conferred on those who are concerned with the operation and management of the country high school hostels, to ensure not only the good behaviour of the students who receive part of their education in these hostels—because living in them is part and parcel of their educational process, and the ability to live together amiably is a very important facet in the development of the character of youngsters—but also the maintenance of discipline in the hostel staffs. Once again such power has not been conferred under the original Act.

I go a step further: This Bill endeavours to obtain for the Country High School Hostels Authority the power to appoint certain committees, and to delegate to them all of its powers and functions, as if such committees were appointed pursuant to section 9 of the Act; in other words, all the powers conferred on the authority will likewise be conferred on a committee which is appointed by that authority for the purpose of supervision and maintenance of all the functions concerned with the day-to-day operations of the hostels, with the admission and expulsion of students, and with the hiring and firing of staff.

When I inferred that it was curious it had been overlooked in the original Act, I wonder whether it has likewise been overlooked in this Bill. The Bill seeks to insert a provision to enable the authority to appoint committees in respect of hostels and to delegate to any such committee all or any of the powers of the authority, etc. It does not indicate how such a committee shall be constituted, and it does not say how many members it shall comprise.

One can only assume that in a body of that nature, the authority would do the utmost in endeavouring to appoint the most reputable persons who are able to maintain the highest possible standards. No avenue must be left whereby anything is left to chance. Here again, nothing is specified in the Bill in this regard. It provides that the authority may appoint a committee, but in the Act itself it is laid down who the membership of the authority shall be. Yet when it comes to the appointment of a committee, which is to be concerned with the day-to-day operations of the hostels and with the activity of the children, nothing is specified in the Bill. I assume it is all right, but one wonders, in view of the curious oversight previously, whether this aspect might not be looked into a little more closely.

Before I conclude I want to say that with a Bill of this nature, as I believe with all Bills, close examination is needed. As other members have indicated, we should take the opportunity under this Bill to reflect on the situation subsequent to the establishment of the country high schools hostels. What a great benefit their establishment has been to education, particularly secondary education, in country areas.

I was one of those children who had to be sent away from home for years in order to receive some education; and likewise my children have had to be sent away in order to get any secondary education at all. What a great problem is faced by parents in these days who have children growing out of the primary school stage, and who find there is no further education available in their country districts, or whatever is available is not broad enough in scope to provide the required curriculum to ensure that a bright child—who may have some potential towards an academic career and learning at a university—is provided with a broad curriculum and higher secondary school learning. Such children have to be sent away. What a great problem this poses! Where will these children be sent, and what will be the discipline imposed on them? Certainly this aspect applies to boys, but very much more to girls.

I speak with some real feeling on this question. An immense responsibility is placed on those charged with the day-to-day operations and management of these hostels, with the standard of accommodation that is available, and with the quality of the staff which is engaged to conduct the hostels. We can rest assured that the best possible has been done, and that a very great gap has been filled in the country areas by the provision of country high school hostels; firstly, by making available the educational facilities and accommodation, and, very importantly, by taking away, to a large degree, from the parents the worry of caring for youngsters who are away from home in respect of their health and general well-being, and in respect of the nature of the discipline which they will be under while out of parental control.

I support this Bill, and applaud the move that has been made. I am sure these hostels are making a very significant mark on the character of the youngsters of Western Australia, and are providing the best of education that can be made available in country areas.

THE HON. G. C. MacKINNON (Lower West—Minister for Health) [8.53 p.m.]: I thank members for their contribution to the debate. I am particularly struck by

the fact that three speakers with considerable experience of these matters have slightly different points of view. Mr. Dolan, who has had vast experience as a school teacher, had a somewhat different view from Mr. Jack Thomson, and slightly different again from that of Mr. McNeill. I shall bring the various matters which have been raised to the attention of the Minister for Education.

Mr. Dolan referred to matters of discipline. On occasions when certain matters are brought before a group of people they may not appear to be tremendously important, but from the point of view of children they may have a great impact, so there is need to impose discipline. It is unfortunate that the connotation of discipline is as it is. Even when two or three people are gathered together there is a need for rules to be made, and for their observance, in order that those people might live together in harmony. Of course when the number is greater than two or three there is often a need for the establishment of an authority to ensure that the rules are observed. We cannot always obtain the services of the people who possess the required personality and who have the gift of control, so we have to make provision to cover this aspect. Mr. Jack Thomson tended to place himself in the role of a harsh disciplinarian. I find that a little hard to believe when I see his benign countenance.

The Hon. F. J. S. Wise: I think Mr. Jack Thomson is a very strict parent.

The Hon. G. C. MacKINNON: On occasions there is need for discipline. Mr. McNeill raised the question of delegation of power by the authority. The reason behind the firm guide lines of the authority is the difficulty of securing staff. With the wide sort of delegation of powers that is required there is a need for flexibility. In regard to the general care, consideration, and interest of the children we need have no worry. In the case of the authority which deals directly with the children there is a need to lay down hard and fast rules. The provisions in the Bill dealing with the operation of country high school hostels and their staff are quite sufficient safeguards against any problems that might arise, so the Minister in his wisdom has left this aspect quite open and flexible. As Mr. McNeill said, I agree there is no need for worry in this regard. I thank members for their contributions to the debate.

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.

WUNDOWIE WORKS MANAGEMENT AND FOUNDRY AGREEMENT BILL

In Committee

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

Clauses 1 and 2 put and passed.

Clause 3: Interpretation—

The Hon. F. J. S. WISE: Last Thursday afternoon, in reply to the debate, the Minister said—

> over the weekend I will go through the speeches that have been made and try to answer the points and question. that have been raised.

I am wondering whether the Minister will give us some advice as to whether at any stage before this Bill is passed, or at least before the companion measure is passed, he will give to the Chamber the details of how the price of $800,000 was arrived at. That is one question which has been asked more than once. In addition, I want him to tell us whether we may have tabled an itemised list of the assets on which the valuation was based. I do not know whether it is the Minister's intention to table the papers to show particularly the basis of the negotiations with A.N.I., and the approaches made to other companies, if any, to purchase this industry. In my view the information sought is very vital in the further consideration of this Bill.

The Hon. A. F. GRIFFITH: Mr. Wise is substantially correct in quoting the remarks I made last Thursday afternoon. My intention was to go through the speeches to see if there were any further points on which I could offer some additional elucidation beyond that which I gave last Thursday. I did that and discovered that basically I can give no further information.

On Thursday I dealt with the question of valuation, maybe not to the satisfaction of all concerned; but it will be recalled I explained that the basis of valuation was one which could not, in fact, be documented or substantiated by facts and figures, or what someone thought about it in relation to the actual cost items, and that, in fact, this industry, at the point which it has reached in its history, was worth what could be got for it.

Members will recall I said I thought a substantial building which cost a great deal of money may not have the value of its capital outlay if it were situated in a place where it could not be used to the advantage intended. I think substantially this is the case with the industry at Wundowie. It has been, and still is a State-owned instrumentality which has been in existence for something like 23 years. We heard a great deal about the profit years, but gradually the industry has got itself into a much more difficult situation as the years have gone by. Therefore it is not possible to document the information in the manner desired by Mr. Wise. I attempted to explain this last Thursday afternoon.

I cannot promise to table any papers which would give any further information

I think it would be appreciated that a negotiation of this nature must be carried out, to some extent, in an atmosphere of confidence.

As far as any other company or concern wanting to buy Wundowie is concerned, I do not know of it. Mrs. Hutchison said she knew of some. I do not make this comment facetiously. To the best of my knowledge no other offers were made that the Government could receive and consider.

The Bill of 1965 made it clear that the Government would, in fact, negotiate with A.N.I. The speeches recorded in *Hansard* of 1965, and including the concluding speech I made myself, indicated that this would be the company. Yet it was asserted it was strange that A.N.I. was the company; and I commented that there was nothing strange about it because that was the intention of the Bill Parliament authorised in 1965.

The Hon. F. J. S. WISE: Those, of course, are just mere words, deliberately, I assert, avoiding the questions that have been asked. One of those questions is: Does the Minister at any stage during the passing of this Bill, or the succeeding one, intend to give members the information which they have not been given as to how the figure of $800,000 was arrived at as the one upon which to base the sale under option? It seems to me that members are to be denied the information necessary for the consideration of the passing of this asset into private ownership.

I have the Minister's speech of last Thursday before me and I challenge him to show me where it contains an explanation as to how the valuation was arrived at. The Government has had this information submitted to it because some references were made to it in the Auditor-General's report. However there is something more recent than that, and that is the valuation provided to the Government, upon which this figure of $800,000 was arrived at for an asset which is not, as I stated the other night, a frock shop, but is one involving millions of pounds. Members are entitled to the information and the Government is honour-bound to provide it.

The Hon. A. F. GRIFFITH: I do not recollect having said at any stage of the proceedings of this Bill what those figures were. I have never attempted to give them because they are not obtainable to give.

The Hon. F. J. S. Wise: Why not?

The Hon. A. F. GRIFFITH: I have attempted to explain.

The Hon. F. J. S. Wise: You are not explaining at all. Why are they not available for members?

The Hon. A. F. GRIFFITH: What the honourable member wants is some statement which shows the basis on which they were arrived at. I did not personally conclude this negotiation, but I am told that the basis was, in fact, to obtain the best price possible. This is either acceptable, or it is not acceptable. I cannot go further than that. When the Bill was being presented in another place, the following was said:—

> It will be remembered that during the last session of Parliament, members were informed that it would be necessary to write off the industry's capital by approximately $2,200,000.
>
> This write-off leaves the capital of the industry at $800,000, which amount will be credited to capital account No. 1. This sum shall be adjusted by the losses for the years ended the 30th June, 1965, and 1966, and by the decreased amounts of interest and depreciation which will be charged for those years. Also added to the amount will be the total of cash paid by the State to the industry subsequent to the 30th June, 1964, for approved items of capital equipment.

It was then explained that the reason for going back to 1964 was that the negotiations with A.N.I. commenced in that year. No secret was made of it in the course of the debate last year.

The Hon. F. J. S. Wise: Nor any information given as to the figures on which it was based.

The Hon. A. F. GRIFFITH: I am not standing here merely expressing words. I am giving the information which is available to me. I am not able to give members the basis on which this figure was reached. I am only able to say this was the basis on which the arrangement was made.

Members may think that this appears to be evasive, but it was not a question of itemising a profit and loss account nor was it a question of considering the amount that was in the books. It was stated that it would be necessary, in order to achieve this sale, to write off $2,200,000 of capital in order to arrive at the figure of $800,000, the option price for the sale of the industry at the time A.N.I. decides it will exercise its option, which could be any time between now and the next 10 years.

The Hon. F. J. S. WISE: Of course that is nonsense. The Minister can say much more than that. The Minister falls back on the fact that he is not the Minister in charge of the Bill and he does not have the figures. The Minister is a unit in a Cabinet before which all the details have been presented to enable it to reach a decision. Each and every unit of Cabinet has an equal responsibility, and every unit knows the details. Therefore that is a flimsy sort of an attempt to get out of the responsibility to furnish to Parliament what Parliament is entitled to know, which is how the figure of $800,000 was arrived at as a fair and equitable sum to be paid for this State undertaking, representing as it does, a very small amount in the total value of the asset.

I have read very carefully the speeches made last year and this year and no attempt has been made to show a recent valuation, since the last Auditor-General's report.

The information is available. There must be something to hide; there must be something that the Government does not wish the public to see and does not wish Parliament to have. No other conclusion can be drawn from the Minister's attitude.

The Hon. A. F. GRIFFITH: I want to make one thing perfectly clear and that is neither at this point of time nor at any other point of time have I ever shirked my responsibilities. If Mr. Wise has taken the remark, "I am not the Minister responsible for this Bill", as an excuse, he is quite wrong. I was not proffering that as an excuse at all. I simply explained the situation as the Minister in another House did.

During my remarks on the second reading in this House, I did say—and I have repeated it twice tonight—that the basis of these figures is not the matter for contemplation, and that the arrangement was made and the agreement entered into on what was considered to be an equitable price to be paid at the time when this option was exercised. Taking all things into consideration, it was agreed that the price be $800,000, with the provision in the clause which says that the purchase cannot be made until the No. 1 account is no more than $100,000.

That is one of the considerations and that is the position. I would like to repeat that this is not a question of my shirking my responsibilities.

The Hon. J. DOLAN: On a point of information, there are certain aspects in the agreement on which I would like some information. Will I be afforded an opportunity when we are on the schedule, or at some other period during the Committee stage to ask for this information which I think the Minister will be able to provide? It is more in the nature of questions and does not deal with prices or anything of that nature.

The CHAIRMAN: The honourable member will be able to ask his questions when we are dealing with the schedule to the Bill.

The Hon. A. F. GRIFFITH: May I say this: It has been the custom in this Chamber, ever since I have been a member, to raise these issues on the second reading.

The Hon. J. Dolan: But—

The Hon. A. F. GRIFFITH: Don't move!

The Hon. J. Dolan: I have not moved.

The Hon. A. F. GRIFFITH: I thought you were going to.

The Hon. J. Dolan: I am, too.

The Hon. A. F. GRIFFITH: Just let me finish. If the Minister in charge of the Bill does not give the information that a member wants on the second reading, and this information is obtainable, the member always raises the matter again when the Bill is going through Committee. As far as I am concerned—and I am sure I am speaking for my colleagues, too—if I have not satisfied members on any points on which I am able to satisfy them, very frequently I report progress, go away, and try to get the information. This is done on matters for which information is available and, as far as I am concerned, this can be the case here.

I say quite openly that in a complex financial arrangement of this nature, I do not know all the answers, and this is the same comment I made on Thursday last. If I had not covered all the matters, it was my intention to go through the speeches to see what else I had failed to advise upon. I cannot find further information beyond what I have already given. If there is anything fresh to raise, I do not mind reporting progress in order to get the information.

The Hon. A. R. JONES: I did not take part in the debate on the second reading for the reason that I felt the matter had been discussed by a number of members and, at that time, I thought we were going to receive more information than we had received up to then. I even went to the trouble—and I do not often do this—to read the Minister's introduction of this Bill in another place. I felt that he gave even less information than did the Minister in this Chamber. I consider the information given was very, very little when one considers that the respective Ministers were trying to justify to members of Parliament the Government's action in selling this industry, or in making an agreement which provided sale conditions within a given period of time.

Quite honestly, I expected the Minister, when the question arose tonight, to give us a lot more information. If I remember aright, when the matter was being discussed, one of the big questions as regards whether this industry could carry on or not was brought about by the fact that the broad gauge line was to go around the valley and not through Wundowie. This, of course, would make the carriage of ore from the source of supply to Wundowie a very difficult matter. Apparently this has been taken into consideration, although we have heard nothing about it: neither have we heard what the cost of the ore carrying will be, nor how the Government overcame this obstacle. As I have said, at the time of being discussed, the problem as to whether the industry could carry on or not was indeed a big one and I feel that this could have been mentioned by the Minister. If I were trying to uphold an argument and satisfy those who are arguing against me, I would give every possible detail. Even at this late stage of

the Committee, I feel we should have this information.

The Hon. V. J. FERRY: The comments which have been passed relating to valuations are, to my mind, particularly interesting because it has been my experience over a number of years to be vitally interested in valuations of all kinds in quite a number of fields.

Regarding this Bill, the main contention at the moment appears to be the valuation and the price agreed upon. There are many exercises one can do regarding valuations and there are many answers which one can come up with for a similar proposition.

I give the example of a farming property. It is quite easy to find any number of different valuations for one particular property, depending from which angle the problem is tackled. One can find that a property may have had a great deal of money spent on it over the years by way of capital development. A typical example would be in the Pemberton district where, at times, it costs over £100—or $200—per acre to bring the land from a virgin bush state to a pasture proposition. The price in this particular example, as I have said, is $200 per acre. However, when one goes to sell the property on the open market, one receives $90 to $100 per acre, which is roughly half what it cost to develop.

This is one simple exercise in valuation. There are many other factors but I toss this one into the ring as I feel that the situation at Wundowie is quite similar. It is obvious that the industry has had a lot of money sunk into it over the years by way of capital costs and with structures, but when one turns around and tries to sell, the question is, "What is it worth?" Quite obviously, the answer is, "The price that has been mentioned in this instance." It is what one can get for it. What is the alternative? If we do not accept this proposition, as has been stated before and I am quite sure that this would be the case, Wundowie, as we know it, would be closed down.

Therefore, we are over a barrel and, in order to help the community, the State and, particularly, the workers involved, it has been decided by the State Government that this is the way it will handle the proposition. The Government will accept the price agreed upon with the negotiating firm and, without that, I doubt whether a sale would have been made in any direction whatsoever and we would have lost the industry. In addition, the employees would have lost their livelihood in that particular area.

It is as simple as that. Whether we should go into detail on the valuation, stage by stage and step by step, to my mind really does not matter much. In the ultimate we will say to ourselves, "We have studied these figures; we have come down to an X-amount; but what can we get for it on the open market?"

At the moment we have the figures of this company and that is the situation as it stands. I do not think any detailed examination of the valuation at any stage would make any difference to the situation.

The Hon. F. J. S. WISE: One cannot agree at all with a lot of those deductions. There are very many people in this Chamber at least as experienced in these matters as is the honourable member who has just resumed his seat.

There is no basis for the valuation of an economic unit in the farming districts because of the very many immeasurable considerations which have to be taken into account. There has never yet been evolved a method of valuation of a farming asset whereby two, three, or four people would agree.

The difference in this matter is simply this: These are stated values to which I am alluding and not something hypothetical. They are not something related to the cost of land clearing and the value of the land after clearing has been effected.

Many people in this Chamber have developed more than one property. May I say that it is rather an able developer who, in his first two or three years of development, can have an asset representing a greater amount than the sum expended. That is the truth. At the same time, it is also a fallacy to say that a property never emerges from the imbalance between the cost of development and its true value; otherwise the farming community could not continue. That represents a stage in its development.

I repeat, that the matter with which I am concerned is very different from that angle. It is a straight question: "Is this House to see the detailed valuation, as submitted to the Government, of the asset at Wundowie?" The answer is, "No." Of course, not in so many words—not in the one word, "No." The answer is in a lot of words to the effect that the information has already been given. That is not true. I resent the treatment in this matter of members of Parliament who are representing the people. In this industry at Wundowie, the people have an asset very much more valuable—many times more valuable—than £400,000, or $800,000.

There will be plenty of opportunity to speak on the next Bill, but on this point I simply say it is obvious that the Government is not prepared to table the papers or give the information. In my opinion, it is therefore very clear there is something the Government does not wish to see the light of day.

The Hon. H. K. WATSON: It may be that the value of the Wundowie plant, as it stands in the balance sheet, is a stated value. That is purely for the purposes of

accountancy and one would probably find that this stated value is its historical cost, with or without nominal depreciation. I would remind the House that this business of having to write down the value of assets is not something which is confined to governmental activities. One will find it in any industry and it is in the interests of commercial safety.

Take the Chevron Hotel in Sydney. It had a stated value—that is, a value in its balance sheet; or in other words, its cost —of $12,000,000. It was sold the other day for $3,000,000, after the liquidator had hawked it around the world for three years.

The Hon. A. R. Jones: Do you know whose capital built that?

The Hon. H. K. WATSON: Borrowed money.

The Hon. A. R. Jones: There was some good judgment shown there!

The Hon. H. K. WATSON: Its stated value was $12,000,000, but it took three years to sell and only $3,000,000 was obtained for it. I read in *The Australian* on Saturday last that Australian and Kandos Cement Holdings Limited had written its plant down by $2,500,000 for the same reason that, in my opinion, Wundowie's assets have been written down —because of the antiquity and obsolescence of the plant.

The Hon. L. A. Logan: That's like my Reid Murray shares. There is a big difference between the stated value and what I would get for them if I sold them.

The Hon. H. K. WATSON: If the Minister had a bookkeeping system he would state in his balance sheet that his Reid Murray shares were worth so many thousands of pounds, whereas in fact he could not sell them for a threepenny bit. The same applies to an industry which has plant which has become obsolescent or is incapable of producing that which can be sold.

I have had experience of this in certain commercial spheres where one finds that the market is dwindling and the plant has become obsolete or surplus. In such a case it does not matter what the plant has cost, or what its value in the books may be. The hard question one has to ask and face up to is, "What is it worth?" And when that question has been answered one asks, "What will it earn? What return will it give me on the $800,000 I am putting into it?"

In this instance we know that the Minister, in much the same way as the liquidator for the Chevron Hotel, scoured Australia looking for buyers. He let it be known throughout the State and the Commonwealth that Wundowie was for sale. But he could not get an offer of $800,000. Even A.N.I. has not agreed to buy the industry for $800,000. It said, "No, we are not prepared to buy it. Give us an option and we will take 10 years to think about it." My shrewd guess is that in taking that 10-years' option the company may have felt that with such new plant as was there it might be a proposition in 10-years' time because of the erosion of money values over that period; in other words, if it is not worth $800,000 today, with the value of money diminishing at the rate of 3 per cent. per annum, it might be a reasonable buy in 10-years' time. But it is not today.

I notice the agreement does not contain any contingency to cover that point, but that is my guess; because if an industry is losing $50,000 or $100,000 a year no man in his right senses will rush in and put money into it, or buy it. I suggest that the question as to what is the stated value, or what mathematical calculation was used to write the capital down is beside the point. The question is, "What is the worth of the asset today?" And I suggest that by the touchstone of experience of offers available the asset was certainly not worth a penny more than $800,000.

The Hon. F. J. S. WISE: I would like some guidance from you, Mr. Chairman. It may appear you have been exceedingly tolerant in allowing a broad discussion of the whole subject on this clause, but it does cover the whole ramifications of the industry. I would like to make some comparisons with other State assets and show the Committee how fallacious are many of the points that have been expressed tonight, and when the Bill was previously debated. Would you permit of my making comparison with other State assets while discussing this clause, or would you prefer that my remarks, which will be very broad, but appropriate to the Bill, be made on the third reading?

The CHAIRMAN: For the honourable member's guidance, this is the major clause of the Bill and deals with the agreement. Therefore I would rule that the honourable member can speak as he desires and compare the industry with the value of other State industries.

The Hon. F. J. S. WISE: Naturally I felt that would be your ruling, Sir, and that this could be the clause on which the basis of the speech could be built. Therefore I intend to speak at some length and to make comparisons to show the fallacy of the thinking, and the remarks that have been made, particularly by the Minister, on this matter.

Many of the relevant facts have not been dealt with at all; there has been much clouding of the real issue. Very much is being hidden and not told. I said, when speaking to the Bill earlier, that there is an inherent hate by this Government of anything State-owned in the form of industry; and there are many examples to prove the truth of that statement. It is necessary at this point to have some clear

thinking on the issue. For example, the other evening Mr. Willmott said—

> I am not in favour of pouring money into an industry to keep it going.

The honourable member will recall having said that. He also said that he was not in favour of State enterprises losing money, and was completely against State trading concerns when they could be disposed of. I think that is still the honourable member's view.

The Hon. F. D. Willmott: Yes.

The Hon. F. J. S. WISE: Thank you. I also heard Mr. Willmott say that he came into this debate only to stir things up a bit. Does he remember saying that?

The Hon. F. D. Willmott: I did not say that.

The Hon. F. J. S. WISE: The honourable member did not say it when addressing the House—

The Hon. F. D. Willmott: No.

The Hon. F. J. S. WISE: No; but, of course, when one decides to stir things up a bit one wants to be fairly well equipped with the answers that are necessary. Let me now analyse the Wundowie figures. Much of what has been said has been specious and will not bear examination. From the commencement of the period when this industry was listed in the Financial Statements of the State, for eight of the 15 years the industry was totally and fully reproductive; for four years it was partially productive; and for three years only of the 15 has it been totally unproductive.

Now let us have a look at the charge on loan funds of many of our State assets. For some years this industry has not been a charge on loan funds; indeed, during the last 15 years this industry has reduced its loan indebtedness and, in addition, has had £985,000 written off its valuation to keep the valuation up to date. The list of State undertakings, published and available to everybody, summarises the loan assets of this State, and the total, according to the figures published last year, as at the 30th June, was £332,809,983, or $665,619,966, to which must be added the loan raisings under last year's Loan Bill, which amount to £27,170,000. This means the total State assets are $719,959,966.

Now let us have a look at how that figure is split up and how the money in invested. I will lend the Minister a spare copy of what I have if he would like one.

The Hon. A. F. Griffith: No thank you. I wanted something else.

The Hon. F. J. S. WISE: The list of State assets appears under the headings of "Fully Productive"—they are assets which are showing a profit and are paying their way, and redeeming the loan over a term as well as paying working expenses—"Partially Productive", and "Totally Unproductive."

I think many of the State assets that fall into the category of "Totally Unproductive" are wonderful assets, and, indeed, I would advocate increasing the amounts spent on them. The totally productive assets column includes the following:—

Electricity Supply
Charcoal Iron and Steel Industry
Kwinana Housing
Metropolitan Water Supply
Midland Junction Abattoirs
Roads and Bridges
R. & I. Bank
State Engineering Works
State Housing Commission
Welshpool Industries
W.A. Meat Export Works

All of those are fully productive, and they represent total loan investment of a little over £85,000,00. The totally unproductive instrumentalities include abattoirs, saleyards, grain sheds, cold storage, and country water supplies. I wish Mr. Willmott was in his seat. In case he comes back I will repeat that the country water supplies showed a deficiency of up to £2,943,643. Is it Mr. Willmott's contention that the farmers and the residents of the country districts should be taxed so that that deficiency is made up? That is his flimsy reasoning. Of course it is grossly unsound.

One does not sell a State asset because it appears to be either fully productive, partially productive, or totally unproductive. What about the figure associated with buildings such as schools and so on? That figure is £55,000,000, which is totally unproductive as an item. Does Mr. Willmott suggest that the bulk handling at ports, which show a very big loss, should be dispensed with? Does he suggest that the Kwinana development should be abandoned because it shows a loss? Does he suggest that the railways should be given away because they lose £3,250,000 a year? Of course that sort of argument is sheer nonsense. Here we have, second from the top of the list alphabetically, the fully productive charcoal, iron and steel industry. It has been in that position for eight years out of the last 15 years. I would advise members that I spent the whole of Sunday morning going through the public accounts.

So it is idle to suggest in the words of both Mr. Watson and Mr. Willmott, and to ask the question, "If an industry is losing, who is to make good the loss?" I ask, "Who?" It is quite futile, so far as I am concerned, to suggest that a State asset—and they are all assets—if it is entirely unproductive should be measured with a narrow, flimsy, political measure; a measure as to whether it is a State undertaking or an enterprise. That is the measure; not whether it is showing a profit or a loss. The feeling is: let us get rid of it at all cost. That is the attitude of the Government; and that is the attitude on which the decision to dispose of Wundowie is based.

That is the spirit in which this Bill is introduced; not on the three points the Minister tried to make the other evening. The spirit that prevails is that we will dispose of Wundowie for whatever we can get for it.

Let us have a look at the other enterprises which lose money; which, according to Mr. Willmott and Mr. Watson we must give away because they lose money. We will have to get rid of the country water supplies, or tax our people to pay for them. We will have to do something about the State batteries. Would any member like to see those sold or given away? We will have to get rid of the Wyndham Meat Works, because they are only partially productive. But there will be another reason for their disposal when that time arrives.

Is it suggested that we should cease our pine afforestation and planting because it does not show a profit? What nonsense? The bald fact is that in the statement of public accounts clearly is to be seen the summary of the results of the operations of every State asset. I repeat that the progressive loss in the last five years was £1,671,000 to £2,500,000 in the country water supplies. Yet these water supplies are rendering a great service to the community and to its development. Indeed, they should be increased if it is at all practicable.

As we go through these tables we find such things as State Engineering Works showing a profit year after year; but the kiss of death is on them. They are State-owned. It is not a question of whether they show a profit or not. That is beside the point. The whole reason is that these works cross the policy of the Government.

It is not the policy of the Government with which I am particularly quarrelling; it is its right to have a policy. But it is also the Government's right and its duty to tell all of the story, and to tell the truth for the disposal of the State enterprises and assets.

If we look at the detail of the charcoal iron and steel industry, we will find, for example, that the loan capital has been reduced considerably since the original advances were made. We also find that the earnings have increased substantially. I wonder how many members have had a look at that angle; or whether they have been brainwashed by the Minister to such an extent as to make them disinterested. In the accounts for Wundowie for the last year will be seen a figure of a loss of £177,939. But that does not represent the loss. Included in that figure is a revaluation of stocks and stores of £139,000. It is not a trading loss.

That was mentioned by the Minister in another place, and it was subsequently mentioned here, because the figure was challenged in another place. Let us have a look at the Auditor-General's report on this matter. The Auditor-General's report gives the latest figure available to Parliament as to the value of this industry. It gives the balance sheet of the undertaking.

I can imagine that Mr. Watson, who is interested in many things, either as an onlooker or as a principal, would, if he were expanding a business by purchasing another one, want to know the value of such business before he purchased it.

It is all very well to say that Mr. Logan's shares in Reid Murray might appear in his balance sheet as being worth £100; but they will not be worth 100 peanuts. That is no comparison. This undertaking is something that has real value; something which shows in its fixed assets a value of £2,450,000 less depreciation which has been written off term after term—£980,000 has been written off progressively in the years during which it was earning. This is only a cancelling out of money. The current assets from the Auditor-General's report, including pig iron at grass and timber, is £655,635. Are they also intangibles? Are they something with a hypothetical value? Or are they something with a real value?

In short, there is a very great difference between £400,000 and approximately £2,000,000 in the valuation of the Wundowie enterprise. The Committee is entitled to know—I don't care whether we are here for a week or a fortnight, we are entitled to know—on what basis the figure of £400,000 was arrived at.

I want to dispel the notion entirely that this is a dying industry; that it is a drain on loan funds. Not for the last six years have any loan funds been used in the Wundowie industry. That is clearly set out again in the statement of public accounts, which shows every undertaking and enterprise, and the published figures for the last 10 years. It shows how much loan money has been put into these enterprises. There has been nothing put into Wundowie. So, to put it mildly, we have been given an entirely misleading statement. In the course of his speech the Minister said—

> We do not want to invest our capital in something making a constant loss without any chance of making a profit.

He further said—

> It is a question of the Government wanting to be relieved of the position of continuously—

and listen to this dramatic statement—

> —year, after year, after year, having to feed this State-owned industry out of loan funds.

It is a misleading statement, to put it kindly. There have not been any loan funds in recent years put in year, after year, after year. In the years when it was necessary to finance the last replacement of furnaces, there have been varying

amounts of £30,000 a year and £50,000 a year, in different years, put into Wundowie.

It is not a case of this industry being a burden on loan funds at all. I think it is interesting to observe and repeat that the loan indebtedness of this enterprise is less than it originally was; and not from writings down either.

The Hon. A. F. Griffith: If it did not come from loan funds, where did the money come from?

The Hon. F. J. S. WISE: What money?

The Hon. A. F. Griffith: The money needed to keep the concern going during the years it did not make a profit.

The Hon. F. J. S. WISE: I said that in the years in which it made a loss there were varying amounts of £30,000 and £500,000 put into the industry. There has been no money put in in recent years; not year, after year, after year, as the Minister said. There is no use the Minister trying to misconstrue words while I am on my feet.

The Hon. A. F. Griffith: I would not try to miscontrue them while you were sitting down.

The Hon. F. J. S. WISE: The Minister had better not. No loan money has been fed into this industry in recent years. No attempt has been made to provide the information that is so vital. The Bill has been thrown at Parliament without the requested information—with no idea as to the basis of the information. But we do know from the figure established in the Auditor-General's report of last year that there is a difference of at least $2,000,000 in the writing off of £2,200,000.

It is not right to infer this is going to save the Government money. For every £1,000,000 or $2,000,000 written off, it is going to cost the State $120,000 a year that has to be found out of revenues. Writing off the amount does not make it disappear; it is still part of the public debt; it still has to be serviced—every £1,000,000, plus approximately £60,000, interest, and redemption. So from this year's revenues, the Public Accounts will be charged $120,000 because of the writing down of the sum for which, so far, there has been no information or figures presented.

So little of the story has been told that I propose not merely now during the course of the Committee stage, but on the third reading, and on the next Bill, to continue to show to the Chamber the seriousness of the lack of information given to us.

For the time being I will say the Government must have something to hide, or the full details would be given us. I think the Government, in its approach to Parliament in this matter is presenting the case dishonestly.

The Hon. A. F. GRIFFITH: Members will recall the debate which took place in this Chamber last year. If they cannot, reference to *Hansard* will show the course the debate took, both in this Chamber and in another place. It was explained at the time, and for the reasons given, the Government proposed to negotiate, if able, the sale of the Wundowie Charcoal Iron and Steel Industry.

An amendment was put into the Bill which said the ratification of the sale or the agreement thereof should be presented to Parliament. This amendment was mooted in another place and moved here by me. If my memory serves me correctly, I received a message that I should move the amendment because it was requested in another place.

It was recorded at the time that the main negotiation that had gone on had been with the A.N.I. company. The Bill at that time contained a clause which gave life to the legislation to the 30th June, 1966. This was accentuated. I concentrated on this and told members that that was the life of the Bill and if the Government was not able to negotiate an agreement by that date, the Bill would naturally lapse.

In the speeches made then, and in the speeches made on this occasion the profits and losses over the various years were given. It so happened that I was equipped already to give the profits and losses that had been made since 1948, but Mr. Dolan assisted me and systematically went through that period of time. As he went through the years, I checked his figures with the information I had, and members may recall he told us that from 1948 to 1956 there were continual losses, and that the total loss up to 1956 was $261,836. Then he went on to tell us of the years that followed—the 1957 year, and the 1958 year, when there were profits. I joined with you, Mr. Chairman, in regard to 1959, because you thought that was a profit year. When you had a further look you found there was not a profit for that year but a loss of $48,658. Then Mr. Dolan told us that 1960, 1961, and 1962 were profit years. He went on to tell us what happened in 1963, 1964, and 1965; and I gave him the anticipated loss for 1966 which was approximately $322,000.

I do not think there has been any secret about this, and I am of the opinion that the position has been adequately covered. I think it was also said that if we summarised the situation in regard to profit and loss figures we would finish up with a total loss of $1,738,113, less the profits made over the years Mr. Dolan gave us amounting to $454,533. Therefore we had a loss over the period of approximately $1,283,000.

Whether I gave these figures, or whether Mr. Dolan gave them, does not matter. I was in a position to give the

information, but Mr. Dolan, in fact, gave it.

The Hon. J. Dolan: The Minister gave these figures in another place.

The Hon. A. F. GRIFFITH: That is right.

The Hon. J. Dolan: I have nothing to hide when quoting figures.

The Hon. A. F. GRIFFITH: I am not suggesting that. Everybody appears to have known the figures.

The Hon. F. J. S. Wise: That is not the point at issue, and the Minister knows it.

The Hon. A. F. GRIFFITH: I have tried to explain the point at issue, but I realise I could not do so to the satisfaction of Mr. Wise.

The Hon. F. J. S. Wise: Not unless you do explain.

The Hon. A. F. GRIFFITH: What the honourable member is not prepared to accept is the fact that these profits took place over the years I have mentioned; and if I incorrectly used the words "loan funds" am I going to be hanged upon a word? Somebody provided the money, whether it came from loan funds or not. The fact remains there was a loss. I may have used an incorrect word in imagining the loss was a drain on loan funds, but it does not matter a tinker's curse; the money was lost, and the Government felt it could not go on losing this money.

Last year, the Bill was passed in this Chamber, not on a division, but on the voices; everybody who voted for the Bill last year knew it would give until the 30th June for this Bill to do what it now does.

For the last time I say that this is not a question of saying that $2,200,000 had to be written off, or that the valuation was this, that, or the other; the fact remains that in the negotiation of a business of this nature, the people who were going to buy it would want to see some future in it, so it was decided that if they exercised their option, the figure would be $800,000. I cannot give Mr. Wise the information he wants as it is not available in the form he wants it; but this is the negotiated basis on which the business will be sold in 10 years hence if the option is exercised.

The Hon. R. F. Hutchison: You have destroyed everything it is possible to destroy in this State. It is a Government of destruction.

The Hon. A. F. GRIFFITH: Awake from the slumbers! I cannot say any more.

The Hon. J. DOLAN: I would like to refer to some comments I made during the second reading which the Minister indicated he would attempt to answer. I will quote exactly what he said. I said—

> There are some features of the Bill in regard to which I think we should have been given more information, and I am sure the Minister, in his reply, will try to enlighten us about them.

The Minister replied, "I will try."

Another statement I made—I feel the Minister should attempt to answer it—was this—

> We are perturbed over the fact that if something is worth $3,000,000, and we are selling it for $800,000 the State has to foot the bill for the difference. We want to make sure that we get a fair price for it.

I also said—

> This is a big public asset and, whether we are in Government or in Opposition, I think it is up to all members to safeguard public operations or public industries.

I think Mr. Wise has presented a case which the Minister should attempt to answer; and he has given facts and figures which show that a fair and reasonable price for the industry has not been procured. I cannot support the measure until some information is given to show that it is a fair price.

The Hon. F. J. S. WISE: It is obvious how the Minister deliberately evades the point at issue. We know that this industry has a stated value in the Auditor-General's report. It is shown as being a fairly productive undertaking for eight out of the last 15 years, increasing its production and decreasing, until this year, its liabilities. That is the truth; but the Minister will not provide to Parliament any information on which the figure of $800,000 was arrived at. This is something the public is entitled to know. It is unfair to endeavour to get away from the responsibility of the Government in this matter.

It is not a case of progressive losses or progressive profits; and it is not a case of the industry losing £641,000 during its lifetime. Heavens above, we can pick out of the State assets 20 undertakings losing much more than that—some losing $5,000,000 a year. We do not want to dispose of those; we want to protect them. We do not want to infer in regard to country water supplies—unless members representing country districts do—that there should be an increase in rates or the cost of water. That is a State asset of great moment.

The Hon. E. C. House: That is not a fair comparison.

The Hon. C. R. Abbey: That is a service.

The Hon. F. J. S. WISE: That is a servant! Why do you not get up and say something?

The Hon. C. R. Abbey: I said it is a service.

The Hon. F. J. S. WISE: I apologise. I thought the honourable member said "a servant."

The Hon. C. R. Abbey: No, I said "a service."

The Hon. F. J. S. WISE: Thank you. I would like to see all these specified assets of the State, representing as they do a service to the community, increased by as many millions as the Commonwealth could afford. But that is not the question which is worrying us. We are trying to get information to show what this asset was worth, and how the Government arrived at a price. The Government will not give this information and that is not fair to the community or Parliament. If the Government can get a majority in both Houses, let it sell all the State undertakings—if it wishes. That is the Government's policy. Let it sell Wyndham, Robb Jetty, the State Government Insurance Office, and the Rural and Industries Bank. That is, if it can get the Bills through Parliament.

The Hon. R. Thompson: And the silos.

The Hon. F. J. S. WISE: Many things. It is quite unfair to suggest that because this enterprise showed a loss for a few years, it is the one to be sold. We know the reason it is being sold, and we are not quarrelling with that. We are quarrelling with the manner that this is put to Parliament without the requested information.

Clause put and passed.

Clauses 4 and 5 put and passed.

Schedule—

The Hon. J. DOLAN: I would like to ask the Minister a question to which I think he can give the answer. On page 9 of the Bill it is stated as follows:—

> (1) The Company shall be entitled to the following remuneration for its services hereunder, namely—
>
> (a) for the first year a fee of Thirty-five thousand Dollars ($35,000) reducing by Seven thousand Dollars ($7,000) each year thereafter, plus

Paragraph (c) reads as follows:—

> (c) the amount by which the remuneration calculated pursuant to paragraphs (a) and (b) of this subclause is less than $15,000 in any year.

I can understand that. I will now read paragraph (b)—

> (b) twenty per cent. (20%) of the improvement in trading result of each year of the Company's management over the adjusted trading result of the year 1965-66 (hereinafter referred to as the "base year") plus

The Minister indicated to me that the loss as at the 30th of June last was $322,000, which I accept. That figure may not be correct but I do not care if it was $200,000. On the 30th June, next year, when the company shows the return of its management for the 12 months, it might show an improvement of $100,000. I take it that the company is entitled to 20 per cent. of that $100,000 improvement which it has shown. That is my interpretation.

In the next 12 months suppose the company makes a further improvement of $100,000, and comes out all square. When the figures are presented on the 30th June, 1968, there will be neither a profit nor a loss. However, there has been a further improvement of $100,000. The question is: Does the company get 20 per cent. on the $100,000 which it has made since the first financial year, or does it continue to get 20 per cent. of the $200,000, which is a repeat of the 20 per cent. of the first profit that is made.

I want that point clear in my mind because I feel that if the agreement continues to compound payment, which the company gets on the profits year after year, there is something wrong with the agreement.

The Hon. A. F. GRIFFITH: I think that it reads the way it is written: 20 per cent. of the improvement in trading result of each year of the company's management over the adjusted trading result. I can only offer this suggestion to the honourable member, but before the third reading is completed I will check to see that that answer is correct.

Schedule put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

WOOD DISTILLATION AND CHARCOAL IRON AND STEEL INDUSTRY ACT AMENDMENT BILL

Second Reading

Order of the day read for the resumption of the debate from the 6th September.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

House adjourned at 10.27 p.m.