

I appreciate the comments and support of the member for Vasse, and I commend the Bill to the House.

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.

Third Reading

Bill read a third time, on motion by Mr. Bickerton (Minister for Housing), and passed.

House adjourned at 10.14 p.m.

Legislative Council

Thursday, the 11th May, 1972

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 11.00 a.m., and read prayers.

QUESTIONS ON NOTICE

Postponement

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [11.05 a.m.]: With the indulgence of the House, I ask that questions be postponed so that I may have an opportunity to obtain the answers. I propose to answer the questions after the afternoon tea suspension.

The PRESIDENT: Leave granted.

CHILD WELFARE ACT AMENDMENT BILL (No. 2).

Leave to Introduce

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [11.06 a.m.]: I move—

That leave be given to introduce a Bill for an Act to amend the Child Welfare Act, 1947-71.

I apologise for introducing the Bill at this late stage of the session, but it is complementary to legislation that has already come before us. I will abbreviate it as much as I possibly can in the interests of the House.

Question put and passed; leave granted.

Introduction and First Reading

Bill introduced, on motion by The Hon. W. F. Willesee (Leader of the House), and read a first time.

WOOD DISTILLATION AND CHARCOAL IRON AND STEEL INDUSTRY ACT AMENDMENT BILL

Second Reading

Debate resumed from the 9th May.

THE HON. N. E. BAXTER (Central) [11.09 a.m.]: This Bill to amend the Wood Distillation and Charcoal Iron and Steel Industry Act is a small one of only two clauses. The purpose is to enable the board to borrow money to meet increased capital expenditure at the charcoal iron and steel industry works at Wundowie, mainly for the purpose of building up the size of the foundry.

I do not know whether members are aware that a small foundry operates at Wundowie based on an electric furnace system. Of course, it is not very big, but it has been operating there for quite a while. The foundry employs only a few people.

We all know of the worldwide recession in the pig iron and iron ore industries, and we are aware of the fact that some of the contracts for iron ore with companies in the north have been scaled down by the purchasers. Of course, this has also affected the local company of Wundowie to a degree because naturally a recession in the purchase of iron ore affects the industry generally. The company has had its ups and downs over the years, which is natural in an industry of this type.

I would like to briefly give members an idea of what the town of Wundowie itself consists of, apart from the iron and steel industry works.

Wundowie has a population of 1,100. The works employs 380 people, but that is not taking into account contractors who cut and haul the timber from the bush for the purpose of making the charcoal. Of course, it does not take into account the business people of the town or their employees.

The houses have mostly been provided by the State Housing Commission, but quite a number of these homes have now been purchased by the occupants, so many people have an investment in this particular town.

The business centre of the town consists of a general cash-and-carry store—which includes a greengrocer's shop—a post office and agency, a butcher's shop, a small general store, a small drapery, two service stations, and a retail milk vendor.

Buildings which have been erected by the Government include a primary and junior high school, which are quite good buildings set in pleasant surroundings, a two-man police station and a court house which was only recently built, and the fire station which has a modern fire engine. The public buildings include a rather old hall which is used by the people of the town for quite a few functions. The Shire

of Northam has built a library and the Freemasons' Lodge has been built within the last five or six years.

The town also has a modern ambulance housed at the ambulance depot. The T.A.B. has an agency there, and in addition to these facilities there is a very fine modern country club. Very few clubs in the country areas of Western Australia would have better appointments than this particular club. At the moment it is a financial club—it owes no money but has funds in credit. It means a lot to the people of the town that the club is not saddled with debt.

The sporting clubs consist of bowls, football, hockey, soccer, tennis, golf, and swimming for which a swimming pool is provided. The golf club has a nice building. One main oval and one soccer oval are not particularly good or well grassed but they are very useful. The Hurricane Go Kart track is bituminised and go-kart racing takes place from time to time.

From this description members will see that this is a prosperous and modern town. Occasionally when the wind blows the wrong way the dust from the works settles on the town. Also, the workers coming home at night are a bit grubby as they work on iron furnaces and things of this nature. However, they do not seem to mind this and appear to enjoy their jobs—some of them having been employed for many years. Of course there are always transient workers in industry and there is a small turnover of staff.

In the future there is a likelihood of a mining venture taking place adjacent to the works. We are led to believe that quite good deposits of vanadium are to be found within a mile or two of the town. Western Mining Corporation holds the leases to this land, and although we do not know the intentions of this company rumours have been circulated that it is a good vanadium deposit and that this district will receive attention in the future.

The charcoal industry uses a large quantity of electricity and water and this results in revenue to the State Electricity Commission and the Country Water Supplies Department. I do not have the figures before me but I believe it amounts to quite a large sum.

I must mention that a prosperous little farming community surrounds the township. Sheep and cattle properties and several horse studs—thoroughbred and trotting studs—are serviced from the town. The people involved in rural industry are very happy to have a pleasant township adjacent to their properties.

Certain statements have been made in another place in regard to this industry and particularly this piece of legislation. It has been claimed that local foundries have to pay more for Wundowie products than they would for B.H.P. products. These statements are not correct. They would

have been correct some years ago but B.H.P. has increased its prices of pig iron and steel products whilst the Wundowie works management has kept prices down as far as possible. Today Wundowie prices are in line with all grades of B.H.P. iron.

I will quote the figures which were stated in another place. B.H.P.'s price for standard foundry pig iron, classed as F.115, is \$61.75 per ton c.i.f., and a similar quality iron from Wundowie is \$67.25 a ton—a difference of about \$5. I have the price lists of both companies here and if one looks at the price of this particular grade of steel from the B.H.P. price list dated the 5th February, 1972, the quoted price is correct at \$61.75 as stated.

On checking the figure for a similar grade of iron which is produced at Wundowie—Grade WO9 or W11—it is found that the price is the same; that is, \$61.75. So I am afraid the person who quoted the figures contained in this price list did not know the various grades of iron and therefore quoted prices on grades that were different from the grades produced at Wundowie. In regard to low-phosphorous iron, it was also said that the price of iron imported from B.H.P., ex-Fremantle, was \$63.50 a ton, and the price from Wundowie, ex-works was \$75 a ton.

I will not quote all the prices for low-phosphorous pig iron, but the price of Wundowie low-phosphorous pig iron ranges from \$63.25 to \$70.75 and not \$75 as listed. It was stated by a certain person that there was a difference of \$11.50 in the price of the grade of these two low-phosphorous pig irons, but it can be seen from the price list which I have before me that the prices quoted for pig iron produced elsewhere were absolutely inaccurate. The statement was also made that the local foundries were subsidising the local works, because of the price that was quoted. However, it can be seen now that this is not so. For instance, Chamberlains and Metters—which firms purchase this particular grade of pig iron—for three different grades, pay \$65.50, \$66.75, and \$67 a ton for pig iron purchased from B.H.P. The prices for the same grade of iron purchased from the Wundowie works were \$65.50, \$66.25, and \$67 a ton.

The cartage charges on pig iron from Kwinana or c.i.f. Fremantle and that delivered from Wundowie are much the same. These charges are about \$3 or \$2.50 a ton in both instances.

I will refer now to the profits and losses that have been made by the Wundowie iron and charcoal industry over the past few years. In the course of doing this, I will also mention the capital expenditure on the Wundowie industry. The profits and losses of works such as Wundowie, depend a great deal on world market trends. As I have stated, the sales of Wundowie pig iron locally amounted to only 5,000 tons of a total production of

60,000 tons, which means that the Wundowie works is obliged to sell 55,000 tons a year in markets in the Eastern States or overseas. In these circumstances, the trend of prices on outside markets must have a great effect on the Wundowie industry.

In spite of this fact, the works have managed to show a profit in some years, but admittedly they have shown many losses.

The Hon. G. W. Berry: How does the average work out? Has there been a profit made over the years?

The Hon. N. E. BAXTER: No, over the years the total loss has been considerable.

The Hon. W. F. Willesee: It has been a very valuable factor, however, in regard to the production of pig iron in this State.

The Hon. N. E. BAXTER: It must be borne in mind that, when the industry was first established, second-hand plant taken from the Chandler potash venture was installed. Over the years the story has been a question of improvisation to keep the old second-hand plant working and gradually to add to it as the circumstances warranted. This is a costly method of building up any industry. If, in the first instance, a pilot plant had been installed complete with modern machinery, perhaps the story today would have been different, but the cost factor of keeping old second-hand plant working has been considerable, and to a great degree has contributed to low production and increased costs which, of course, mean that losses must be incurred from time to time.

It is a credit to the management that over the years the industry has shown any profit and in later years any profit made has been as a result of a new furnace being installed to increase production, because of a greater demand for pig iron in European markets. The market still exists, but the demand has decreased slightly.

Wundowie is doing an excellent job in producing pig iron. A great deal has been said about new methods being used to produce pig iron, but at Wundowie grades of pig iron are still being manufactured which are not manufactured at other steel mills. The reason for this is that the high-grade pig iron produced at Wundowie is not available from many smelting works.

Despite the fact that we hear a great deal about decentralisation in this State, we have not been able to do much about it, mainly because in our country areas there is a lack of raw products to establish industry. This applies particularly to the South-West Land Division. I make no references to the north, because in those areas we have established the large iron-ore ventures. Except for a few places in the South-West Land Division a great

problem exists in trying to establish industries for the reason I have already stated. Only a few odd places in the south-west offer opportunities to make it possible to establish large industries.

Therefore, when we have an established industry such as that at Wundowie, even though it is losing some money, we should make every effort to place it on a firmer basis to ensure that it shows a profit every year. Even if it broke even it would still be of value to the State because, as I have already mentioned, the industry supports a large population in the surrounding area. It would be a great pity if the industry were allowed to go out of existence. Even though more money would require to be spent on capital works I still believe it is worth while to keep the Wundowie iron and steel industry in existence.

Speaking of the estimated losses, I believe that the anticipated budgeted loss during this current year is about \$358,000. This sounds a considerable sum but when we consider the inflationary trends of the present time, particularly the continual increases in wages, it will be found that of the loss estimated, \$250,000 will represent wage increases. Hand in hand with these increases, of course, are the increases that occur in the price of raw materials which must be purchased if these works are to continue in production. The increases in the price of raw materials, I believe, amount to about \$100,000. Therefore, these two amounts alone represent \$350,000 of an estimated loss of \$358,000 by the works in this current year.

If we look at the picture fairly and squarely we will realise that these are the big factors which are affecting not only Wundowie, but also many other businesses. When such an industry is in a competitive market with big companies like B.H.P. it cannot increase prices because if it did it would not find a market. Consequently it is natural that the increases in salaries and wages and the cost of raw materials will result in the accumulation of a fairly big loss.

It is strange that for four years prior to this year the company made a profit. It is not very strange really when we take into consideration the wage and salary increases and the increases in the cost of raw materials to which I just referred. If these increases had not occurred the industry would be close to breaking even this year and might have made a marginal profit.

It must be remembered that the industry is paying interest to the Treasurer on the capital expenditure. The amount is in the vicinity of \$71,000 a year, and this again is a big factor affecting the profit-making ability of the industry.

The Hon. G. W. Berry: What was the accumulated loss?

The Hon. N. E. BAXTER: Several million dollars.

The Hon. G. W. Berry: The \$350,000 was for last year?

The Hon. N. E. BAXTER: No, it is this year's budgeted estimated loss.

I have already referred to capital expenditure and the installation of a new furnace in recent times. The management has also spent some \$80,000 in the last 18 months to counteract pollution. It has built six or seven dams to settle the liquid which comes from the works. I do not know whether members understand the procedure, but a lot of water is used in these works and a lot of waste comes from the wood when charcoal is produced. These include tars and acids. I have been on the receiving end in this regard because a brook runs through my property. The residue is pretty nasty and is mostly black. The stock certainly do not like it.

The management has consequently had to cater for pollution from this angle alone and, as I have said, it has spent altogether \$80,000 to keep pollution in check. It is not easy for the management to run works like these when it must face all these problems. We all know that in any agreement made between the Government and a company, pollution is one of the important factors which is taken into consideration. The alumina companies have had to install expensive dams for the effluent from works so that the countryside is not affected. This has been the situation also at Wundowie.

The provision of funds to allow the foundry to be modernised and built-up will be a good move because it will give the management an opportunity to exploit markets for foundry products. It is proposed that the industry will manufacture mainly grinding media and repetition castings for export. The grinding media are grinding balls used in the crushing of iron ore etc., and it has been stated that a limited market exists for grinding media in this State. This is true, but at the same time grinding media have been sold to this State by various companies in South Australia and I understand this is still the case. Consequently the local foundries producing grinding media in this State are not getting all the market for some reason. This indicates that Wundowie could, if it manufactured grinding media, obtain a market in this State and help in the trade balance between Western Australia and South Australia.

It was stated in another place that if this foundry expanded it would affect the metropolitan foundries and, because of this, it would result in 300 unemployed workers. I do not believe this is so. It is not the intention of the Wundowie management to enter into the field catered for by the metropolitan foundries. They are working mostly on jobbing foundry work for other companies in the metropolitan area. They are mainly small

orders for job castings and Wundowie is not interested in this work. It is interested in the big orders so it can manufacture quantities of grinding media and repetition castings which the other foundries do not manufacture. I am therefore led to believe that, as a result, the foundries in the metropolitan area will not be affected in the slightest way and, in turn, the employees will not be put out of work.

I have already indicated that Wundowie manufactures 60,000 tons of pig iron, but of this only 5,000 tons is sold to local foundries. However, because of that 5,000 tons Wundowie will not want those local foundries to go out of business.

I dealt a little earlier with the world market. At present the future of the world iron market is very hard to assess just as 12 months ago it was hard to assess the wool market. However, a lift has occurred in the wool market and I believe the same will occur in the iron market. The present phase is a passing one and is a world-wide trend as a result of the present recession. Therefore, I believe that we can look forward to an increase in sales throughout the world, and particularly in iron. I do not believe the present situation will continue for very long.

If we are not prepared to take a little gamble and try to do something to help the industry by giving it power to borrow money in order that it may become a profitable business, we will be failing in our duty. This is not the only egg in the basket. The industry has interests in pig iron, the foundry, and a timber mill. It is not a case of just one particular product in which the industry is involved.

The industry is an asset and I believe the House should support this Bill in order to give the works an opportunity to continue to operate in the interests of the State, the employees, and the district, and to keep the industry prosperous.

Debate adjourned to a later stage of the sitting, on motion by The Hon. J. Dolan (Minister for Police).

CRIMINAL CODE AMENDMENT BILL

Assembly's Message

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

TRAFFIC ACT AMENDMENT BILL

Returned

Bill returned from the Assembly without amendment.

STATE HOUSING ACT AMENDMENT BILL

Second Reading

Debate resumed from the 10th May.

THE HON. G. C. MacKINNON (Lower West) [11.40 a.m.]: As the Minister would no doubt be aware we have no intention of opposing this Bill, though there are a number of matters I would like to discuss.

Firstly, members might have been a little surprised at the extreme length of the Minister's explanation. It might be handy to know that the great bulk of the explanation was in actual fact an answer to a series of questions asked by Mr. O'Neil in another place.

We could say that these were purely frills of the general explanation, because this Bill would certainly not warrant some 33 pages of explanation. The opportunity was taken to deal in some detail with a series of questions that had been asked relative to certain actions in connection with state housing in recent months. Accordingly this great amount of detail was given to the House; which is probably just as well anyway.

As was explained, the Bill does a number of things: Firstly it increases the entitlement. The eligibility for a house has now been changed and the set amount which had to be amended from time to time by the passage of a Bill through the House has been taken out of the parent Act and it is now left to ministerial discretion. This will probably be done annually.

The ministerial discretion is to an extent circumscribed by the recommendation which must be received from the Housing Commission, and it is necessary to bear in mind that in this context the commission means the Manager of the State Housing Commission and one other officer; one public servant, other than those two; one worker, one builder, one woman, and one ex-serviceman, and the Minister shall not fix any amount which is less than an amount certified by the Commission which is to include the greatest amount of salary, wages, or income payable at that time.

I am not sure whether or not this is to include overtime but I rather think it does, or it certainly can. Perhaps the Minister could clear our minds on this point—whether or not it includes overtime, travelling allowance, tool allowance, and the like.

The Hon. J. Dolan: Which clause is that?

The Hon. G. C. MacKINNON: I am referring to clause 3. This particular move by the Government is quite a worry because it is of no earthly use whatsoever unless a considerable injection of finance covers the move.

On present trends and on a reasonable sampling of public opinion it is highly likely that in 1974 there will be a change of Government. We can see the situation at a glance; that the Minister concerned

will be in the position in which the Minister found himself a few years ago when the backlog of housing requirements was utterly and completely impossible to solve by the simple expedient of increasing the entitlement.

We are aware, of course, that among the many promises which Mr. Tonkin made prior to the last election was one which stated there would be a great increase in the amount of money injected into the State Housing Commission to help solve the problem of housing shortage; though the problem did not exist at that time; but this did not seem to bother those who enunciated this policy.

In the circumstances it is interesting to note—and I am sure members will be interested to hear—that the capital expenditure for the last financial year—that is 1970-71—was \$46,813,493; whereas the capital expenditure for 1971-72 is \$39,430,000; which is \$7,038,000 less, in fact.

The Hon. F. D. Willmott: Is that an increase?

The Hon. G. C. MacKINNON: If it is, it is a most peculiar increase. I do not know whether we should call it an Irish increase or a Dutch increase. Perhaps we might content ourselves by calling it a Labor Government increase.

In case anyone might imagine that this has been taken up in extra wages let me hasten to disabuse the minds of members and say that the total expenditure of the State Housing Commission in the housing field amounted to \$80,276,517 in 1970-71; whereas in 1971-72 it amounted to \$61,706,000 which, in total expenditure is a decrease of \$18,057,000; and this despite the promises made by the Premier in so short a time as 15 months ago, that a massive injection of extra money was to be made into the State Housing Commission in order to solve a problem which had in fact, as I have already mentioned, been solved by Mr. O'Neil and the previous Government.

So we are faced with two serious problems which will compound this serious difficulty. We have the situation of a very widely increased entitlement in State Housing, including all tradesmen—and on a generous reading of clause 3 that could mean an income of, say, \$100 a week; because the provision states not less than the amount as the commission certifies in writing to the Minister to be the greatest amount of salary, wages, or income payable at that time to any tradesman within the metropolitan area of Perth.

I know tradesmen who are getting in excess of \$5,000 a year; I know them personally. Accordingly, is this not a tremendous widening of the entitlement?

This automatically means there will be a greater demand for State Housing if these people are to be given their entitlement; and it must naturally follow, of course, that the Housing Commission must have more money, whereas in actual fact it has already cut down its expenditure.

We can therefore see that with the passage of this Bill—and I have already said there is no intention to oppose it—more people will apply, the list will become longer, and the problems will become greater unless more money is injected. There seems to be no sign of that and, on past performances, there is certainly no indication that it will in fact be available.

I sincerely hope the money will not be made available by the simple expedient of transfer of funds, as was done many years ago. I am thinking back to the time when Mr. Graham was Minister for Housing. He virtually bankrupted the Treasury in order to have houses built, with the result that the cost of houses was increased most markedly. There is no doubt about that. I was obliquely involved in this industry at that time and I know that housing officers were going around the country begging builders to lodge tenders, irrespective of price. Builders were actually lodging tenders as a favour—

The Hon. L. A. Logan: I was wondering where you got all your money.

The Hon. G. C. MacKINNON: I did not make any, actually. The builders were lodging tenders as a favour, knowing that no-one with any brains at all would accept the tenders; but the tenders were accepted by telegram. Of course, tenders written out under those circumstances were frequently loaded, and the costs of housing went up. At the time about which I am speaking most of these houses were framed fibro structures with a verandah at the back on which was a laundry at one end and a toilet at the other. That was the standard country house built for the State Housing Commission at that time. The houses jumped about £500 in cost because builders had to add much more in the way of capital expenditure. We do not want to revert to that sort of situation.

The planning involved in this Bill worries me, but that is not the only aspect of the administrative activities of the State Housing Commission at the present time which would lead a professional business person or one who had any pretence to professionalism in administration to worry. I will deal with that later.

Certain aspects of this Bill have been necessitated because all home building will in the future come under this Act. This has not always been so. Previously, much of the building came under the control or was carried out under the authority of the Commonwealth-State Housing Agreements. As the Minister has explained, those agreements have ceased

to exist, so the State Housing Act is now being amended to include both rental and purchase homes. Previously, all the homes built under the Act were essentially purchase homes, although there were exceptions. Rental homes were built under the agreements, which no longer exist.

Much of the speech contains criticism of the Commonwealth Government with regard to the lateness of the last arrangements that were made. The previous Government was also vocal in its criticism on that issue. Certain aspects of this Bill have been necessary in order to validate actions which have been taken because the State Housing Commission could not just stop building homes. It was known the Commonwealth would have to bring in some new financial arrangements so the commission carried on.

Naturally, the Commonwealth Government, which is the main tax-collecting agency for the people of Australia, went on collecting taxes, and the State Housing Commission and the Government were entitled to expect that as the Commonwealth had some of the Australian taxpayers' money it would hand it back by building houses.

I hope I have made clear my philosophy on this matter. We hear a little too much about Commonwealth money, State money, and the rest of it. The money is the property of the Australian taxpayers, and the mere fact that it happens to be collected by one agency and spent by another does not, to my mind, give the collecting agency the right to say precisely how it should be spent.

This is a criticism which also runs into many other fields—a criticism to which I think we should be paying more attention because recent statements emanating from Canberra seem to me to indicate that the people who have great ambitions which they expect to be fulfilled in November, this year, are more centralist than any previous Australian Government has been. I fear for the controls they might exercise in the spending of money which they regard as theirs merely by virtue of the fact that they have the authority to collect it. It is like a rent collector who collects rents on behalf of an estate agency claiming the money belongs to him rather than to the agency for which he collects. I have never been able to follow that line of reasoning.

I revert to the different types of houses that will be built. Because of the cessation of the agreement, the rental houses will now be built under this Act, and permission to rebate rents has been carried into the Act. The commission may authorise the reduction of rents ordinarily payable under a tenancy agreement. That provision is contained in clause 5. Again, this was inherent in the agreement—not in the parent Act—so it has to be carried over into the Act.

The proposed new part contains financial arrangements necessary to replace the arrangements operating under the Commonwealth-State agreements. As I mentioned earlier, the new part contains the validating provisions which are necessary because the agreement ran out of time in June, 1971, and the State Housing Commission had to continue. In his speech and the extra answers, one might call them, to the questions asked by Mr. O'Neill, the Minister has explained that aspect very fully.

The amount which may be loaned under mortgage conditions has been increased from \$8,000 to \$9,000. This is now in line with the war service homes scheme. I imagine this has been necessitated by the increase in housing costs and the constant need to upgrade homes.

I would like to mention a difficulty in connection with this matter. It is not a difficulty that will be apparent as regards the new group which will be brought into the State Housing Commission scheme. The matter I will briefly mention is a very real difficulty in regard to the bottom bracket of the low-income earners—those who are now eligible. No Government, irrespective of its colour, can afford to build or should build substandard homes.

Houses improve over the years as the materials available improve; but unfortunately they cost a little more. So we are faced with the situation which we find in different State Housing Commission estates where the minimum house which can be built in conscience is still, in fact, priced beyond the means of the people who occupy it. In some cases, of course, this situation can be catered for. We have the case of widows, unemployed persons, and the like who receive a rebate in their rent.

However, in some of the estates which are slightly removed from the normal bus route a motorcar is an essential part of everyday life. It is no good arguing about that because the motorcar has become essential. Quite frequently a young unskilled labourer is able to purchase a motorcar prior to his marriage; but to run the car still costs money. Such a person finds himself in a State home in which all his appliances operate on gas. Nowadays everything is gas—the hot water system, heating, etc.

The Hon. W. F. Willesee: You are right. Ninety per cent. of the gas emanates from quite close to here.

The Hon. G. C. MacKINNON: It is also pretty expensive, I suppose. However, if the house is not fitted completely with gas appliances then it is wholly electric. No longer can these people go out and collect firewood—it is getting harder to collect anyway—because they have no need for it. So their bills for heating, cooking, and the like are high and they find themselves in financial trouble.

Only recently in Bunbury there was a meeting of the people who reside in the Withers estate. It was reported in the Press at the time. This matter was discussed at the meeting. Strangely enough this is a difficulty which is experienced not only by Governments but by charitable organisations which build homes.

It is very difficult to keep the costs of facilities down to a level which people who want to use the facilities can afford to pay. If, for example, a hostel is built in the metropolitan area to cater for economically depressed or low-income groups, the present health regulations do not allow that hostel to be built to the standard of 10 years ago. Therefore, automatically the capitalisation is markedly increased and so, of course, are the running costs.

So the State Housing Commission, by virtue of the fact that it is doing the best it can for the people, is frequently creating hardship for the very people it is trying to help. I think Mr. Willmott and, indeed, Mr. Syd Thompson and Mr. Perry will remember the situation of the people at Darkan and other mill towns. State Housing homes were required in those towns but it was a complete waste of time building them because the local people could secure a mill house for \$1 a week, and they also received their firewood free; whereas at the very least they would be required to pay \$15 a week for a State Housing Commission home.

Despite the fact that most people would not, of choice, normally want to live in a skillion roof house built 20 years ago, the people in those towns say that they had a golden opportunity to live in a house for two years at a rental of \$1 a week. What does it matter that it is an old house when one is young? Probably a young person could live in a tent for some time.

The Hon. W. F. Willesee: Tents are quite comfortable.

The Hon. G. C. MacKINNON: Yes. They are prepared to do this to save money. When one is young and just married why not take advantage of such an opportunity? I see Mr. Syd Thompson is nodding his head; he understands the problem. It is indeed a problem to erect good quality homes in such towns because frequently they must be let at a sum which is \$10 or \$12 a week more than that required for a mill house in which young couples—teachers, and so on—may live for the two years they are stationed in a town. This problem is inherent in many of the estates that have been developed.

The other matter to which I would like to draw the attention of the House is this mystifying use of building societies. As mentioned by the Minister, the needs of State Housing Commission applicants are assessed by the commission. First of all it must be borne in mind that the applicant is entitled to a total loan from

the commission at a rate which is lower than that which can be obtained anywhere else. The deposit may be as low as \$200 and the applicant is entitled to a loan over a term of 45 years. However, instead of that, applicants are sent to building societies to whom in theory a percentage of money has already been given—but not in actual fact because I understand it is retained by the State Housing Commission, which receives the interest on it.

The applicants are sent to the building society and they find that the minimum deposit is, say, \$800 and the maximum term available is about 30 years, depending on their age. The interest rate is about 1 per cent. to 1½ per cent. higher than the commission interest. An applicant may buy a house through the building society instead of through the State Housing Commission, as he is entitled to. In such a case we could find a situation in which if a man is, say, 50 and has only 15 years until he retires and is entitled to a loan extending over 45 years from the State Housing Commission, the maximum term he will receive from the building society is only 15 years.

It seems to me to be justified not to consider the total cost of the house; but we must consider the impact on the worker; and, of course, that impact is his weekly rent. If members care to read questions and answers in *Hansard* they will find that under this recently introduced procedure some workers are paying \$15 to \$16 a month more for their houses than they would if they bought their houses through the State Housing Commission. Despite my criticisms I am prepared to support the Bill.

Debate adjourned to a later stage of the sitting, on motion by The Hon. W. F. Willesee (Leader of the House).

(Continued next column.)

The PRESIDENT: I propose to leave the Chair until 2.15 p.m.

LEADER OF THE OPPOSITION: LEGISLATIVE ASSEMBLY

Retirement: Suspension of Sitting

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [12.06 p.m.]: Mr. President, before you leave the Chair I would like to take this opportunity to say that an announcement of great import is to be made in another place and, out of sheer respect for the person concerned, I would like the members of this House to have the opportunity to participate.

THE HON. A. F. GRIFFITH (North Metropolitan—Leader of the Opposition) [12.07 p.m.]: I would like to record my appreciation of the action of the Leader of the House in asking you, Mr. President, to leave the Chair for this occasion. The Leader of the Parliamentary Liberal Party

(Sir David Brand) intends to announce his retirement. I appreciate very much the action of the Leader of the House through you, Mr. President, to give us an opportunity to be present in the other Chamber when Sir David makes his announcement.

The PRESIDENT: It gives me great pleasure to accede to the request.

Sitting suspended from 12.09 to 2.15 p.m.

STATE HOUSING ACT AMENDMENT BILL

Second Reading

Debate resumed from an earlier stage of the sitting.

THE HON. CLIVE GRIFFITHS (South-East Metropolitan) [2.16 p.m.]: I do not intend to speak as extensively as Mr. MacKinnon has spoken on this Bill. I give it my unqualified support.

I will content myself with speaking about clause 3 of the Bill, which extends the eligibility conditions in regard to income applying to people who are seeking assistance from the State Housing Commission. I commend the Government for taking this action because it is a step which I believe is long overdue. It will assist people who, unfortunately, find themselves in the situation of having no alternative other than to approach the State in regard to their housing requirements.

However, I agree with Mr. MacKinnon's comment that unless the Government intends to inject more finance into housing there will be a dramatic increase in the number of eligible people on the waiting list and in the time they will have to wait for assistance. This is offset to a degree by the fact that assistance may now be extended to people who in the past found themselves ineligible because they were earning a few dollars a week above the stipulated maximum income.

I think we would all agree that the permissible income applying at the moment is not practical in this day and age. It has meant that many people have found themselves ineligible to benefit from assistance from the State Housing Commission. Many people who have approached me in the last few years have found that they were earning only \$1 or \$2 more than the permissible wage.

It therefore seems to me to be a step in the right direction that provision is now being made for periodical reviews of the criterion in regard to income. For that reason I commend the Government for introducing the provision, and at the same time I hope it intends to inject further funds into the State Housing Commission so that the waiting list and the waiting time that apply at the moment will not be extended.

Mr. MacKinnon has dealt in detail with all the other provisions in the Bill and I agree with the comments he made. However, I wanted to go on record as being in support of this very important amendment in clause 3 of the Bill. With those remarks I support the Bill.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [2.21 p.m.]: I sincerely appreciate the remarks that have been made in connection with this Bill. Mr. MacKinnon dealt with it in detail and in depth, and, I think Mr. Clive Griffiths has hit upon the focal point of the measure.

If we widen the eligibility requirements of State Housing Commission applicants we must also increase the finance to be made available to them. I can merely pledge my support of that situation; I cannot promise any results. Mr. MacKinnon raised a point about the criteria applying to the total wage. I believe this is based on the wage of an electrician, who is about the number one tradesman—as Mr. Clive Griffiths will agree.

The Hon. Clive Griffiths: I'll say.

The Hon. G. C. MacKinnon: Do you mean that anyone as affluent as Mr. Clive Griffiths has an entitlement?

The Hon. W. F. WILLESEE: Were it not for the State Housing Commission Mr. Clive Griffiths would not be a millionaire today—

The Hon. Clive Griffiths: Fair go!

The Hon. W. F. WILLESEE: —or at least a semi-millionaire.

The Hon. G. C. MacKinnon: At least you have stopped him interjecting. That is one up for you.

The Hon. J. Dolan: He did not know people knew he was so wealthy.

The PRESIDENT: Order!

The Hon. W. F. WILLESEE: I accept your call for order, Mr. President, and commend the Bill to the House.

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.

Third Reading

Bill read a third time, on motion by The Hon. W. F. Willesee (Leader of the House), and passed.

TOWN PLANNING AND DEVELOPMENT ACT AMENDMENT BILL

In Committee

Resumed from the 10th May. The Deputy Chairman of Committees (The Hon. F. D. Willmott) in the Chair; The Hon. J. Dolan (Minister for Police) in charge of the Bill.

Clause 3: Section 20 amended—

The DEPUTY CHAIRMAN: Progress was reported after clause 3 had been partly considered.

The Hon. J. DOLAN: Last night Mr. Medcalf asked whether I was prepared to get an assurance from the Minister for Town Planning that as far as amalgamations are concerned no dedication of land for public open space would be required. I saw the Minister, and he is quite prepared to give that assurance. I would also say that I feel close liaison is required between the Town Planning Board, the developer, and also the local authority so that the approval of any proposition is expedited. I trust my explanation satisfies Mr. Medcalf.

The Hon. I. G. MEDCALF: I thank the Minister for obtaining an assurance that a condition will not be imposed requiring the provision of public open space in connection with amalgamations under section 20 of the Act. I appreciate the attitude of the Minister in deferring the matter and reporting progress last night. Such co-operation is indeed welcome and appreciated.

The Minister also said he would seek co-operation to ensure that there is no delay on the part of local authorities, etc. I appreciate the fact that the Minister has understood the point we were endeavouring to make; that is, we were afraid this legislation would cause undue delay. Therefore, I do not propose to object further to the first part of this clause, although I will have more to say on the second part in a moment.

The Hon. CLIVE GRIFFITHS: I agree with what Mr. Medcalf has just said. The clause contains another provision which is of some concern to me. This will bring about a situation where, instead of a subdivider having to initiate a move to pay cash in lieu of the surrender of his land for public open space, the board or the local authority concerned will be able to initiate such a move. I certainly oppose that part of the clause, because it introduces a very unsatisfactory state of affairs which will affect both the large and the small subdivider.

Surely it ought to be the prerogative of the owner of land to determine whether money be paid or land be surrendered. Under the latter provision in the clause a local authority will have the power to require a subdivider to pay 10 per cent. of the value of the land in lieu of the surrender of one-tenth of the land.

Another aspect is that the local authority might expend money on the provision of public open space in an area far removed from the subdivision which has contributed the money for that purpose. Therefore the expenditure of that money would not be in the interests of the particular subdivider.

Another aspect is that no provision is included in the Bill to prescribe the period within which a local authority must expend the money which has been contributed by subdividers. Indeed, a local authority might decide to hold onto the money for one or two years. With the inflationary trend of money values a subdivider in paying 10 per cent. of the value of the land would be penalised.

There is also another aspect. In the past the small subdivider has been exempt from the provision in this clause, because land of less than 2½ acres in area has been exempt. Under the Bill these small subdivisions would be covered, and a local authority could demand from a subdivider 10 per cent. of the value of the land. This would work against the small landholder.

A couple might own half an acre of land on which is erected a house. They might decide to subdivide the land into two lots, and give one to the children. Under this provision when the land is subdivided the local authority can demand 10 per cent. of the value of the land in cash. From that point of view that part of the clause should be rejected.

I would now like to quote from a letter which I have received, and which has a bearing on this provision. It states—

A subdivider is now required to hand over 10 per cent. of his land holding on the capital cost of which he has had to pay interest for years together with rates and taxes and to lose 10 per cent. of the land represents a greater sacrifice than any other type of business is called upon to pay. In a subdivision I am currently developing, the value of the land to be given will amount to \$220,000 plus the interest and rates and taxes paid on the land in its broadacre period. The only redeeming feature to a subdivider is that if he has held the land for some years he may have purchased it cheaper than its present day value and his cash out-of-pocket loss is thereby eased to some extent. But if he is going to be required to pay for recreation space at current broadacre value and has to find \$220,000 in cash at the whim of some local authority, this will surely be one of the final nails in the coffin of many subdividers.

This provision could affect even large subdividers. It might be imposed on a subdivider who does not have the ready cash to pay, but who is prepared to surrender 10 per cent. of the land. In many instances a subdivider is not in a position to pay the money until he has subdivided the land and sold some of the blocks. For that reason I voice my objection to the latter part of the clause.

The Hon. I. G. MEDCALF: I regard this provision far more seriously than I do the earlier provision in the clause, and I am

satisfied that as a result of the intervention of the Minister the defect in the earlier provision has been rectified.

The latter portion of the clause is far more serious. In future it will apply to small subdividers as well as to large subdividers. We know that in the past it was not worth while to impose the 10 per cent. requirement on small subdivisions, for the simple reason that a local authority would not be able to make use of, say, one-tenth of a half-acre subdivision; therefore the condition was not imposed.

We know the condition would be imposed on small land owners from now on, because the Minister said so in his second reading speech. Under this amendment in the Bill a small land owner may be required by the local authority to pay 10 per cent. of the value of the land in cash, in lieu of surrendering land for public open space. What it means is that local authorities do not want the owners of small subdivisions to surrender their land, but they will require the payment of 10 per cent. of the value of the land. A local authority will not be able to discriminate between subdividers. It cannot elect to impose the condition on one subdivider, and not on another.

That is against justice and common sense. In practice, laws cannot be administered that way. The provision will mean that a small land owner must be charged. It will be an added imposition because every small owner will be charged an additional 10 per cent. It will not be possible to discriminate between different owners, and the price of land will be increased as a result. I oppose the provision for that reason alone, if not for any other.

The Hon. J. DOLAN: I feel that the two members who have spoken have fitted their arguments to unusual circumstances. There are many people who have small areas of land on which they erect multi-storied flats. The people who occupy those flats have to be catered for, as regards public open space, and I think it is quite reasonable in those circumstances that the subdivider should be expected to pay his share towards those facilities which have to be provided by local government. I have already read to the Committee the notes prepared by the Minister and his advisers. The clause provides that the subdivider may pay; there is no compulsion. I think in most cases the subdivider would welcome this provision.

The Hon. I. G. MEDCALF: It does not say "may", it says "shall".

The Hon. J. DOLAN: Would the honourable member be satisfied if we substituted the word "may" for the word "shall"? I think the position which the provision occupies in the Bill is indicative that there must be agreement before the requirement is made. I think it is a reasonable proposition.

The Hon. CLIVE GRIFFITHS: I do not know about the rare cases to which the Minister referred. The subdivision of land on which to build a block of flats could well be a rare case. I refer to the undertaking given by the Minister on behalf of his colleague in another place that when land is amalgamated it can be done without the condition to provide public open space.

If that condition is good in one situation, then it ought to be good in another situation. I refer members to the contents of the Bill which state that a subdivider shall, within the time specified, make the payment. There is no such thing as "maybe". For this reason I am opposed to the provision.

The Hon. G. C. MacKINNON: Until the Minister spoke a few minutes ago I was quite certain that the prerogative of the right to decide had been taken away from the subdivider and placed in the hands of the Town Planning Board in conjunction with local government. I refer to the decision as to whether money or the land was to be given. I believe this to be unjust. The subdivider of a fairly large area might have a specific plan in mind whereby he wishes to develop a particularly attractive area. With the Act as it now stands, if the area of land referred to represents 10 per cent. of the subdivision, everything would go ahead swimmingly.

As I understand the amendment, in future that right will be taken away from the developer. The local authority may say, "We do not want land; we want money." I appreciate it reads that the owner of the land may, in lieu thereof, pay to the local authority a sum which represents the value of the portion, but clause 3(b) reads as follows:—

as to subsection (4), by inserting the words "and shall within the time specified in such notice if the local authority by notice in writing so requires"

Mr. Dolan has pointed out the possibility of two interpretations. If agreement has been reached that the subdivider is to pay the money, then there is a time limit. That is a possible interpretation. However, I believe the other interpretation is open; that the owner may give land or money unless the local authority decides that it is to be money, in which case the subdivider has no option.

I do not know whether our Interpretation Act or the normal judicial interpretations have qualified this point to the stage where we can accept one or other of the interpretations. We may have to wait for litigation. In the back of my mind I have a feeling this has been discussed previously in the Chamber and that the word "shall" is in fact subordinate to the word "may." In other words, the word "shall"

is dependent upon the word "may"—the imperative is subordinate to the permissive. However, I am not sure and I feel it is a very important issue.

In country areas a developer may wish to subdivide an area to build houses. I have known of occasions where a subdivider is interested in some particular activity and will make a voluntary contribution of land. I can think of two subdividers in Bunbury, one of whom gave land to the Boy Scouts' Association and the other gave land for a school. Now these developers could find themselves having to fork out money before sales are made and, of course, in country areas sales are slow. This would be an injustice to the developers and it is important that we clear this matter up.

The Hon. I. G. MEDCALF: I do not feel there is any room for doubt in this case—it is clearly intended that the subdivider's option will remain if he wishes to exercise it. However, it is superseded if the local authority requires payment. I would like to quote from the Minister's second reading speech where this point is made quite clear. It reads as follows:—

Clause 3 (b) contains the third amendment and this relates to public open space contributions by subdividers. The Act provides—

This refers to the present Act without any amendment. It continues—

—that where the local authority and the Town Planning Board approve, a subdivider may pay a cash equivalent representing the value of his open space contribution—usually 10 per cent.—in lieu of contributing the land. The initiative for making this alternative arrangement rests with the subdivider.

And I add the comment here that the Minister has made it clear that the initiative for the present arrangement of converting a requirement of open space into cash rests with the subdivider as the Act now stands. We are proposing to add some words, and this is the Minister's comments on the future position: He says—

There are many occasions when a cash contribution would enable a local authority to acquire a large area of open space in a particular neighbourhood instead of having a poorly located reserve. A further consideration is that subdividers of small areas—usually less than two-and-a-half acres—are not called upon by the board to make a *pro rata* contribution to open space reserves although the occupants of the new lots will themselves create a demand for recreational facilities. This amendment to section 20 will enable the board to require a payment in lieu of a land contribution.

I am sure that this means that when this Bill is enacted the subdivider still has the right to make a cash contribution instead of public open space if he wishes to, provided the local authority approves. However, in future, if the local authority wants the money he must conform to that requirement—in other words, the local authority may demand the money.

I will summarise the actual requirements of this section as it will be if it is amended. Firstly, the board will approve a plan of subdivision on the condition of the setting aside of 10 per cent. of the area for open space. Secondly, the local authority may approve a financial contribution in lieu of open space. Thirdly, the Town Planning Board approves the financial contribution in lieu of open space; and fourthly, the local authority requires payment of cash in lieu of open space.

I have omitted the situation Mr. MacKinnon referred to of the subdivider having the option to pay if the local authority wishes him to do so. That is the law and it is not necessary to deal with it further.

Taking the first step, have we any reason to doubt the Town Planning Board will lay down this condition in all cases? The Minister has suggested that subdividers of small areas sometimes avoid making any contribution and so it is quite apparent that in the future these subdivisions will attract a payment. How can we make fish of one and flesh of the other?

Secondly, the local authority has to approve of a contribution, and thirdly the Town Planning Board has to endorse that approval. Finally the local authority can say, "We require payment of the 10 per cent. within such and such a time."

I do not think the case referred to by Mr. MacKinnon is so far away from reality. This is the case of a farmer who wishes to subdivide a property on the edge of a town, as frequently happens. As I see it, the local authority will require a 10 per cent. contribution of money as there is obviously a great deal of open space in those country towns. Also affected will be the owner of a half-acre of land who wishes to subdivide it into two quarter-acres, with his own home on one of these.

In his case his subdivision will include not only the new quarter-acre block but his original quarter-acre block will also be shown on the subdivision. Admittedly the value of his house will not be taken into consideration. The total value of the land will be the total value of the land on which his house stands together with the value of the other block. That is the value on which the 10 per cent. will be assessed.

The 10 per cent. will vary substantially, and unless we make fish of one and flesh of the other everybody will be forced to pay 10 per cent. in cash. Will not that increase the price of land? It must do. I can appreciate the argument that there

are certain areas which may need more open public space but I do not think this is the right way to obtain it.

The Hon. F. R. WHITE: In his second reading speech the Minister confused the whole intent of the amendment which, in effect, says if the Town Planning Board does lay down a condition that subdivision for public open space be provided then the owner may elect to pay the amount in cash in lieu of the land. That is what exists at the moment; it will not be changed in the amendment. The amendment says that if the owner has elected to pay cash in lieu then the local authority may prescribe a time within which this money must be paid.

This provision for having cash in lieu of public open space is a recent provision, because we find that in the mid 1960s provision for public open space was made as a condition by the Town Planning Board for a subdivision; but there was no means by which money could be taken instead. So it was around the 1960s that the cash-in-lieu provision really came in.

At all times the Town Planning Board has had the right to lay down any conditions it wished in regard to public open space, but if we look at section 20(1)(a) of the parent Act we find that the Board may give its approval under this paragraph subject to conditions which will be carried out before the approval becomes effective.

This 10 per cent. required for public open space is a matter of policy. There is nothing laid down in the legislation that this must be 10 per cent.—it is the policy adopted by the board and, in addition, the board has adopted a policy that it will not elect to place this condition on lots of land which are under 2½ acres.

Under our legislation, however, there is nothing to prevent the board from doing that now or from doing it in the future; nor was there anything which might have prevented it from doing this in the past.

The Minister's amendment does not alter the existing situation apart from giving the local authority time in which it can demand cash in lieu—if the owner of the land has elected to pay cash in lieu—and this must be paid in a prescribed time.

In regard to what I might call "all this other nonsense" there is no doubt that it has resulted from what the Minister said in his second reading speech when dealing with clause 3(b) where he stated what Mr. Medcalf recently read out, to the effect that this amendment to section 20 will enable the board to require payment in lieu of land contribution.

In my view that statement is quite false in regard to the legislation before us. The board has always done this, it can do it at the present time, and it can continue to do it if its policy lays this down.

The amendment provides that if a local authority says it is agreed that cash in lieu must be paid, it must be then paid in a prescribed time. That is all there is to it.

The Hon. J. DOLAN: Before Mr. White spoke I had the feeling that if these words were placed at the end of the subclause it would make all the difference; there could then be no doubt that the situation would be exactly as Mr. White has said.

I agree, of course, that the notes provided for me by the Minister say that this amendment to section 20 will enable the board to require this payment in lieu of land contribution within 28 days—that is, after the formalities have been agreed to. The fact that it has been placed after the word “thereof” has, I think, conveyed a false impression. It is stated that the owner of the land may do this, and that gives him an option whether he wants 10 per cent. taken or whether he wants to pay cash.

The Hon. I. G. Medcalf: What about the word “shall”?

The Hon. J. DOLAN: As Mr. MacKinnon said the word “shall” is subordinate in this case.

The Hon. G. C. MacKinnon: I did not say so; I merely asked the question.

The Hon. J. DOLAN: I agree with Mr. MacKinnon that the word “shall” is subordinate to the word “may,” but if we can move it from its position after the word “thereof” and place it at the end with a little variation in the verbiage it will perhaps satisfy the members concerned.

The Hon. CLIVE GRIFFITHS: I again disagree with the Minister and with Mr. White. The Act states that the owner of the land may in lieu thereof pay to the local authority a sum which represents the value of the portion.

This amendment says that the owner of the land may do the same thing and adds that he shall do it within the time specified if the local authority in writing so requires.

The extra provision is added that providing the local authority does not require he shall do this, the owner may still do it. The addition of this provision to the clause does exactly what the Minister's notes says; it will provide this opportunity, if the local authority says, “You shall pay this”—it takes away the owner's prerogative and he “may” do so if he decides to do so and if the local authority does not object. So the Minister's notes are quite correct in what they say.

I disagree with Mr. White's interpretation. Mr. MacKinnon said there is obviously some doubt about the situation and that it will be resolved in future by court action. We do not want that.

The Hon. G. C. MacKinnon: The worry is whether Mr. Dolan's information is based on judicial knowledge or the desire for it to be so.

The Hon. CLIVE GRIFFITHS: I do not know on what it is based; it is probably based on the notes he received from another place.

The Hon. G. C. MacKinnon: Which will not influence the judgment.

The Hon. CLIVE GRIFFITHS: It will certainly not influence my judgment. Unless the Minister can assure us that the amendment definitely does not alter the present position which leaves the decision to the subdivider I will oppose it.

The Hon. J. DOLAN: I have a feeling we reached an impasse last night and we have done so again as a result of our holding opposite views, quite sincerely.

I would be inclined to again report progress and seek the advice of the Parliamentary Counsel with a view to having the matter clearly explained. I hope that will be satisfactory. I have no desire to come up with an ambiguous interpretation of the Bill.

If members agree, I will report progress and ask leave to sit again. In the meantime I could obtain the information as quickly as I can.

The Hon. F. R. WHITE: I feel I did not clarify the position sufficiently for Mr. Clive Griffiths. I said that the requirement for public open space is a question of policy with the Town Planning Board. That board may require public open space from any subdivision whether the area is less than, or greater than, half an acre. At the present time it has a policy for parcels of land of 2½ acres, but there is nothing to prevent it, at any time, from taking less to provide public open space.

Until the conditions for subdivision are complied with, the survey diagram will not be approved. If the landowner has handed over portion of his land for public open space, then the survey diagram can be signed and the individual lots can be sold. At present, however, if the owner prefers to pay cash in lieu of allocating a portion of his land for public open space, that is a condition of subdivision. However, if the owner has agreed to pay the council a certain sum of money in lieu of land for public open space, but has not paid the money, he can get his diagram approved and sell his land, and then at some subsequent date when the council asks for the cash it could be told to jump in the lake. This is a problem that exists now, and it could exist in the future.

To overcome this problem an amendment has been suggested to the effect that if the cash provision has not been observed the local authority will have power to say that the money shall be paid within a certain time. The local authority would then be assured of getting its money before the survey diagram was approved.

The Hon. I. G. MEDCALF: The Minister's suggestion to report progress is an admirable one. Although I think the provision is quite clear, in order that it shall be placed beyond doubt it would be desirable for progress to be reported.

Progress

Progress reported and leave given to sit again, on motion by The Hon. J. Dolan (Minister for Police).

LEADER OF THE OPPOSITION: LEGISLATIVE ASSEMBLY

Retirement: Statement by President

THE PRESIDENT (The Hon. L. C. Diver) [3.15 p.m.]: I have received the following message from The Hon. Sir David Brand:—

I very much appreciate your attendance and that of the other members of the Legislative Council at my announcement in the Legislative Assembly this morning, especially as you accompanied the members, and wish to convey to the House my appreciation and goodwill.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [3.16 p.m.]: May I take this opportunity to say that we pay tribute to a great Western Australian.

THE HON. A. F. GRIFFITH (North Metropolitan—Leader of the Opposition) [3.17 p.m.]: With the permission of the Chamber, this is a matter which I should not allow to pass without saying that I appreciate the comments of the Leader of the House.

To many of us who attended the Legislative Assembly Chamber this morning to listen to the announcement made by Sir David Brand it was quite a solemn moment, because we have been associated with him in politics and also personally for a considerable number of years. Although we know, fortunately, that he will stay in Parliament as the member for Greenough, it is quite a wrench to realise he will no longer be the Leader of our Party.

Be that as it may, I am sure, of course, that we will all reach this stage in our lives. It is Sir David's choice that, having served the State for so long, he should now stand down and move to one side to let somebody else take his place. I am quite certain that, perhaps, when our children and our grandchildren read the history of the years during which Sir David Brand served as Premier of Western Australia—we could refer to them as the glorious 60s—they will be recognised as being a great decade of progress in this State. We owe a great deal of this progress to his leadership, and I can only hope and trust that both he and Lady

Brand will be spared for a long time to enjoy the retirement they have undoubtedly earned.

The Hon. W. F. Willesee: Hear, hear!

The Hon. A. F. GRIFFITH: I feel that all the people of Western Australia, no matter what their political views may be, will be quite satisfied to say, "Well done!" to a man who has indeed performed a great duty for this State. I thank you very much, Mr. President, for giving me the opportunity to record these few words.

PUBLIC TRUSTEE ACT AMENDMENT BILL

Second Reading

Debate resumed from the 4th May.

THE HON. R. J. L. WILLIAMS (Metropolitan) [3.20 p.m.]: Having read this Bill I am reminded of a phrase from "The Charge of the Light Brigade" which says that someone has blundered. I say this because I find it is one of the nicest and finest Liberal Bills introduced into the House. I am amazed that at last the Labor people realise that liberalism in all its capacities does work.

The Hon. W. F. Willesee: Are you supporting the Bill?

The Hon. R. J. L. WILLIAMS: Obviously. Have no worries.

The Hon. W. F. Willesee: Well, thank you.

The Hon. R. J. L. WILLIAMS: I am offering my support with one or two remarks. The Public Trust Office was established some 30 years ago as a public service, and at that time it charged 2½ per cent. on all estates handled by it. As a good Liberal I am delighted that the office now seeks to enter the larger market and compete with the other two companies; that is, the W.A. Trustee Company and the Perpetual Trustee. This is in keeping with Liberal principles because competition in goods and services will mean that prices are much more suitable for the general public. Also, the accumulated losses of the Public Trust Office will no longer be a charge on revenue, and anything which saves the revenue of the State is good.

I have one or two points I wish to raise, so perhaps the House will bear with me for only a few brief moments because I do not desire to delay the proceedings of the House. When introducing the Bill the Minister said—

In the proposal to repeal subsection (2) the Bill would remove those restrictions on the amount of fees and charges which may be prescribed by regulation.

As recently as a fortnight ago Mr. Heitman spoke about regulations and government by regulation. It is my opinion that government by regulation is not government

as such. Day after day Ministers have papers laid on the Table of the House and every time the *Government Gazette* is published, we become aware of more regulations. In point of fact, if any member were to go to my room he would find a pile over one foot high of regulations which have been promulgated in this session of Parliament alone. Yet members are supposed to be able to read those regulations, understand them, and interpret them, and if they are laid on the Table of the House, say either "yea" or "nay."

It is a total impossibility for any one or two members to read, understand, and interpret our multitudinous regulations, but here again we have another Bill which is providing that something be prescribed by regulation. If I intended to object to this legislation, this would be my great objection. I realise that this House is limited in what it can do, and had it not been for a certain section in the Constitution I would have been recommending a change and suggesting that instead of being prescribed by regulations the fees and charges be written into the legislation. If this were done any alteration would have to come back to Parliament and members would be fully informed of what is transpiring.

If there is one campaign I shall conduct for as long as I am privileged to sit in this House, it will be to urge the establishment of some organisation—perhaps a standing committee—to study and decide upon regulations so that members and the public could be properly informed of what is occurring. As I have said previously, government by regulation is resignation of Government; it is a handing over to other sources, so great is the number of regulations promulgated.

I would have loved to move an amendment to provide that the section in question be not repealed and that the Public Trustee be treated the same as the other two trustees; that is, that a ceiling limit of 4 per cent. be prescribed. That is the ceiling provided in the Acts relating to the other two companies. However, that is not our prerogative in this Chamber; but I do hope the Leader of the House will, in some way, convey this idea to another place.

The other interesting fact to which I wish to draw the brief attention of members concerns the costs of administration of the Public Trust Office. In this regard no doubt Parkinson's law applies.

For the years 1966 to 1971 inclusive, the cost of administering the Public Trust Office was \$2,145,000. The commissions and fees earned amounted to \$1,572,000, leaving a deficit in operating costs of some \$573,000.

As we know, the office has a duty to invest in a common fund, and when I give the information in this regard members

will appreciate that not only does Parkinson's law exist, but also that the adage of robbing Peter to pay Paul applies.

In the same period the common fund earned in interest a total of \$2,646,000, but it distributed to beneficiaries only \$1,760,000. It created a stabilisation fund of \$150,000 for the purpose of stabilising future dividends to beneficiaries. This left \$736,000 in excess from the common fund.

So, on the one hand, the estates would not return, over a period of six years, sufficient income to the Public Trustee to enable him to meet his costs by \$573,000, while, on the other hand, the common fund, over the same period, earned \$736,000 which was not paid out to beneficiaries. In other words, Consolidated Revenue was provided with some \$163,000 over that period, and the stabilisation fund profited by \$150,000. So the Public Trustee made a profit of \$313,000 over a period of six years.

If we analyse the common fund as such, we find that it is in the investment that the key to success lies, and I offer this as free advice to the Public Trustee. As at the 30th June, 1971, its assets were invested as follows—

Mortgages—16 per cent of all funds.

State Instrumentalities—52 per cent. of all funds.

Real estate—19 per cent. of all funds.

Other investments—13 per cent. of all funds.

These investments returned to beneficiaries slightly in excess of 5 per cent.

The complete common fund of the Perpetual Trustee is invested in mortgages giving a return to the beneficiaries of something in excess of 8 per cent. Not only is the difference of 3 per cent. in the return important, but also by investing its money in mortgages, the Perpetual Trustee is enabling people to build and in this way it is also providing employment. As a result of this the community as a whole develops, and develops well. Also, there is not quite as much unemployment.

It appears—and I do not deny this fact—the Public Trustee has done a sterling job over the last 30 years. Doubt was expressed in another place that 2½ per cent., which is the charge on the corpus of an estate, is not sufficient to allow the Public Trustee to keep going. As I have said, I have no quarrel with this but by the same token I wish the Leader of the House would evolve some schemata whereby it can be drawn to the attention of another place that we should, for goodness sake, govern by Act of Parliament and not by regulation.

To the Public Trustee I say, "Shake the dust off your portfolios. Have a look at the outside market. You are now a good

liberal firm. Make a profit for your beneficiaries in order that they and the community may benefit."

With those remarks, I support the Bill.

THE HON. A. F. GRIFFITH (North Metropolitan—Leader of the Opposition) [3.31 p.m.]: Perhaps I should say a few words in view of the concluding remarks made by Mr. Williams. The honourable member suggested he would support the Bill. I suggest to him that he could perhaps reconsider those words because, if he supports the Bill and we despatch it to the Legislative Assembly, that is probably the last we will ever hear of it. We want to convey something other than that to another place.

We want to say, through the Minister in charge of this House, that the Public Trustee should not be disadvantaged in comparison with the two other Trustee companies which operate under their own Acts and are permitted to make a statutory charge of 4 per cent.

The Bill before us contains four clauses and seeks, first of all, to amend section 38 of the Public Trustee Act. Section 38 is the one which lays down the scale of fees and says that in any case, the Public Trustee will not be permitted to charge more than 2½ per cent. If we repeal this provision section 38(1) of the principal Act still leaves the power to regulate in respect of the amount of commission the Public Trustee will charge. I understand the Minister in another place said it was the Government's intention to increase the maximum charge from 2½ to 3 per cent.

Having said that, let me add that we could not, I believe, amend this Bill because it would amount to an impost on the people. However we could vote against clauses 3 and 4 of the Bill which would have the effect of maintaining the *status quo*.

My understanding is that Mr. Williams wanted to indicate to the Minister that, in fact, he should take time to ask his colleague in the Legislative Assembly whether he would agree, in principle, to a charge being written into the Public Trustee Act to permit the Public Trustee to charge in a manner similar to the charges made by the W.A. Trustee Company and the Perpetual Trustee Company. To my mind, even if this were done, it would give the Public Trustee an advantage. The advantage is that, to the best of my knowledge, the Public Trustee does not pay tax to the State whereas the two other trustee companies which operate under Statute do. Therefore, if the Public Trustee is able to charge the same fees as the public companies it will have that much of an advantage.

I suggest to the Minister that he should consult with his colleague—the Attorney-General in this case—and gain his con-

currence, if that is possible, to the Bill being amended by the Government in such a manner as to allow the Public Trustee to charge not more than 4 per cent. maximum, with the Government indicating its intention that the Public Trustee should charge 3 per cent. at this point of time and that it should not move from this figure until the necessity arises for an increase to be made.

Under those circumstances I would be prepared to support a Bill of this nature, without entering into the other matters which Mr. Williams so capably dealt with.

Finally, this would need to be in the form of a requested amendment as I am sure you, Mr. President, would agree. The Minister has access to the Parliamentary Draftsman and is therefore much better placed than we are to have an amendment prepared. It is well known what the assistance we receive in these matters amounts to.

The Hon. W. F. Willesee: I have had five years of it.

The Hon. A. F. GRIFFITH: It is only now I appreciate what the Leader of the House had to put up with at times and I am sorry I did not understand it better then. I am sure the draftsman could prepare a satisfactory amendment which could be submitted to the House. It would be of great assistance if we could be told whether the Government would accept such a proposition as this.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [3.37 p.m.]: I have noted what has been said in connection with this Bill. I believe the remarks are pertinent and should be given further consideration. Under those circumstances, I propose not to deal with the Committee stage of the Bill forthwith. I shall seek the leave of the House for the second reading in good faith and then take the opportunity to propose amendments in the Committee stage, if I am capable of so doing after discussion with my leader. In the interim, I commend the Bill to the House.

Question put and passed.

Bill read a second time.

IRON ORE (RHODES RIDGE) AGREEMENT AUTHORIZATION BILL

Receipt and First Reading

Bill received from the Assembly; and on motion by The Hon. W. F. Willesee (Leader of the House), read a first time.

STAMP ACT AMENDMENT BILL

In Committee

The Chairman of Committees (The Hon. N. E. Baxter) in the Chair; The Hon. W. F. Willesee (Leader of the House) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Section 87A added—

The Hon. I. G. MEDCALF: Members will recall that during the second reading of this Bill I raised objection to the provision that in future all securities will attract the full rate of mortgage duty whereas previously the rate was one-fifth of the full rate. At that time I referred to the earlier practice.

The burden of my remarks is that I believe we should not put the clock back 10 years. In 1962 it was decided by the House of Lords in England that the Stamp Commissioner had been following an incorrect practice for the preceding 80 years. As a result of this case, the Stamp Commissioner changed his practice and mortgages which had previously attracted 25c per \$200 now attract only 5c. per \$200.

In 1964 the law was amended in England to bring it into line with the practice which had been followed for 80 years. However, it was not changed here.

Since the case of the Inland Commissioners versus Henry Ansbacher & Company in England the situation here has been that people are paying duty at one-fifth of the rate on mortgages on a fully-paid contract of sale or some other document treated as a primary security. The object of this Bill is to ensure that in future mortgage duty in cases of this kind will be five times what it has been for the last 10 years.

I have already indicated that I do not object to the Treasury closing this loophole in respect of most of the transactions which technically come within the words of the section. I do not wish to stop the Treasury genuinely trying to obtain money to which it is entitled but is not receiving because of a technicality. However, where this duty is applicable to the purchasers of houses and farms bought on terms, I say we should not put the clock back 10 years. These people are the least able to pay. I am fortified in this statement because people purchasing properties and farms on terms are already paying 1½ per cent. on the first \$10,000 of their contract and 1½ per cent. on every \$100 thereafter, and this amounts to a substantial sum by way of stamp duty. When the contract also entails a transfer and mortgage, the commissioner is seeking to extract another 25c per \$200, and I object to this.

Sitting suspended from 3.45 to 4.02 p.m.

The Hon. I. G. MEDCALF: I believe there is an important principle involved here because we are attempting to put the clock back 10 years in respect of the terms purchaser. I believe it is necessary for me briefly to answer some of the points made by the Minister last night when he answered my comments. I would

like to make it clear that this Bill is not really restoring the original position, as the Minister said it was. We are proposing to change the position of the last 10 years and, in fact, we are proposing to legalise the incorrect position which existed for 80 years before that.

Had this provision not been included 10 years ago there may be some justification for saying that this is what the people assumed to be the law; but for the last 10 years genuine purchasers have assumed that the law was different because it was applied differently. I believe it is too late to put the clock back.

I do not object to the measure so far as guarantees, etc., are concerned and in cases where the contract is not properly stamped. I believe that if a person pays the proper rate of duty on his contracted sale—which is pretty high; it is about 1½ per cent. to 1½ per cent.—he should be entitled to get his mortgage at the rate for which he has been getting it over the last 10 years. I do not believe we should increase stamp duty on mortgages. Therefore, in refutation of what the Minister said last night, we are not restoring the position; we are restoring what was thought to be the position, which has been changed in the last 10 years.

The Minister gave an example of two farms, each of which was sold for \$20,000. In the first case \$10,000 deposit was paid and a mortgage was taken by the vendor. In that case the stamp duty was \$2.50. In regard to the second farm the mortgage was taken by a bank or insurance company and stamp duty was \$12.50. The Minister did not think it right that the inconsistency should be maintained. I could have framed an amendment which would not include a mortgage held by a bank or insurance company; but I deliberately did not do so because I have some regard for the revenue of the State which must be protected as far as possible.

If the Minister refers to comments I have made on other occasions he will agree that I have taken the view that we must concern ourselves for the revenue. For that reason I have confined my amendment to mortgages back to the vendor. I do not believe a person who buys a property and gives a mortgage back to the vendor is in a more favourable position; I think he is in a less favourable position. A person who can get a mortgage from a bank or insurance company is in a much better position than is a person who must ask the vendor to carry the mortgage. That person goes to the vendor because no bank or insurance company will take him on. He has less money than the others, and he is the one I am seeking to protect. He pays much more for a property than does a man who pays cash. Many members will be well aware of this problem as a result

of personal experience, and as a result of the experiences of their constituents. For those reasons, I move—

That the Assembly be requested to make the following amendment:—

Page 2, line 11—Insert after the word "security" the words "other than a security given by a purchaser to a vendor to secure the whole or any part of the purchase moneys due under a contract of sale and purchase on which stamp duty is paid at the rate applicable to a conveyance".

The Hon. W. F. WILLESEE: I will read the notes supplied to me. Mr. Medcalf said his amendment is designed simply to continue a concession which arose from a court decision and has operated for 10 years. He supported this by saying the concession would assist those less able to pay. I agree with him that the situation should have been conceded 10 years ago, but it was overlooked. The commissioner is seeking to increase the duty to the level which existed prior to 1963, and which was obviously intended to apply.

Let us be clear about the question of being able to pay. If the person who enters into long terms with a vendor does so because he has not the cash to buy the property, he is in no more financial difficulty than the person who borrows from a bank over a long term to pay a vendor who cannot or will not wait for his money. Yet under the amendment moved by Mr. Medcalf the first person will pay less stamp duty on the security given than the second person. To my mind that is inequitable and it is not the desirable or proper way to levy taxes. For those reasons I cannot agree to the amendment.

The Hon. I. G. MEDCALF: The Minister has virtually repeated what he said last night; that is, a person who borrows from a vendor is in the same position as a person who borrows from a bank. That is not so. Many purchasers or vendors to whom I have spoken have told me that the vendor must carry the finance because the purchaser cannot obtain it anywhere else. The vendor will carry the finance in order to sell his property. It is well known that the vendor is more or less the last resort. Everyone knows that at times it is almost impossible to obtain finance from a bank or lending institution because a certain security is required.

The Hon. L. A. Logan: A greater rate of interest is charged.

The Hon. I. G. MEDCALF: Not necessarily. The vendor will often accept a lesser rate in order to get the sale. Often he will take 6 or 7 per cent. when the ruling rate is 8 per cent.

The Hon. V. J. Ferry: The purchaser is operating from a position of weakness as a result of his inability to obtain finance.

The Hon. I. G. MEDCALF: Precisely. I am not critical of the banks, because they have their rules. However, the purchaser who borrows over a long term is the least financial of those who buy properties. If it is a matter of credit I do not think that argument holds water. Anyone with experience knows that one must have credit if one wants to borrow from a bank, and one must also provide a good equity in a property one wishes to buy. A person's assets may be tied up in some way, and he may not be able to provide sufficient equity. So I cannot support that argument. I have already said that I wish to be thoroughly consistent. If that were not the case I would not have included in my amendment the words, "to a vendor." That would have included the banks and insurance companies. I did not desire to impose extra charges on the individual. The Minister has said that I was being inconsistent, but if I were I would have included the words, "to a vendor" so that everybody would be included.

I do not think it is a good argument of the Minister to say I should increase the number of people who can claim exemption. I do not think this requested amendment will affect the revenue of the State very much; but I do believe there are people in the community who are already benefiting from the existing legislation, and who will be appreciative of the benefit being continued.

I have the greatest respect for the department which is charged with the responsibility of collecting revenue, and the fact that it is fighting so hard on this issue indicates it is doing a good job. However, I believe there are two sides to every story. Whilst the department on its part is zealous to protect the revenue of the State, we on our part like to look after the people who need assistance.

The Hon. W. F. WILLESEE: I also like to look after the people who need assistance. I want Western Australia to progress through the efforts of the Treasury. Now that I am trying to rectify something which should have been rectified 10 years ago, I do not think I should be pilloried. The simple fact is that if the Bill is agreed to the State will be acting equitably in making its demands. However, if the requested amendment is agreed to a privilege will be conferred on some people—the sellers of properties. I do not think they should be given that privilege.

The Hon. I. G. MEDCALF: This is not a question of privilege at all. It is simply a matter of increasing the stamp duty fivefold in respect of people who borrow money when they buy properties. We should be careful when we increase the stamp duty, and not discriminate against people who are least able to pay the increase.

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

Ayes—16

Hon. C. R. Abbey	Hon. I. G. Medcalf
Hon. G. W. Berry	Hon. T. O. Perry
Hon. V. J. Ferry	Hon. S. T. J. Thompson
Hon. A. F. Griffith	Hon. F. R. White
Hon. Clive Griffiths	Hon. F. D. Willmott
Hon. L. A. Logan	Hon. W. R. Withers
Hon. G. C. MacKinnon	Hon. D. J. Wordsworth
Hon. N. McNeill	Hon. J. Heitman

(Teller.)

Noes—9

Hon. R. F. Cloughton	Hon. R. T. Leeson
Hon. D. K. Dans	Hon. R. H. C. Stubbs
Hon. J. Dolan	Hon. W. F. Willesee
Hon. Lyla Elliott	Hon. R. Thompson
Hon. J. L. Hunt	

(Teller.)

Pair

Aye

No

Hon. R. J. L. Williams	Hon. S. J. Dellar
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Amendment thus passed.

Clause, as amended, put and passed.

Clauses 4 to 8 put and passed.

Report

The Chairman reported that the Committee had considered the Bill and had agreed to return it to the Assembly with the request that the amendment agreed to by the Committee be made; and that the Committee ask leave to sit again on receipt of a message in reply from the Assembly.

Report adopted, a message accordingly returned to the Assembly, and leave given to sit again.

HOSPITALS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 9th May.

THE HON. G. C. MACKINNON (Lower West) [4.25 p.m.]: Many of the aspects of the Hospitals Act Amendment Bill before us have been discussed over a considerable number of years. Let me assure the Minister that the Opposition intends to support the Bill, subject to a couple of amendments.

In the main the purpose of the Bill is to bring the Hospitals Act up to date in several particulars, and for that purpose section 2 of the principal Act, which contains the definitions, has been rewritten in order to conform with modern nomenclature and with some changed ideas as regards definitions.

As members will notice on reading the Bill, the occasion has been taken to delete one or two obsolete parts of the parent Act. The duties of the Minister are set out in the Bill, and these are much the same as they were previously.

Of course, there are some aspects of this Bill on which one could speak at great length. My knowledge of the health services is now some 15 months out of date, and I have no doubt since that time a considerable number of changes have

been effected. Nevertheless, basic principles remain the same. I notice that a large number of activities are proceeding without much difference, and the same procedure would have been adopted had there not been the somewhat drastic change in the administration of the State some 15 months ago.

Over the last 15 months I have been endeavouring to keep up to date by reading the relevant material, and I must admit that some of the material contains criticism of the health services. That left me somewhat aghast. Be that as it may, I repeat there are still many areas of the Bill which could form the basis of a long dissertation.

In the speeches that have been made on the Bill I found one feature very noticeable; and perhaps this is a sign of the changing times and changing conditions, and a sign that there is more understanding of the problems. On this occasion I have not seen any mention of a hospitals commission in the Bill, and for that I am very pleased. Some years ago it was the habit of some people to talk in terms of a hospitals commission, which is operating in both Victoria and New South Wales—the better example being Victoria.

To a great extent it has been successful in that State, particularly. It is my belief that the success has mainly been because of the personality of one man. However, I have long believed that a hospitals commission is not the answer to the problem of management and, indeed, some two years ago I commenced, within the department, a system of committee functioning which I hoped would lead to the establishment in this State of a health commission which is a totally different organisation.

Health has to be looked at in its total concept, and all those agencies which are looking after health matters have to be brought into some juxtaposition; into some different form of hierarchical authority whereby they can work together in harmony. Also, of course, with such a system it would be able to strengthen those areas of weakness which appear in the system at any particular time.

I think it goes without saying that our weakness, at the present moment, lies in our domiciliary services and it is in this area we could learn much from New Zealand—close to home—and the United Kingdom—further afield.

In terms of hospital beds, despite the criticism offered, we are a long way from being badly placed. Whatever might be the ideal situation we are certainly better off than many other countries in the world, and better off than many other States of Australia.

At this stage I have no intention of elaborating on the philosophy of hospital services; I intend to deal with the Bill now before us. I am not sanguine about the possibilities of a teaching hospitals advisory council. I hope it will work and I hope it will achieve the desirable result.

Of course, there is a tendency, if a committee does not function well, to look for somebody to blame other than the committee and I think we have to resist this tendency. I suppose it is a human failing.

The purpose of the committee, stated baldly, is to try to eliminate the jealousies which exist between hospitals, and to see that specialist services are not duplicated. The theory is that a particular specialty is allocated to a certain hospital. The fact of the matter is that I have yet to see such a system work because specialities tend to grow up around a capable man in a particular situation. The right type of man attracts the money and sympathy, and gets the equipment. There is a tremendous capital expenditure in this field.

I have long believed that the sickness which really bugs the world of the everyday person living within a community is the ordinary level of sickness such as varicose veins, hernia, and headache. One can live with those complaints and just be a nuisance to everybody with whom he is associated. The more dramatic illnesses tend to kill and in those circumstances no-one is bothered. It is unfortunate that the more dramatic illnesses attract the expenditure of time and study by specialists and we have examples in this State the same as they have overseas.

I suppose the classic example is the heart transplant. I have not yet heard of a heart transplant patient returning to a useful productive life. That is despite the estimated cost of \$40,000 for each case.

Be that as it may: a committee of the type visualised in the Bill is required. It is necessary and I hope it will work. There is one amendment on the notice paper relating to this Bill.

A constant worry to me when I was a Minister—and I think this applies to all Ministers—was the tendency to find that senior officers were grossly overloaded with committee work. I had a survey carried out to try to eliminate some of that committee work but the answer, usually, was that if a senior officer had to ask volunteers to work in the various fields of health services he had to set an example in the department. I have long felt that some move should be taken to relieve senior officers of the constant and never-ending after-hours work.

Senior officers chair committee meetings afternooon after afternooon, and night after night and almost invariably this work is

done to the detriment of their family life. In many cases those officers have to return to work on Saturday afternoons and Sundays in order to catch up with their ordinary and routine work.

I have an amendment to clause 10 on the notice paper to delete proposed new subsection (4) of proposed new section 6A, and substitute the following:—

The members of the Advisory Council shall appoint one of the persons nominated by the Minister under paragraph (b) of subsection (2) of this section to be the Chairman.

Proposed new section 6A(2)(b), reads as follows:—

two persons not being employed in the Department, nominated by the Minister;

I would like the Minister in charge of this Bill to have a careful look at this provision, bearing in mind what I have said. I have no doubt that virtually all senior officers are grossly overworked in the time-consuming occupation of chairing committees.

I will pass over a number of other provisions fairly quickly because there is virtually no difference between them and what is contained in the parent Act. The powers of the minister are much the same. The only additional power which will be granted to the Minister is that of being able to direct the various hospital boards. It seems absurd to have an advisory committee to advise the Minister on certain actions, if the Minister cannot direct the board to do what the advisory committee recommends. So this becomes necessary.

I suppose in the practical affairs there is always the power of the purse, but that is not desirable. If all requirements have to go through the Minister it is a long-winded and slow process and some degree of direction can be given through the threat of withholding money. As I have said, this is highly undesirable and I believe that the more honest approach is to give the Minister direct authority.

I will now refer to clause 12 which will give the Minister power to do certain things. Some of the provisions have been included in the Bill because the practices to which they refer have, in fact, been occurring to some extent. The Bill will clear up any doubt about the authority to do those things. I refer to contracts for the supply of equipment, which are already in existence. Also, the method of securing hospital staff, in some instances, is done unofficially and it is desirable that it be put on an official basis. Also included is authority to make payments to charitable institutions. I doubt if there is a member in this Chamber who has not visited a frail aged home, payments to which are made by the Treasurer or the Health Department. The Bill will validate those payments.

I remember an occasion of the Federal Minister telling me that he thought the establishment of the frail aged scheme in this State and the payment of a-dollar-a-day subsidy per patient was one of the best pieces of social legislation he had seen in Australia in the last five years. He was even more astounded when I pointed out to him that it had been achieved by an administrative action on my part by asking for a minute from Mr. Devereux. I signed the minute in authorisation and the action did not actually require an Act of Parliament. Mr. Devereux was the Under-Secretary at the time, and his place has been taken by Mr. Horrie Smith whose title has also been changed to Director of Administration. Incidentally, the administration approved the programme to establish a hospitals commission. Of course, the setting-up of a commission will depend on the present administration. I personally think it would be a pity to set up a commission.

That was by way of an aside. There is one clause of the Bill which I wish to discuss at some length, and it deals with the establishment of centralised catering, laundry, and other services for public hospitals. There is no shadow of a doubt in my mind that it is becoming increasingly necessary in the five major hospitals—the Royal Perth Hospital, Sir Charles Gairdner Hospital, the King Edward Memorial Hospital, the Fremantle Hospital and the Princess Margaret Hospital—and also the peripheral hospitals at Osborne Park, Bentley—and Rockingham when it is built—that there is an absolute need for such services.

Wherever possible industrial processes and industrial staff should be removed from hospitals. I have no doubt at all regarding the problems those facilities bring with them. The generation of steam can be quite considerable and the cost for carting oil is very high. Smoke stacks have to be built which are expensive. There is also the problem of getting rid of effluent which contains chemicals from the laundries and the kitchens—and there are usually fairly large quantities. Parking facilities, which are expensive, have to be provided for staffs. Changerooms have to be provided in a very expensive situation and under an expensive roof.

It has long been my belief that these facilities should be placed out of the hospital environment. I had a number of studies carried out on this subject, and I even went further. For example 12 to 15 tons of laundry are currently being done weekly by Monarch Laundry. I do not know the tonnage of laundry being done for the Fremantle Hospital, but it would be in the vicinity of 10 tons weekly. That laundry is being done by a private laundry in Fremantle owned by Mr. Connenberg. No laundry was built at the Bunbury

Regional Hospital, and the laundry from that hospital is farmed out to a private individual named English.

These things are not accomplished easily. Many people seem to have the fond belief that these things can be accomplished by the wave of a hand. The actions I have mentioned were taken to ease the burden on the hospitals. I believe we should continue to use private laundries. It is possible to reorganise a laundry to provide the appropriate barriers to prevent infection. The soiled linen can either be prewashed at the hospital or appropriate arrangements can be made at the laundry.

I believe the bulk handling of many food requirements is necessary. Many hospitals take in meat in bulk and break it up in the hospital, with all the resultant effluent and the problems it brings. These processes could be carried out adjacent to the abattoirs or the markets, where fresh vegetables and meat could be broken up and taken to the hospitals according to an appropriate schedule in order to avoid the staff movement and effluent problems about which I have spoken.

Here again, misunderstandings creep in. Only the other day I heard someone say a central catering service had already been established at the Sir Charles Gairdner Hospital because two nitrogen tunnels had been installed. This lack of understanding could have been cleared up by asking a simple question. This is another matter in which we need to move with the times because of the many industrial processes which are part and parcel of any large hospital service.

Some years ago, with the planned progress of the Perth Medical Centre difficulties were experienced with regard to the kitchen at the Sir Charles Gairdner Hospital. Close examination revealed that the trouble related purely and simply to the current method of cooking against the time for the serving of the meals. Breakfast must be cooked at 7 o'clock, shall we say, and served within the next hour. Lunch must be cooked by 12 o'clock, ready to be served. This required considerable space and considerable capital expenditure.

The only way to cope with enlargement of the hospital was to enlarge the kitchen. Problem: How to increase the output from a kitchen and not enlarge its space? Solution: Work two shifts. But when working two shifts, people must eat in two shifts. How was the problem to be overcome? Solution: Snap freeze and reconstitute.

With modern technology, a meal can be cooked, placed on a plate, frozen in a nitrogen tunnel, and stored away. It is necessary to cook as grandmother did; it is not possible to use prepared custards and gravies. With the process I have mentioned, it is possible to cook a meal of roast pork, apple sauce, baked potatoes, and green peas, put it on a plate, store it

away, and pull it out in three weeks' time. It can be reconstituted in a variety of ways. In the experiment at the Sir Charles Gairdner Hospital micro-wave ovens were used. These are a modern development. Currently, hot air is being used—and I do not want any cracks about that.

The Hon. L. A. Logan: Bring it all here.

The Hon. G. C. MacKINNON: It is being found quite effective. As part of the experiment, I understand the department has arranged for the hospital to supply the Meekatharra Hospital with meals. Members will appreciate—as, no doubt, will the Minister—the difficulty in obtaining and keeping staff at Meekatharra. This is not a matter of establishing a centralised catering service at the Sir Charles Gairdner Hospital. It is a matter of experimenting and trying to overcome the difficulty of the tremendous space needed for a kitchen in order to cook against a time by which hot and palatable meals must be served. Anyone who has lived in an institution, be it a hospital or anything else, will understand the difficulties associated with that.

I believe problems exist with many other services which either are or need to be centralised. All the sterilising for dental hospitals is centralised and done at one depot. A few years ago centralised sterilising depots were looked upon as an absolute "must." With the advance in "throw-aways" and disposables, this has become not nearly so necessary because the bulk of material which used to be sterilised is now thrown away.

There are many fields in the catering services to which I believe the department can go for help. In the laundry field, a greater degree of collaboration, co-operation, planning, and assistance will need to be extended to the private laundries in order that the laundry will be handled with the proper care to avoid the risk of cross-infection and dangers of that sort. I have seen in Australia and overseas a number of laundries where this problem has been overcome. Indeed, I have seen plans for laundries in this State which will overcome the difficulties.

I believe all I need do with regard to this particular amendment is explain it. To my mind, discussion on it is virtually pointless.

The Hon. J. Dolan: There are two sides to it.

The Hon. G. C. MacKINNON: I say discussion is pointless because the two sides are poles apart. I am not being boastful, but from what I know of the A.L.P. policy I, or any of us who have any experience, could write the speech the Minister would make. I do not say this in a derogatory way. I also say that from what he knows of our policy in regard to private enterprise, the Minister could write our speech. With such a head-on clash of differences,

tedious debate is pointless. It is a matter of ideology and the way in which one thinks about things. I think it would be virtually pointless to prolong the debate of this matter, say in the Committee stage. I have therefore been at pains to explain our point of view. It is as simple as that. It is just like two fellows who barrack for different football teams debating which is the best team.

It is a matter of ideology. In this sense, I do not mean that we are 100 per cent. right and the other side is necessarily 100 per cent. wrong. However, I believe history proves that we are completely, absolutely, and unarguably right because private enterprise and the capitalist system have produced everything we have. There is no argument about that. I merely make the point that whether the Government should establish and conduct a laundry when Mr. Connenberg, Mr. Margetts, Mr. Baldock, Mr. English, and other gentlemen already have them, is a matter on which there is no basis for agreement; so, as I see it, there is obviously no basis for compromise. I have spent a little time on this in order to save time in the Committee stage.

Clause 15 contains the superannuation provisions. Up north, for instance, there are a number of medical officers. It is virtually a front-line force and amounts to almost a medical division in the field, to use army parlance. In the north, medicos are employed by departments in laboratories and in hospitals. The provisions in clause 15 are a highly desirable feature of the Bill.

As we are talking about medical officers, I would like to take the opportunity to make a statement. Some time ago a statement was made—not in this House—about a doctor, who I think was not named, and about a business relationship between that doctor and the Commissioner of Public Health and the fact that the Commissioner of Public Health had sacked that doctor. I want to put the record straight.

That particular doctor was not sacked. He failed to report for duty after repeated opportunities had been given him to do so. The final decision to dispense with his services was mine, and mine alone. I instructed the officers to write the necessary papers. I do not care what appears on the files; the responsibility was mine, after a tremendous amount of inquiry from every member who at that time represented the particular area of the State which was involved. At that time an attack was made on the Commissioner of Public Health without there being any foundation at all for it. I personally apologised to him about it at the time and explained the situation as best I could. I said I would make a statement when the opportunity availed itself, and this is the first opportunity I have had to do so.

That, also, was an aside; but I was dealing with medical practitioners employed by the Government and the time was opportune.

Part of the Bill deals with lending, and I see nothing wrong with it. The Brand Government arranged with local authorities and many other people for on-lending over the years. This is an extension of on-lending for hospitals in order to ease the Treasury situation.

Speaking of Sir David Brand's Government, I think today we have all seen the end of an epic. I am now old enough to regret the ends of eras, and I feel a little sad.

Clause 22 amends section 22 of the parent Act, which deals with hospital fees and the like. I express my thanks that the Minister has seen fit to place on the notice paper an amendment to clause 30, which also deals in part with the prescribing of fees. It is arguable whether the amendment is necessary, but I think it is highly desirable in order to make the situation abundantly clear.

As I said when I began, I support the Bill.

THE HON. V. J. FERRY (South-West) [5.00 p.m.]: I intend to support the Bill with some reservations, and these, in fact, relate to comments that have already been made by my colleague, Mr. MacKinnon. This Bill, dealing as it does with the hospitals in Western Australia, and the features relating to the hospitals in this State, offers a very wide scope for debate. It is not my intention, however, to use the entire range of subjects that may be covered in the title of the Bill. There are, nevertheless, one or two features on which I would like the opportunity to comment.

One of these relates to hospitals administered by boards constituted under the Act. There are many such hospitals in Western Australia which are administered under the board system. I refer particularly to those smaller hospitals in many country districts that have benefited over the years as a result of the work that has been done by people who are completely dedicated to this end, and who have taken a very real interest in the medical services and the facilities available at their local hospitals. I am convinced that the hospitals in question and the communities which they serve are the richer indeed for this single-minded application and work done by public-minded citizens.

There are, of course, occasions when the board may not arrive at decisions in line with departmental thinking. It is only natural that from time to time it may be necessary to have small differences sorted out.

By and large, however, hospitals administered by the board system, in my opinion, anyway, do an excellent job. I would like to record my appreciation of the efforts of the men and women throughout many country districts, many of whom have for a long time, given such unselfish service to these country hospitals which are administered by the board system. I have not the latest figures of the number of such hospitals, but I think there are about 50 hospitals which are administered by boards—they certainly are numerous and the work done in them by the people I have mentioned is really wonderful.

There is, however, one problem which I find associated with these board-administered hospitals; and I now refer to the problem of finance. If I may refer for a moment to the public hospitals directly administered by the department itself, I would point out that these hospitals have the advantage of being supplied with furniture and equipment of all kinds on an equal basis according to the policy of the department.

The board-administered hospitals do not always have this facility. Very frequently the hospitals run by the boards are requested to find a certain percentage of money towards the purchase of furniture and equipment and this, of course, is a disadvantage to the people living in those communities.

The boards and their supporting committees are charged with the responsibility of raising sufficient funds to retain their equity in the cost of the equipment to be supplied in the particular hospital. I do feel that this situation needs to be reviewed; we should do all we can to relieve the local community of this charge. This applies particularly to hospitals and communities in country districts.

It has been my experience throughout my lifetime that people in country districts take a very real pride and interest in the hospital in their community; in many ways they give far more than they should or can afford, to ensure that those among them who require these facilities are provided with the best available.

At this point I must acknowledge that by and large the hospital facilities throughout Western Australia today are vastly improved, particularly compared with what they were many years ago; and we are all grateful for that.

I raise this matter in the knowledge that funds must be found for certain needs to provide equipment in these hospitals, and I ask the Government to review the situation in order that some relief may be given to the communities concerned.

I must also pay a tribute to the very many excellent nursing homes and frail-aged homes that have been recently established in various communities throughout the State. I believe the frail-aged concept is truly marvellous. One needs only to be associated in a very slight way to witness the tremendous delight of the people who are being cared for in this manner and to see the tremendous benefit they derive from such establishments.

It is truly wonderful to see such people being encouraged to help themselves; to take an interest in their own community life and to be aware of what is happening around them. It is far better for them to take this interest in life rather than languish at home with a feeling of being unable to care for themselves when, in actual fact, it may be difficult for them to do so.

The people who are provided these facilities in frail-aged homes are not necessarily hospital cases. It is because of this that they are catered for by these frail-aged services. The homes in question certainly provide great relief to the hospitals; they enable them to cater for the more urgent and needy cases; to care for the serious medical cases which need more specialised attention.

I would now like to refer to a provision in the Bill which relates to the setting up of certain centralised facilities including laundry facilities. I believe it is far better to have a community share this work than have a centralised service if this is at all possible to arrange.

I believe the private sector could, in fact, be given the encouragement that may be necessary to meet this challenge. It has been my experience that a challenge always seems to bring out the best in a person; and this, of course, also applies to the business and the private enterprise world. If the laundry facilities are not sufficient to meet the challenge I would say to the private sector, "Here is your chance to do a job."

It has been my experience that in many country districts the laundries operated by hospitals themselves meet the needs in various circumstances. There are also hospitals in country districts which are serviced by private laundries.

I am fully aware of this fact; but if we were to centralise laundry facilities in country districts by the establishment of a centralised laundry to service five or six hospitals within a radius of a few miles, this in turn would entail some hardship for the communities concerned.

I will illustrate this by saying that by their very nature country hospitals service the country communities. It is increasingly difficult for people in country districts to obtain employment; it is increasingly difficult for people living in country districts to continue to provide themselves with the necessities of life, and the people

employed in laundries which are servicing the needs of country hospitals are very often those who need this financial support.

I appreciate the fact that a number of people in this category may be widows; they may be deserted wives; they may be wives of husbands who are disadvantaged in some way; or they may be people who are striving to improve the lot of their families in a country situation.

If we were to encourage centralised laundry facilities to service any number of hospitals this would do a great disservice to the people living in those communities. I do not believe the Government really intends to centralise country laundry facilities—at least I hope this is not the Government's intention.

If this is, in fact, the intention of the Government, I will voice my opinion very strongly indeed. I would like the Minister, when he has the privilege of replying, to refer to this aspect, if he will, because I would like to be assured that the people already employed in this type of situation will suffer no disadvantage.

I understand the Government is very keen on decentralisation and on decentralising services as such. This may appear to be a very small segment in the scheme of things; it may appear to be only a cog which turns the machinery, but every job and every pay packet that is brought into a home is vital to our community. There is little point in paying lip service to this kind of thing if the Government is not prepared to do something about it.

Even though the Hospitals Act does allow one a tremendous range to air one's views on this subject, I do not believe that this is the moment for me to enlarge on the subject and say more than I have already done.

I would be pleased to support the second reading of the Bill, but as I have already indicated, I reserve judgment on one or two of the clauses.

THE HON. L. A. LOGAN (Upper-West) [6.12 p.m.]: I must admit that there are some phases of this measure on which I am not qualified to speak. Some of my inquiries, however, reveal that they are acceptable to the people to whom they relate.

As members know, the Bill deals with quite a few aspects. It seeks to set up an advisory council which many people are hoping will be a success. Others have their doubts that it will be a success, but if there is a job to be done and it is to be done properly we should all wish the legislation success and I certainly hope that what it proposes is successful.

The only aspect I wish to discuss this afternoon is that relating to centralised laundry services. My philosophy has always been that where it is not possible

for private enterprise to provide a service and it is unwilling to do so, it is the Government's duty to do so. But where private enterprise can provide the necessary service it should be given that opportunity.

It would appear to me that at the moment private enterprise has not been given this opportunity; and here I would like the Minister when replying to inform me who is telling the truth in this matter—because the Minister for Health in last Friday's newspaper was reported to have said that attempts have been made to use private laundries to overcome difficulties associated with laundry services.

This is a fairly emphatic statement. My information shows that private laundries have not been approached to do this job at all—at least not since 1967. Surely there must be a clash of information somewhere along the line because it appears that somebody is not giving us a true picture of the matter.

If private enterprise has not been approached and given the opportunity to tender for and process the work necessary I think this ought to be done. The Minister may tell us what would happen to those businesses today which are providing laundry services for hospitals if the Government went on with its centralised laundry scheme. I understand that there are laundries which are doing a considerable amount of business for the hospitals concerned.

To deprive any private industry of that amount of work must, to a certain extent, affect the economics of the business. We have not been told what will be the cost of laundering linen, per pound, to the Government. We have been given a rough figure of \$4,000,000 which, according to the Government, is only chicken feed in establishing a laundry of this nature. Also, we have not been told what volume of linen will be put through this central laundry. I think we should be told all these facts. I think we should know all the hospitals that will be serviced by this central laundry and what the cost will be to each of those hospitals. When I speak of cost, I mean the cost of everything. We should be told what the interest and sinking fund will be on the \$4,000,000 capital cost and the incidental costs entailed in running a central laundry, including the administration cost.

Following the disclosure of all these costs, I think we should be told how much it will cost per pound to launder linen at the central laundry. A tender should then be called from a private laundry to launder a similar volume of linen. If private enterprise is given this opportunity and the price tendered is far above what it will cost to launder the linen at the central laundry, we could then, perhaps, give favourable consideration to the establishment of this Government laundry. How-

ever, until that stage is reached, I for one, cannot support this proposal to establish a central laundry.

Mr. MacKinnon said he did not find anything wrong with the provision contained in clause 21. I want to know what the on-lending is to be used for. If it is to grant to each of these teaching hospitals the right to borrow \$300,000—similar to the right held by semi-Government institutions—and place this money in a pool so that the Minister can expend it on the establishment of a central laundry, I think there is a good deal wrong with the clause. It is not so long ago that we learned that the State Electricity Commission could not obtain sufficient money to carry on with its expansion programme. The commission was obliged to use its profits instead of loan funds, on capital expenditure, because loan funds could not be obtained.

Despite the fact that local authorities are limited to borrowing up to \$300,000, many of them were unable to borrow money because it was not available. If we are to take \$4,000,000 from the loan moneys that are available and spend this amount on the establishment of a central laundry, that will be \$4,000,000 less expenditure on other Government works. The money does not have to come out of Government loan funds, and the Government makes great play of this, but I guarantee that if there is \$4,000,000 loan money lying idle in this State the State Electricity Commission and many local authorities could use it to great advantage.

This is an aspect that should be carefully considered. If loan money had been available it is possible that the increases from 17½ to 27 per cent. in the S.E.C. charges would not have been necessary. I think we are entitled to all the information we can get in relation to all the costs associated with this central laundry before we are required to make a decision. Until I receive all those facts and I find that they are to my satisfaction I must certainly oppose this part of the Bill. I will support the second reading, because there are other parts of the measure which I consider are quite sound. I conclude my speech on that note.

THE HON. J. DOLAN (South-East Metropolitan—Minister for Police) [5.20 p.m.]: If I may, I will comment on some of the references made by speakers to the Bill. For example, Mr. Ferry wanted to know what would happen to the people who are engaged on laundry work in the country. There is no suggestion of extending the area of the central laundry to include country centres.

The Hon. J. Heltman: You would not have country centres sending their laundry to Perth?

The Hon. J. DOLAN: That would be a matter for their decision.

The Hon. J. Heltman: Whose decision?

The Hon. J. DOLAN: The particular hospital to which the honourable member is referring.

The Hon. N. McNeill: If they are not going to be supplied with—

The Hon. J. DOLAN: If the honourable member will wait I will answer as many questions as members care to ask. I would prefer it that way, because this is one of the most serious matters brought before the House for a long while. In regard to this Bill, three main points were made in another place. The most important one is the need for the establishment of a central laundry and the catering service. The other two relate to the appointment of a chairman of the advisory council and the right of the department to fix fees. The Minister for Health has agreed to place an amendment on the notice paper which will be acceptable to Mr. MacKinnon. Therefore, if I concentrate on the other two points and express our point of view and the department's point of view, I think it will answer many of the questions asked, and some of the other matters can be dealt with in Committee.

First of all, I will deal with the appointment of the chairman of the teaching hospitals' advisory council. The Minister, of course, wishes to preserve his right to appoint the chairman. He does not want to have his hands tied. He wants to select the best man on the council to be the chairman. To restrict the selection from only two members of the advisory council, in accordance with the reference made by Mr. MacKinnon to subsection (2) of proposed new section 6A is not desirable in the Minister's view. He considers it is the Minister's council and, as such, he should have the right to select the man who shall be chairman of it.

It could be, of course, that the Minister may appoint a woman as head of the council, but I will argue further those aspects of the appointment in the Committee stage. For the rest of my reply I wish to concentrate on the establishment and the conduct of a central laundry and other facilities for servicing public hospitals, and to tell honourable members the story behind it all. I hope they will listen attentively, because there are some matters referred to which I think they should know and which evidently have not yet been explained.

In another place, of course, the proposal to delete this provision was defeated. The story goes back to 1959, when the Hawke Government agreed to the establishment of a central hospital laundry and linen service and loan funds were allocated for the project. The Hawke Government went out of office in 1960, and, on assuming office the Brand Government cancelled the project despite strong departmental hospital representations, it being that Government's policy to send hospital laundry requirements to private

laundries. In regard to this, Mr. MacKinnon pointed to the difference between the two ideologies, but I do not accept that. In regard to a service such as this, there should be no variation.

When the King Edward Memorial Hospital was extended it was necessary for the laundry to be demolished and arrangements were made for the laundry to be done by Monarch Laundry, which later accepted laundry from Osborne Park and Hawthorn Hospitals, neither of which has laundry facilities.

When Fremantle Hospital's increased patient turnover resulted in a greater laundry requirement, the Fremantle Hospital Board contracted with the Fremantle Steam Laundry for a period of five years to 1973.

All other metropolitan hospitals have continued with previously existing laundries, except in the cases of Bentley and Armadale Hospitals, the laundry from which is being done by the Mt. Henry Hospital.

Sunset Hospital laundry is being done at the Claremont Hospital laundry, whilst the Hollywood Repatriation Hospital does the laundry work from Sir Charles Gairdner Hospital.

In 1966 the need to establish a central laundry and linen service to serve public hospitals was agreed by the Minister for Health.

This is contained in Attachment 1 which I will deal with later. Tenders were called, but no satisfactory tender was received.

Despite four years of voluminous correspondence and minutes, no progress was made. The situation became very urgent in late 1970 as indicated in the minute by the then Minister for Health to the Minister for Industrial Development dated the 5th November, 1970. This is Attachment 2.

Following his visits overseas and within Australia, particularly one to the Group Laundry and Central Linen Service in Adelaide, there is no doubt that the former Minister for Health—The Hon. G. C. MacKinnon, M.L.C.—was convinced that similar facilities were essential in Western Australia, but Cabinet did not accept that it should be established by the Government.

In December, 1970, Cabinet agreed that selected parties should be authorised to proceed with feasibility studies at their cost, with a clear understanding that if one of them put forward a viable proposition then the Government would proceed with it.

On the 9th December, 1970, Mr. F. B. N. Hodges, Industries Officer, Department of Industrial Development, reported following his visit to Adelaide. That report is in Attachment 3 which I will read later. This clearly presents relevant detail. Attention will be directed to the conclusions on page 9.

No proposition was submitted by any private organisation although some firms sought information early in 1971.

On the 14th April, 1971, Cabinet considered a detailed report and approved the establishment of a Government-owned hospital laundry and linen service, conditionally upon an examination of the question of financing the project resulting in a satisfactory arrangement without any serious effect on the State's loan allocation.

Discussions with the Treasury Department resulted in the proposition that each of five hospital boards would be permitted to use existing borrowing powers—maximum \$300,000 per annum—under the Hospitals Act over a period of up to three years to finance the project, loans to be on terms acceptable to the Treasury Department and subject to Government guarantee.

As the existing Act does not give a hospital board the legal right to transfer proceeds of any private borrowing, Crown Law Department advised us that there should be no difficulty in making an appropriate amendment to the Act to give hospital boards power to transfer proceeds of private borrowing to the Minister.

On the 19th May, 1971, the Minister for Health approved the appointment of a management committee of four, which has responsibility for all aspects of planning and management of the hospital laundry and linen service when operating.

The management committee and a standards sub-committee have been very active. Relevant State officers have visited the Eastern States and two Public Works Department engineers have made investigations overseas.

Plans are well advanced and it is expected that work on the site at Ellis on the proposed Lakes Hospital site adjacent to Murdoch University land, will commence in October, 1972.

The management committee recommended the appointment of a manager with the object of working with the architects and engineers and the management committee in planning and commissioning the new service. Mr. L. L. Jackman was appointed manager in January, 1972.

The Hon. G. C. MacKinnon: At this stage you believe you had authority to start it without the necessity for legislation?

The Hon. J. DOLAN: I would not say that, not at this stage. I might reply to that question later.

The Hon. A. F. Griffith: Is it not jumping the gun to appoint—

The Hon. J. DOLAN: In February, 1972, the Manager of the South Australian Group Laundry (Mr. Spencer) came to Western Australia for two weeks to give his advice following his extensive experience, including a recent overseas visit.

Specifications are being prepared by the Public Works Department to permit the calling of tenders soon for the machinery and equipment and also for the building itself, tenders for which will be called later.

It is considerably urgent that the new hospital laundry and linen service be brought into operation in the quickest possible time and the earliest this can occur is approximately February, 1974.

The Repatriation Department has notified its inability to continue to do the laundry from Sir Charles Gairdner Hospital after the end of 1973. The laundries at Princess Margaret Hospital, the Homes of Peace, and the Mental Health Services are hopelessly inadequate, and the needs of these hospitals will be met by the hospital laundry and linen service, together with those of Royal Perth, King Edward Memorial, Osborne Park, Hawthorn, Sunset, Mt. Henry, and Bentley Hospitals.

It will not be available to private hospitals.

Let us now deal with some of the correspondence associated with this establishment. I hope members will listen to the first letter most attentively because it reflects the views of the former Minister for Health (Mr. MacKinnon). It is dated the 5th November, 1970, is addressed to Mr. Court, Minister for Industrial Development, and reads as follows:—

Re: Central Laundry and Linen Service

Before I continue, I wish to emphasise that this is how the then Minister viewed the position, and it has not altered. The letter reads—

The situation with regard to the establishment of a central laundry and linen service is becoming of the utmost urgency.

Royal Perth Hospital copes at present, but it will not be able to cope with the extensions now started unless the laundry is also extended.

Princess Margaret Hospital laundry has been in a desperate situation for some time. If it is to keep going and provide the laundry service for the present hospital it must have new equipment. Major additions are proposed for the Princess Margaret Hospital and the laundry could not hope to cope with this.

Sir Charles Gairdner Hospital has no laundry. Hollywood Hospital has indicated that it cannot handle the laundry load for Sir Charles Gairdner beyond 1972.

The above takes no account of proposed new hospitals such as Rockingham and Murdoch.

The Medical Department has been forced to commence some action with regard to the upgrading of the large laundry at Claremont Hospital.

I ask members to note particularly the final sentence which reads—

However the facility is built, and whatever is done, must be completed within the next two to three years.

The Hon. G. C. MacKinnon: There is nothing sinister about that.

The Hon. J. DOLAN: I have not suggested there is. I have read it as it is and I would not like to think the honourable member is reading anything into my remarks.

The Hon. A. F. Griffith: I notice you read it with great emphasis.

The Hon. J. DOLAN: As I am entitled to.

The Hon. A. F. Griffith: But you do so only when you want to.

The Hon. J. DOLAN: I do not want to misrepresent the position at all. If the Leader of the Opposition believes I have emphasised anything in particular he might discuss it with Mr. MacKinnon.

In regard to a central laundry and linen service, a visit was paid, as I have mentioned, by Mr. Hodges to Adelaide on the 19th and the 20th November, 1970. The hospital visited at Dudley Park in Adelaide was established in 1963 and irrespective of what is said about ideologies and anything else, the fact remains that there was a Liberal-Country Party coalition Government in South Australia, and it accepted the principle.

The Hon. A. F. Griffith: What has that to do with it?

The Hon. J. DOLAN: The Leader of the Opposition and Mr. MacKinnon have both said that on this particular subject the political parties are as wide apart as the poles.

The Hon. G. C. MacKinnon: Correction: There is no coalition in South Australia. All the members of that Government were Liberals.

The Hon. J. DOLAN: All right. I apologise.

The Hon. A. F. Griffith: You learn something new every day.

The Hon. J. DOLAN: The following is a report by Mr. Hodges of that visit to Adelaide:—

By arrangement with Mr. C. S. Spencer, Manager of the Group Laundry & Central Linen Service, South Australian Hospitals Department—

We have the equivalent here. To continue—

—I visited the Laundry Plant at Dudley Park, Adelaide, on 19th-20th November.

This was in 1970.

The Hon. G. C. MacKinnon: I think I arranged that trip.

The Hon. J. DOLAN: I would think so. It was during the honourable member's administration.

The Hon. G. C. MacKinnon: That is right.

The Hon. J. DOLAN: The ex-Minister was very concerned about the position as he indicated in his letter to Mr. Court. Therefore naturally he would send to the Eastern States to obtain the latest information so that he could do likewise. If the previous Government had still been in office this laundry service might have been an accomplished fact by now. I do not know. The report of Mr. Hodges reads as follows:—

By arrangement with Mr. C. S. Spencer, Manager of the Group Laundry & Central Linen Service, South Australian Hospitals Department, I visited the Laundry plant at Dudley Park, Adelaide, on 19th-20th November.

The purpose of the visit was to obtain first hand information on the problems of establishing and operating a central laundry and linen service geared to hospital requirements, to see such a system in operation, and to obtain as much relevant statistical information as possible to assist with our own studies in Western Australia.

They would be the studies undertaken by the department concerning the establishment of a similar service. The report continues—

I received excellent co-operation from Mr. Spencer—

I have already indicated that Mr. Spencer was the manager of the institution in South Australia. To continue—

—and his staff, who went out of their way to answer all my questions and provide me with the information I required. As a result, I was able to obtain a great deal of valuable data on the numerous aspects to be considered in the establishment of a central laundry and linen service, and the ways in which the South Australians were able to overcome the practical problems encountered.

I have again emphasised that. To continue—

A. The decision to establish a central laundry and linen service for hospitals in South Australia.

The situation immediately prior to the establishment of the present central system in South Australia was that certain of the larger hospitals provided a group laundry service for neighbouring smaller hospitals. No linen service operated, each hospital maintaining its own stock of items.

No laundry was processed by private enterprise concerns, although a small quantity was handled by prison laundries. (Some 6 tons per week is still sent to prison laundries, but this is not proving completely satisfactory, and may be discontinued.)

Faced with the inadequacy and relative inefficiency of this system, it was decided in October 1963 to establish a Group Laundry and Central Linen Service to meet the needs of all Government and Government-subsidised hospitals in the Adelaide metropolitan area, and of certain other State Government institutions.

The question of ownership was considered, and a service established and operated by the State Government was preferred to a private enterprise system on the grounds that the former would be cheaper—

I would direct Mr. Logan's attention to that remark. Continuing—

—(due to the elimination of a profit margin, and the enjoyment of cost benefits which would accrue to a Government-owned enterprise) and would allow the hospitals to have a greater voice in the operation of the service.

B. Establishment of the central system.

Two years after the decision to establish the system, the processing centre at Dudley Park received its first batch of laundry, and the official opening ceremony was held in December, 1965.

A management Committee of four, the members of which represent the Hospitals Department and the Administrators of the larger hospitals, was constituted to administer the service.

Members might recall that I said earlier Mr. Davies had appointed a special committee of four and that committee I think would bear the same relationship to any future activities as the management committee does in South Australia. To continue—

No outside consultants were engaged in planning the plant and operating systems. However, the Manager, Mr. Spencer, was appointed at an early date in the planning phase, and his knowledge and wide experience of institutional laundry formed the basis of the scheme finally introduced, both in respect of the building and equipping of the laundry plant and in devising administrative systems which would meet the needs of hospitals.

The factors determining selection of the 9-acre site at Dudley Park were:—

(i) Availability of main sewerage;

(ii) Availability of a suitable water supply;

(iii) Central location relative to the major institutions to be serviced (the plant is 4 miles north of the city centre).

Subsequent experience has confirmed the correctness of this location. A similar site is anticipated in the metropolitan area here in a central position and with those same facilities available. Continuing—

The principal difficulties encountered in the establishment phase arose largely from the lack of pre-existing statistical data from the participating hospitals regarding their daily need of items of linen, causing some distortion in linen stocks purchased and processing arrangements initially made. This gradually corrected itself. The other major problem at this time was largely a human one, having its root in the existence of some degree of resentment on the part of the institutions at the loss of their independence in laundry and linen matters. This aspect underlines the necessity of adequate psychological preparation for the transition to the new system, and the importance of careful liaison between the laundry and the institutions both before and after the changeover has been made. The overall advantages of the new system must be explained sympathetically and publicised in such a way that all participants will recognise that the benefits to be obtained will far exceed the temporary disadvantages.

This is not a report by one of our officers.

The Hon. G. C. MacKinnon: You have sacked Hodges, then, have you?

The Hon. J. DOLAN: No.

The Hon. G. C. MacKinnon: He must be an officer of yours now.

The Hon. J. DOLAN: I am talking about the time when the report was compiled. He was sent by Mr. MacKinnon, so that when he prepared the report it was for Mr. MacKinnon as the responsible Minister in the previous Government. I did not intend to convey any other meaning. The report continues—

There was no gradual transition in South Australia to the new system. Mr. Spencer considers that the entire changeover must be made in one move, principally due to the standardisation of linen factor and the confusion which would occur if two different systems were operating at the same time.

The method adopted for the take-over of pre-existing linen stocks owned by the individual hospitals was that where the linen had been purchased with the assistance of a Government subsidy it was taken over

without cost, but where no subsidy element was present it was paid for by the laundry at 50 per cent. of cost. This latter expense amounted to \$128,000 at the outset in 1965, and new (standardised) linen purchased by the laundry at that time cost some \$600,000. This supported an initial weekly throughput of 60 tons, rising to 100 tons. The establishment cost was estimated at \$160 per bed in new linen, exclusive of used items taken over from the participating institutions. Mr. Spencer considers, in the light of experience, that a figure of \$200 per bed, plus items taken over, would have been a more satisfactory figure, to prevent the periodic shortages encountered. As a general rule, the overall linen stock of each item should approximate ten times the daily requirement.

The next section deals with the general operation of the system in South Australia and I assume that that system would be used as a model for our own. To continue—

C. General Operation of the System.

1. Problems of the laundry and linen service.

The principal problems met with in the experience of the South Australian system relate to the linen supply service. The actual laundering operation has been relatively trouble-free and has proceeded more or less as originally envisaged. The equipment and laundering procedures have operated satisfactorily and have produced very few complaints concerning the quality of this aspect of the service. The laundry's own quality-control section has an 8 per cent. rejection rate, only 3 per cent. of which is for poor laundering, stains which are not susceptible to removal by normal laundering, etc. The other 5 per cent. is for damaged and worn-out items which are sent for repair or are scrapped.

The linen supply service has been the source of most complaints from the institutions served, and has presented most problems to the laundry's management. These problems fall into two categories—linen shortages, and supervision of stocks carried by the institutions.

Shortages of certain items appear to be a chronic problem with the system, and in talking to the laundry superintendents at two hospitals served (The Adelaide Children's Hospital and Hillcrest Hospital) this was the only complaint voiced. (All agreed that the quality of the laundering was eminently satisfactory.) Mr. Spencer claimed that the shortages of linen items were principally due to unreasonable lateness of delivery by raw material suppliers. A consignment of

theatre linen, now desperately needed, had been on order for more than 12 months, and repeated delivery promises had been broken. There are apparently only two sources of supply in Australia, and consideration was being given to importing supplies from Japan to solve the problem, despite the increased cost arising from tariff duties.

This general problem was compounded by the requests made to the laundry to extend its service to additional institutions at short notice. The only solution to this situation, according to Mr. Spencer, was to order well in advance of requirements, and risk incurring the expense of being overstocked.

The problem of supervising the stocks of clean linen carried by participating institutions is a matter of educating them in the best methods of operating the system. There is an almost inevitable tendency to overstate requirements and carry excessive stocks of clean linen, to guard against all kinds of likely and unlikely emergencies. Once a stock has been built up, there is of course no financial penalty in carrying an excessive reserve of clean linen under the system of charging at present in operation. The problem feeds on itself, for as a shortage of particular items becomes apparent, the tendency is to overstate requirements of these still further to provide against being left without them through possible failure to supply. To combat this problem, a member of the laundry staff makes frequent visits to all participating institutions to check on stock levels and advise on how much linen should be carried, and the laundry's two work study engineers are available for consultation at any time.

The Hon. G. C. MacKinnon: These problems the Minister is enunciating apply whether the hospital has its own laundry or sends laundry out.

The Hon. J. DOLAN: That is possible. To continue—

Nevertheless, the problem remains, as "secret" stocks are established by the more conservative laundry superintendents.

An annual stocktaking of linen is held at every storage point. This usually discloses a stock loss of about 5 per cent., almost all of it at the institutions.

At this stage I will content myself with reading the headings of the remainder and perhaps a few extracts which I think will be of interest to members of the House.

The Hon. W. R. Withers: The Minister mentioned earlier that psychological preparation of the staff is required. Would he refer to this as brain-washing?

The Hon. J. DOLAN: No. Many people cannot readily accept new situations in comparison with the old ones. Therefore, education is necessary.

The PRESIDENT: Order! Will the Minister please unclip his notes and feed them to *Hansard* because there is some confusion upstairs?

The Hon. G. C. MacKinnon: Some of these points could be raised in Committee.

The Hon. J. DOLAN: I do not want to delay the Bill in Committee if I can possibly avoid it. The next paragraph relates to making-up and repair work. The laundry at Dudley Park has a sewing room where 25 women are engaged in the repair of damaged linen. Mr. Hodges was surprised at the small volume of making-up work done by this section.

The next paragraph deals with the standardisation of linen and the following one with distribution. The paragraph on dry cleaning states in part—

At present 1800 lbs. per week of dry-cleaning is undertaken. It is charged to the institutions at the same price as general laundry.

The next paragraph is headed, "Relations between Group Laundry and Institutions." A very satisfactory working relationship appears to have been established between the group laundry and the institutions it serves.

So far as staff is concerned, the group laundry at Dudley Park at present employs a total of 310 people including management. Two shifts are worked with 177 operatives on the day shift and 95 on the evening one. In all, 50 per cent. of the employees are foreign born. This is an interesting point. Perhaps it is because of a shortage in manpower at the time the laundry was established or perhaps the people are adapted and suited to this type of work. Turnover of staff appears to be fairly high. It is 49 per cent. per annum for females, 74 per cent. for males, with an average of 54 per cent. Employees work under a special award, which is the Group Laundry Conciliation Committee Award.

I would now like to give some idea of figures. In 1969 an average weekly tonnage of 160.5 was processed, and this is projected to increase as follows:—

1970—180 tons per week.

1971—224 tons per week.

1976—285 tons per week.

Other tonnages are given for the years 1972 to 1975 inclusive.

Details of the capital cost are available for the inspection of all members. Charges to participating institutions are mentioned and I will quote this part for the benefit of Mr. Logan who, unfortunately, is not in the Chamber at the moment. These are—

1965 (Oct.)—67 (June)—10 cents per lb. dry weight clean linen.

1967-69—9 cents per lb. dry weight clean linen.

1969-70—8.5 cents per lb. dry weight clean linen.

1970—9 cents per lb. dry weight clean linen.

The increased efficiency of operations due to rising throughput, has generally been more than sufficient to absorb increasing costs.

The whole report was prepared by an officer under the previous Government who reported most favourably on this particular institution of a type, which we hope, will be introduced here. I shall make a few more comments before I conclude, but the rest can be reserved for the Committee stage. On the question of the cost of operating central amenities, I referred to the South Australian laundry in Mr. Hodge's report.

The PRESIDENT: Order! Will the people in the Gallery please remove that banner? Will the Usher of the Black Rod ask them to take it away and clear the Gallery?

[The gallery was cleared.]

The Hon. J. DOLAN: This statement may be enlightening in regard to queries on costs. Mr. Davies, the Minister for Health, was not prepared to quote tonnages and costs in the lower House. However it has been worked out, at departmental level, that this will be done at a lower cost than it could be by private industry.

The Hon. L. A. Logan: How do you know that?

The Hon. J. DOLAN: This is a departmental estimate and the officers would have made their checks. I think it should be acceptable for this reason. No private laundry in this State is in the position of being able to handle the large amount of laundry envisaged from existing expanding hospitals. The tonnage handled by the centralised laundry will be in excess of 100 tons per week.

I have a special statement on country laundry services for the benefit of Mr. Ferry. There is no intention to establish centralised laundries in country areas but already the laundry of York Hospital is being done at the Northam Regional Hospital. The two hospitals have made their own arrangements.

At Derby the laundry from the nursing home administered by the Presbyterian Church is being done by the Derby District Hospital. This is an item of information for Mr. Withers.

Only in cases where it is clearly desired by a country hospital and where it is proved to be economical would similar arrangements be made.

The Hon. A. F. Griffith: Did the Minister say he had this prepared for Mr. Ferry?

The Hon. J. DOLAN: Mr. Ferry made inquiries on this subject. It is not only for him but for every other member of the House.

The Hon. A. F. Griffith: This is very efficient, seeing you did not know he was going to speak.

The PRESIDENT: Will the Minister address the chair and continue with his speech?

The Hon. J. DOLAN: The interjection was quite uncalled for and quite unruly, because Mr. Ferry has already spoken and he raised the matter. I was giving the information he asked for, but this still does not seem to satisfy the Leader of the Opposition.

As well as the laundry service, this clause refers to other services, including catering. Many of these services were instituted by the previous Minister and are already in operation.

Points of Order

The Hon. J. DOLAN: Sir, I was most courteous when Mr. MacKinnon was speaking and I did not interject at that time. I feel I am entitled to the same courtesy.

The Hon. G. C. MacKinnon: An examination of *Hansard* at this stage will not show an interjection.

The Hon. J. DOLAN: Members were carrying on a conversation which was quite audible. It is this I object to.

The Hon. A. F. Griffith: Goodness gracious me! Can we not speak to each other while you are on your feet?

The PRESIDENT: Order! From time to time people do object to interjections and I wish members would remember this. I agree with the Minister on this occasion; it is disconcerting.

The Hon. J. DOLAN: Thank you, Sir.

The Hon. A. F. GRIFFITH: I rise on a point of order, Sir. Neither Mr. MacKinnon nor myself interjected on the Minister.

The Hon. J. Dolan: I did not say you did. I said you were talking to the extent of distracting me.

The Hon. A. F. GRIFFITH: I am on my feet. We were carrying on a private conversation, and if it was of such a nature as to be too audible, I apologise. However, we were not interjecting.

Debate Resumed

The Hon. J. DOLAN: Catering and other services have already been established.

The Hon. G. C. MacKinnon: I pointed that out.

The Hon. J. DOLAN: And, of course, other services such as laboratories, X-ray departments, and this type of thing.

I repeat that this problem has faced successive Ministers since 1959 when a move was made by the Hawke Government to establish the laundry. It was rejected by the next Government but the Minister then became very anxious about the whole set-up, so much so that I will not repeat the contents of his letter to Mr. Court. However, he realised the gravity of the situation and our Government is now trying to do something about it. A State laundry will mean a considerable saving of money and this money will be well used in an extension of services. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

QUESTIONS (6): ON NOTICE

1. HOUSING Derby

The Hon. W. R. WITHERS, to the Leader of the House:

- (1) Will the Minister give priority to the building of some State Housing Commission homes in Derby now that the caravan park is nearly full, and the occupants with six months residency are increasing?
- (2) As it is nearly two years since the last State Housing Commission home was built in Derby, and there is a substantial waiting list, will the Minister indicate the number of homes to be built, and the expected programme?

The Hon. W. F. WILLESEE replied:

- (1) Relative priorities for housing in various Centres within the State are assessed, in the context of limited financial resources, with reference to—
the number of applicants waiting;
the turnover of tenancies in the existing housing stock;
average waiting time;
possibility of private accommodation; and
any other relevant items.
The experience in Derby for the past two and a half years shows a tenancy turnover about equal to the number of waiting applicants and, hence, little need for further house construction.
- (2) No dwelling units are programmed for Derby in 1971-1972. Until likely financial resources for 1972-1973 are known, no firm programme can be formulated for particular Centres.

2. **HEALTH EDUCATION**

Modern Social Issues Programme

The Hon. D. J. WORDSWORTH, to the Leader of the House:

In view of the undoubted success of the series of sessions on "Modern Social Issues" by the Health Education Council in such country centres as Mt. Barker, where over 200 students participated in day sessions, and 60 to 80 adults in the evening sessions—

- (a) are these programmes to be continued in the country;
- (b) not, why not;
- (c) what was the annual budget for these country programmes, and what was the cost on a per head basis?

The Hon. W. F. WILLESEE replied:

- (a) They are to be continued as far as resources of staff and money permit.
- (b) Refer to previous answer.
- (c) There is no specific budget for country programmes but all "Modern Social Issues" programmes in both metropolitan and country areas cost approximately \$50,000 per year of which about \$35,000 comes from the Council's State grant and about \$15,000 from the Council's Commonwealth grant.

The cost per head, since it depends on the actual number of people participating, varies considerably from one programme to the next. Mt. Barker-Albany were run almost simultaneously and taking these as an example the cost per head was \$2.69.

3. **WATER SUPPLIES**

Carnarvon Area

The Hon. G. W. BERRY, to the Leader of the House:

As the feasibility study of damming the Gascoyne River at Rocky Pool is unfavourable, has the Government any plans or work in hand to meet the fast developing water crisis in the Carnarvon area?

The Hon. W. F. WILLESEE replied:

In conjunction with the feasibility study carried out by Sir Alexander Gibb and Partners the Public Works Department, during the past three years, has carried out an extensive investigation of the underground water potential of the Gascoyne River Delta.

These investigations have indicated that there are further useful quantities of groundwater yet to be developed. Proposals for the development of these resources are at present being formulated.

While these investigations have been proceeding the Department has been progressively developing and extending the irrigation supply scheme. The works currently in hand when completed within the next few months will allow the scheme to supplement supplies to 50% of the plantations and to supply 50% of the current town water supply needs.

4.

CATTLE

Compensation Fund

The Hon. N. McNEILL, to the Leader of the House:

- (1) What is the present balance standing to the credit of the Cattle Industry Compensation Fund?
- (2) During the preceding 12 months, what was—
 - (a) the total revenue to the Fund;
 - (b) the disbursement from the Fund for compensable diseases in stock;
 - (c) the proportion of (b) above paid out for positive reaction to the Brucella test?
- (3) Are sufficient funds available at present to pay compensation on all condemned Brucella infected cattle at the rates indicated by the Minister in his reply to my question on the 2nd May, 1972?
- (4) (a) If not, what steps are being taken to ensure that stock owners receive a fair value for their cattle; and
 - (b) that the Brucellosis eradication programme is not being unduly prejudiced?
- (5) Since the inception of the Brucellosis eradication scheme—
 - (a) how many properties have been quarantined;
 - (b) how many properties have been released from quarantine;
 - (c) at what levels of disease incidence has compensation been payable?

The Hon. W. F. WILLESEE replied:

- (1) \$395,213.
- (2) (a) \$656,683 (end of April 1972).
- (b) \$902,924 (end of April 1972).
- (c) \$674,103 (end of April 1972).
- (3) No.
- (4) (a) Owners are not at present compelled to quit cattle identified as infected with Brucellosis. If the prevalence of the

disease in a herd is less than 3%, the owner may send the reactors to slaughter and receive compensation at carcase valuation; if higher than 3% he may elect to quit his reactors at no compensation. In either case, he may keep his reactors indefinitely under quarantine.

- (b) This entire matter is now being reconsidered both by the State and Nationally to avoid a slowing down of the eradication programme.
- (5) (a) 283.
 (b) 29.
 (c) (i) 3% up to September 1971, when slaughter was optional.
 (ii) No limit from September 1971 to April 1972 when slaughter was compulsory.
 (iii) 3% from April 1972 when slaughter is again optional.

5. EDUCATION

Esperance Senior High School

The Hon. D. J. WORDSWORTH, to the Leader of the House:

In view of the accusation by the Esperance Senior High School Parents & Citizens' Association that delays and inaccuracies of supplies from the Educational Supplies Branch have seriously hampered the work of the school, will the Minister comment on the following complaints—

- (a) third year teachers guides for science were not received until seven weeks after school resumed. These alone were the subject of six telephone calls and a telegram, with conflicting information being given by different sources. There was no notification of any delay—this delay seriously hampered the introduction of new third year courses;
- (b) work books for science third year were not received in time for use;
- (c) materials for the new science block, ordered in October 1971, were not processed until March 1972, and advice of several items has not yet been received;
- (d) materials ordered in November 1971, for the pre-vocational area of the school, had not been processed until March 1972;
- (e) a pottery kiln ordered in November had been overlooked;

(f) record cards supplied on annual stock were of the wrong type—out of date for three years—and the ones supplied in replacement were also of an out of date type;

(g) text books in health education, elementary maths 4, business principles and practices, supplied through the supplies branch were either too late to be of use, or have not been received?

The Hon. W. F. WILLESEE replied:

The Education Supplies Branch came under the control of the Education Department late in 1971 and simultaneously it was necessary to transfer all operations to larger premises in Kewdale.

The change in control involved a reorganisation of the Branch, appointment and training of additional staff, implementation of new procedures and the physical transfer of all stock held in store. These factors contributed to a temporary reduction in operational efficiency and delays in the supply of materials to schools did occur.

An examination of the complaints listed under (a) to (g) indicates that although schools suffered some inconvenience because of the late receipt of certain items, the instructional programme should not necessarily have been affected.

6.

EDUCATION

Kununurra School

The Hon. W. R. WITHERS, to the Leader of the House:

Will priority be given to the installation of airconditioning in the Kununurra State School because of the detrimental effects of the climate on pupils and staff?

The Hon. W. F. WILLESEE replied:

Documentation is at present being undertaken by the Public Works Department with a view to calling tenders in late June or early July for an anticipated completion before October or November.

CHILD WELFARE ACT AMENDMENT BILL (No. 2)

Second Reading

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House)
 [6.07 p.m.]: I move—

That the Bill be now read a second time.

This Bill is consequential upon the Community Welfare Bill and upon the recent Bill amending the Criminal Code, and is related to the Justices Act Amendment Bill, 1972.

Clauses 1 to 9 contain amendments consequent upon the Community Welfare Bill. Members will recall that when dealing with that Bill reference was made to the necessity on its passing to introduce complementary legislation.

The proposed amendments will overcome any difficulties. They provide for a new definition of "Director" and of "Department," relating both to community welfare. In addition, the appointment of other officers is regularised, including the appointment of present officers of the Child Welfare Department to the Community Welfare Department. Provision is made for the present powers of delegation by the Minister to be consistent with those in the Community Welfare Bill without any significant changes to the Child Welfare Act. The amendments will facilitate the administration of the Child Welfare Act by the Department of Community Welfare.

The amendments in clauses 10 to 13 are necessary as a consequence of amendments to the Criminal Code and to the Justices Act.

In essence they achieve two things: Firstly, to require a stipendiary magistrate, if available, to deal summarily with certain indictable offences; or, in the absence of a magistrate, for two justices to deal with the matter with the consent of the accused. Secondly, to provide that persons who incite a child to deal indecently with another person are guilty of an offence.

Debate adjourned, on motion by The Hon. L. A. Logan.

ADJOURNMENT OF THE HOUSE: SPECIAL

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [6.09 p.m.]: I move—

That the House at its rising adjourn until 2.15 p.m. tomorrow (Friday).

Question put and passed.

House adjourned at 6.10 p.m.

Legislative Assembly

Thursday, the 11th May, 1972

The **SPEAKER** (Mr. Norton) took the Chair at 11.00 a.m., and read prayers.

PRICES

Control of Increases: Petition

MR. A. R. TONKIN (Mirrabooka) [11.01 a.m.]: I have a petition addressed as follows:—

To the Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned Petitioners, do hereby pray that Her Majesty's Government of Western Australia will take immediate and urgent action to control the steep and continuous increase in prices.

Your Petitioners therefore humbly pray that your Honourable House will give this matter urgent consideration, and your Petitioners as in duty bound, will ever pray.

I certify that this petition conforms with the rules of the House.

(Sgd.) Arthur Tonkin, M.L.A.

There are 124 signatures on the petition.

The **SPEAKER**: I direct that the petition be brought to the Table of the House.

PUBLIC ACCOUNTS COMMITTEE

Report

MR. HARMAN (Maylands) [11.03 a.m.]: I present to the House the third report of the Public Accounts Committee. I move—

That the report be received.

Question put and passed.

MR. HARMAN (Maylands) [11.04 a.m.]: I move—

That the report be printed.

In doing so, I wish to make a few brief remarks.

Firstly, the reason for having this report printed is obvious; that is, so that it may be circulated to all Government departments and instrumentalities. It will be recalled that the second report of the Public Accounts Committee was concerned with the criticism in the Auditor-General's report of certain departments. In the report now presented, the committee has concerned itself with the excesses on the votes of each department.

As members know, the Estimates are submitted each year in itemised form. In addition to that, a certain amount is allocated as an Advance to the Treasurer.

The committee adopted the principle that only matters of real importance and urgency should be made a charge against the "Advance to the Treasurer" item. It also adopted the principle adopted by the Commonwealth Joint Committee on Public Accounts in 1964—that the advance should be confined to urgent and unforeseeable requirements, provision for which could not be made in the Appropriation Bill. Members of Parliament, individually, do not have the opportunity to examine the excesses. The committee therefore took the opportunity to do so and it has made its report.

I would again like to compliment and commend the officers of the various departments who presented themselves before the committee. They gave their evidence in a very frank and detailed