

Legislative Assembly

Thursday, the 25th August, 1977

The SPEAKER (Mr Thompson) took the Chair at 2.15 p.m., and read prayers.

STANDING ORDERS SUSPENSION

Council Bills and Third Readings

MR O'NEIL (East Melville—Deputy Premier) [2.18 p.m.]: I move—

That for the present Session so much of the Standing Orders be suspended as is necessary to enable—

- (a) any Bills coming from the Council for the first time to be, by leave of the House, taken forthwith to the second reading stage; and
- (b) the third reading of any Bill to be, by leave of the House, taken immediately after the adoption of the Committee's report.

This is a sessional order which was introduced in the latter stages of the last Parliament because it was agreed between Government and Opposition that it would facilitate some of the procedural matters in respect of the passage of Bills through both Houses of Parliament.

I understand that in the report of the Standing Orders Committee which was partly considered last year it is proposed that provision be made that this procedure become a regular practice in this Parliament and in this Chamber; but as that report has not yet been fully debated, it is necessary to move this sessional order.

The motion is at variance a little with the sessional order we passed through the last Parliament, in that it makes no reference to the fact that a Bill must pass through Committee without amendment before the third reading can be proceeded with forthwith. Of course, this will be a matter of judgment. If the Bill is substantially amended in Committee, then quite naturally the consideration of the report would need to be deferred until such time as the Bill could be re-printed. However, in any case, the House has within itself the power to prevent this sessional order from operating, because it includes the qualification that the action cannot be taken other than by leave of the House.

MR JAMIESON (Welshpool—Leader of the Opposition) [2.20 p.m.]: This is a very sensible move in my opinion. The Deputy Premier has

indicated that the Standing Orders Committee has recommended that a similar procedure be adopted when we get around to amending the Standing Orders. In that respect we seem always to get to the starting gate, but then something goes wrong.

However, in the meantime it is sensible when Bills are moving backwards and forwards between the two Chambers that a minimum amount of time be spent on formalities.

The provision in the motion requiring leave of the House to be granted means if there is any objection the Bill cannot be proceeded with forthwith. So there is a safeguard that any member of the House, be he from the Opposition or the Government, can delay the Bill until the next sitting day if he feels there is good reason to do so. With that safeguard, the motion is quite satisfactory. It will avoid cluttering up the notice paper with unnecessary Orders of the Day which could quite easily be dealt with while the matter is still fresh in the minds of members and everyone knows what is going on; otherwise if the matter is dealt with the next day, or even several days later if private members' day intervenes, members will have lost their train of thought in respect of the matter.

Therefore, this is a motion that we agree with for the expedition of business being transacted between the two Houses of Parliament.

Question put and passed.

BILLS (6): INTRODUCTION AND FIRST READING

1. Veterinary Surgeons Act Amendment Bill.
Bill introduced, on motion by Mr Old (Minister for Agriculture), and read a first time.
2. Liquor Act Amendment Bill.
Bill introduced, on motion by Mr O'Neil (Chief Secretary), and read a first time.
3. Metropolitan Water Supply, Sewerage, and Drainage Board (Validation) Bill.
4. Country Areas Water Supply Act Amendment Bill.
5. Land Drainage Act Amendment Bill.
6. Country Towns Sewerage Act Amendment Bill.

Bills introduced, on motions by Mr O'Connor (Minister for Water Supplies) and read a first time.

ADDRESS-IN-REPLY: TENTH DAY*Motion*

Debate resumed, from the 24th August, on the following motion by Mr Hassell—

That the following Address-in-Reply to His Excellency's Speech be agreed to—

May it please Your Excellency: We, the Legislative Assembly of the Parliament of the State of Western Australia in Parliament assembled, beg to express loyalty to our Most Gracious Sovereign, and to thank Your Excellency for the Speech you have been pleased to address to Parliament.

MR COWAN (Merredin) [2.27 p.m.]: Mr Speaker, I believe it is appropriate before I commence my remarks in the Address-in-Reply debate to place on record the appreciation of my electorate of the service rendered to the district by the late Mr Lionel Kelly. Mr Kelly first entered Parliament in 1941, when he won the seat of Yilgarn-Coolgardie. When that electorate was abolished in 1950, he won the new seat of Merredin-Yilgarn and held it until he retired in 1968.

During that time, he rose through the ranks of the Australian Labor Party and served in the Ministry. Despite the fact that for a very long period of time he served as a Minister, Mr Kelly never forgot he was a representative of the people of Merredin-Yilgarn. He spent as much time as possible in his electorate and was very affectionately known by all the people in the areas he served.

I should like to raise some parochial issues during this Address-in-Reply debate. The first is the matter of Westrail freight charges. On the 1st July, this year, freight charges on goods transported by Westrail were increased by 17.5 per cent.

Mr Davies: Shame!

Mr COWAN: Although Westrail did not get the 20 per cent increase it sought, it still represents a 67½ per cent increase in freight charges since 1974.

There can be no doubt that Westrail forms the basis of the transport industry in country areas, and an increase of this magnitude over the last four years has contributed heavily to the higher cost of living borne by people in the country. When increases of this nature are imposed, it is always claimed they are due to wage and salary increases and the high cost of diesel fuel

oil. Wages and fuel oil costs certainly have risen—in fact, they comprise some 70 per cent of Westrail's entire costs—but I do not think they can be isolated from other costs and represented as the only cause for the increase in freight charges.

Over the last five years, with the exception of 1973-74, Westrail has always had an operating surplus before it deducts amounts to be set aside for interest on previous borrowings.

Westrail is required to pay interest on loan funds and this is usually at 6 per cent. The total interest charged over the past years has been from \$12 million in 1971-72 to \$14 million in 1975-76. These increases in interest charged against Westrail must be considered when we are talking about higher freight rates. Westrail certainly cannot reduce its services any further so its wages bill must continue to rise. Its services have been cut to the bone as it is. When the standard gauge line became operational in the west all the publicity given to it indicated that the whole aim was to provide a more efficient rail service. It has certainly done this for interstate rail, but the reverse is the situation on the intrastate services.

In the three years I have been a member I have received numerous communications from Westrail advising me that certain small sidings or small services have been discontinued and the argument has always been that it has been in the interests of efficiency or economy.

I sometimes wonder how some of our forefathers would feel if they could visualise the present situation in the railways, the whole concept of which, when they were first established, was to open up Western Australia. Now purely on the basis of economy Westrail services are gradually being depleted.

It is my opinion that the Government should change its policy towards Westrail. It must allow it to use its freight revenue to cover operating costs, including depreciation on plant and assets; and the Government must be prepared to accept the deficit against Consolidated Revenue for interest charges and capital requirements for new rolling stock.

Mr H. D. Evans: Are you not part of the Government?

Mr COWAN: I am constantly reminded by the Deputy Premier that we are not members of the Government, but are members of the party supporting the Government.

Mr H. D. Evans: Why not do something about it then instead of just bellyaching?

Mr Blaikie: Let him have a go.

Mr COWAN: I am now going to make a recommendation which the Government should follow.

Mr H. D. Evans: I am all ears.

Mr Blaikie: You can say that again; big ones, at that.

Mr COWAN: I understand that had freight rates not been increased this year the deficit would have been \$20 million whereas, with the proposed freight increase of 17½ per cent, the deficit is estimated to be reduced to about \$7 million. As interest charges for the coming year are likely to amount to \$15 million or \$16 million it is quite apparent that freight revenue is being asked to bear too much of the deficit created by interest charges.

The DEPUTY SPEAKER: Order! There is too much audible conversation. I ask members to keep the conversation lower for the benefit of the *Hansard* reporter.

Mr COWAN: If we compare the deficit which the Government is prepared to accept in regard to other revenue-earning public utilities such as the country water supplies and the MTT, we realise that Westrail's deficit is much lower. The deficit for these other services is in fact in the vicinity of the \$20 million, about which I spoke and which would be the deficit for Westrail had there not been an increase in freight charges.

It is my opinion that there is discrimination against country people in this regard. This discrimination should end and the Government should be prepared to accept a deficit equivalent to that which it accepts for the MTT or country water supplies.

Mr H. D. Evans: You are lucky they have not put a 3 per cent impost on the gross revenue like they have for other bodies.

Mr COWAN: We must always bear in mind that country people pay freight both ways. They pay freight on their primary products which come down to the manufacturing industry, and they also pay freight on the consumer goods which are sent back to them. There is good reason for the Government to accept a higher deficit for Westrail. Another factor to be kept in mind is that Westrail's major source of income is from grain and that market is currently depressed world-wide. Therefore the Government should give every consideration to allowing Westrail a higher deficit than it is at present allowed.

Mr Skidmore: Does the income from grain supersede that of ore?

Mr COWAN: In 1975-76 wheat and grain freight earned \$30.66 million, or 23.17 per cent of the total income whereas the freight from ores and minerals earned \$25.76 million, which was 19.1 per cent. Provided there is a reasonable harvest this year I imagine that grain freight will continue to be one of the greatest revenue earners for Westrail. It must be remembered that most minerals are transported by private companies in the north.

Mr Skidmore: I do not believe that the ore companies are making a sufficient contribution in line with primary producers.

Mr COWAN: One cannot obtain the contract price for iron ore which is transported from Koolyanobbing to Perth, but I understand that the contract is adjusted according to increases in costs to Westrail. On the other hand the freight charged on grain is a political decision made by the Government.

Before I turn from transport, I wish to refer to the South Western Australian Transport Study, commonly known as SWATS. This study was to have been finalised some 18 months ago, but I understand it has not yet been completed and the Minister for Transport has not received it. I certainly hope the report will contain recommendations which will bring about a change to the rural transport industry so that the most economic means of transport will be available to people who live in rural areas.

If those recommendations include the abolition of road maintenance tax, a more open franchise tax for transport, and that the Government accepts a greater portion of Westrail's deficit, then despite the fact that these recommendations will be two years late, they will have been worth waiting for.

Road maintenance tax is an impost on people in the country and it is also ridiculous that the only items which the Transport Commission allows road operators to transport without a permit, are livestock and second-hand furniture.

I am certainly not opposed to the permit system, but there are times when goods can be transported more cheaply by road than by rail and in those circumstances the road operators should be given ample opportunity to do the work. I am sure that if some rationale were used then the whole transport system could be overhauled without greatly affecting the revenue-earning capacity of Westrail or affecting the jobs of people employed by Westrail.

Mr Skidmore: You should get rid of those transportable offices from which they catch transport drivers.

Mr COWAN: In other States there is free competition between rail and road. People are entitled to transport what they like by whatever form they like. The system has worked very well. The rail service there still operates on a deficit, but it does operate and it transports more freight than is transported by road.

Mr Davies: The main gain is on bulk transport, is it not?

Mr COWAN: Bulk items transported by the railways provide the greatest profit.

Water conservation and the utilisation of the State's water resources are topical subjects at the moment. Rather than deal with the State in general, I would like to convey to members the more particular problems encountered in my electorate because of the current water shortage.

A considerable part of my area is not connected to the comprehensive water scheme. Some of the smaller towns have a PWD maintained water supply, but even so those towns are subject to very severe water restrictions. Those restrictions are much more severe than the restrictions which apply in the metropolitan area, and the country townspeople have been on those restrictions for some time.

Farmers who are not connected to the comprehensive water scheme have been carting water since the beginning of last summer for whatever stock they have left. The State Government has recognised the special problems faced by people in those areas, and it has introduced several schemes to help alleviate the position with regard to the shortage of water. Rock catchments which are used by farmers for emergency water supplies are refilled from the comprehensive scheme when they run dry. The farmers are encouraged to provide key dams on their farms by the Government making available low-interest loans of up to \$6 000. Those loans enable key dams to be built on some farming properties. It is a sound policy, and it should be encouraged. Not all farmers are able to construct key dams because they do not have suitable sites, and some of them cannot find the only alternative—underground water.

Shortly before I entered Parliament the Government of the day saw fit to construct a dam in the area of my farm in order to provide an emergency water supply. It was built at considerable expense, but it has achieved its purpose. We now have an emergency water supply regardless of seasons and conditions. Unfortunately, the Roe dam was the last storage to be built. Many additional sites have been surveyed by the Public Works Department, and feasibility studies have been conducted, but no additional dams have yet

been constructed. I understand the reason for the discontinuance of the programme again is that of economics. It is cheaper to cart water from the comprehensive water scheme to existing rock catchments, and then allow the farmers to cart their water supplies from those storages.

Our traditional sources of water have been placed under pressure by the requirements of the metropolitan area and the goldfields. We can now see how short-sighted was the Government's decision not to continue with the extension of the construction programme.

Another point I wish to raise is the role of the National Country Party in the coalition Government.

Mr H. D. Evans: This will be interesting.

Mr COWAN: One of the difficulties facing the National Country Party is the degree of compromise involved in having its policy principles implemented by the coalition Government. The party must endeavour at all times to adhere to its policies, but in a practical sense politics is an area where the total implementation of policy can be difficult.

Mr H. D. Evans: You will never be worth a bumper while you accept portfolios. Portfolios before principles!

Mr COWAN: I will refer to one area where our policy has been totally implemented. One of the major objects of the party was to achieve a total abolition of probate. The total abolition of that tax met with a large degree of resistance from our coalition partners. When the NCP first expressed its opinion, with some finality, it drew criticism from the Premier. He said it was irresponsible.

When the NCP decided to make it a term for coalition, the Premier stated that it was quite obvious the National Country Party would be seeking coalition with the Australian Labor Party.

Mr Davies: We could not accept you. Our platform will not allow National Country Party members in.

Mr COWAN: I have read the ALP platform. Mr Stephens: The Premier has too.

Mr COWAN: The National Country Party policy for the phased abolition of probate is now in the pipeline, and probate will be abolished by the end of the term of the present Government.

Mr Blaikie: The abolition of probate also received some support from Government members.

Mr COWAN: I agree that Government members supported our policy. Farm estates represent 1 per. cent of all the estates valued for death

duty, but they contribute 10 per cent of the value of probate revenue earned. It was not only our interest in farmers alone which prompted the party to decide we had had enough of probate duty. The very effect of inflation has placed every person who owns a home—the great Australian dream—in the position of being likely to have his estate liable for probate duty. It is also quite true that some people have been able to avoid the estate having to pay death duty by the use of life governor shares. Most people in the community, however, are more concerned with living than they are with the consequences of their death, and the effect it will have on their families. As far as I am concerned, probate duty is iniquitous, and rather than create loopholes so that people can avoid paying it, I believe it is right that it should be abolished completely as a State tax. Unfortunately, our Federal colleagues have not yet learnt the value of the abolition of probate.

Mr Skidmore: You should get on to that coalition over there.

Mr Bertram: Are you prepared to wait for three years?

Mr H. D. Evans interjected.

Mr COWAN: Another area where the NCP has been generally successful in the implementation of its policy is in relation to the meat marketing referendum. In broad terms, the policy has been achieved because the producers will decide, through a referendum, how their product will be marketed. I cannot hear the interjections from the member for Warren, but if he will allow me to finish I will give him some answers.

Most members will be aware that the policy of the NCP is the implementation of a grower-controlled orderly marketing system, provided it can be shown by referendum that that is the desire of the majority of the producers.

Mr H. D. Evans: Are you satisfied with the terms and conditions of the referendum?

Mr Old: What about picking up a new one.

Mr COWAN: An area of specific concern is that in the terms of the referendum there is no indication that if the first question is agreed to, a grower-controlled statutory authority will be established. This matter concerns me, and it concerns many other producers.

Mr H. D. Evans: Are you happy with the 60 per cent majority requirement?

Mr COWAN: I will cover that point. Perhaps one of the greatest areas of dissension amongst producers has been the means used to determine voting rights, and also the majority required for

acquisitive control of all beef and mutton at the point of slaughter.

Mr H. D. Evans: Is the National Country Party happy with the terms of the referendum?

Mr COWAN: Certainly, I am not happy with them and I believe other producers are not happy with them.

Mr H. D. Evans: What are you doing going along with it? You are dead right when you talk about the compromising of the National Country Party in coalition.

Mr COWAN: We have achieved a referendum of growers. Certainly, the terms of the referendum leave some questions to be answered.

Mr H. D. Evans: The situation is quite difficult; if you had tried harder it would be impossible.

Mr Old: The member opposite has not read the terms of the referendum. Take them home and read them some time.

Mr COWAN: Unlike the producers who voted in the lamb marketing referendum and the lupin referendum, the beef and mutton producers will be allocated votes according to the number of stock held. That multiple voting, together with a 60 per cent majority requirement for acquisition, will make the task very difficult for those people who support the policies of the Farmers' Union.

The Farmers' Union made its position very clear when it intensified its campaign for a referendum of beef and sheep meat producers. The union wanted a grower-controlled statutory board with powers of acquisition at the point of slaughter, to control the marketing of beef and mutton. The Farmers' Union wanted only one question which would require a straightout "Yes" or "No" answer. Other elements of the industry for reasons known only to themselves have tried to throw confusion into the referendum.

Mr H. D. Evans: Why was that?

Mr COWAN: I will use as an example the statement made last week by the Pastoralists and Graziers Association; it is my opinion that the part of the document written by the association aimed at question (1) of the referendum was put there purely to divide the industry and to put fear into the minds of the small producers. In fact, some of the comments in that statement were deliberate distortions of the truth to instil fear. One comment was that the majority of votes will come from the small producers, and that is not true. The majority of votes will come from producers who have two votes.

Mr H. D. Evans: Do not forget you and your party went along with it; you could have done something about it.

Mr COWAN: On top of that the association stated that the power to regulate deliveries means imposing quotas, and that is not true at all. The Lamb Marketing Board has never had to impose quotas and it never will. I am quite sure that after the fiasco which accompanied wheat quotas, we will never see quotas placed on another primary product produced in my area.

Mr H. D. Evans: And market milk.

Mr COWAN: Deliveries could be regulated, but no quotas need be imposed. It is up to the people to decide whether or not it is profitable to stay in the industry on the basis of the price received for their stock.

Mr H. D. Evans: You have sold them out again.

Mr COWAN: Every producer, regardless of his investment in the industry, has the same stake in the industry. No matter how many stock he runs, if his livelihood depends on his stock, the producer is vitally concerned about the way his product is marketed, and all producers should have an equal say.

I was very disappointed with the Cabinet decision that a 60 per cent affirmative vote will be required to question (1) for the recommendation to be passed. Members in this Chamber would react very badly if they were told they needed a 60 per cent majority to return to the House.

Mr Bateman: We have to get a much higher majority than that.

Mr COWAN: Despite multiple voting, I am sure the good sense of producers will prevail and question (1) will be passed.

Most successful primary industries now operate under a controlled marketing system. One of the reasons for this is that the countries which are purchasing our primary products are under the control of central Governments, and these countries prefer to deal with a Government entity when purchasing a primary product.

Mr Blaikie: Does that refer to the rock lobster industry?

Mr COWAN: That is certainly a controlled industry.

Mr Blaikie: What about controlled marketing?

Mr COWAN: I could not say about that, but it is definitely a controlled industry.

If I may conclude my remarks on this subject, Sir, I might say that the meat industry is no different from any other industry. Any person who is prepared to take his stock to Midland for sale must be prepared to commit that stock to

the market for whatever price the processors are prepared to pay. In other words, the price obtained is the price which the butcher who requires the stock is prepared to pay. If a corporation is formed, stock producers may still choose to sell their stock how they please, as happens now with the Lamb Marketing Board. From the producers' point of view it would be a great advantage if he knew in advance the price his stock would fetch and knew also that the price was determined by the price the consumer is prepared to pay rather than the price the processor is prepared to pay at the time.

If one considers that more than three-quarters of the market—that is, excluding the Kimberley—is based on domestic consumption, one can see that the price producers receive for their product should be based on the price consumers are prepared to pay rather than the price the processors offer. This price is adjusted usually to whatever price at which they can sell—for a profit—on the export market.

Processors should not be denied the opportunity to make a reasonable profit, but if the market is a domestic one, it should be adjusted to that market, and no other.

The role of my party in coalition is not an easy one. If we have a clash of policy with our coalition partners, we are accused of causing deliberate disharmony within the coalition. If there are differences of opinion the Liberal Party and more timid members of the NCP see that as a threat to secure government. Of course, the Labor Party would go to great lengths to say the Government is in ruins.

Mr Davies: Fair go.

Several members interjected.

Mr COWAN: I would like to remind the member for Swan of the recent State election when we were returned with a fairly large majority.

Mr Bertram: Mr Nixon had a good majority in the north.

Mr COWAN: If the National Country Party is to function properly, and if it is to have a future, then there must be some differences of opinion between the coalition partners. If our policies were the same, there would be no need for us to exist. I have given some examples of our differing policies in regard to probate issues, and with some reservation, the meat marketing referendum, because the philosophies of the two parties are different. I am sure our party will remain in the political arena for a lot longer than the Labor Party or Liberal Party would like.

Mr B. T. Burke: You need courage as well as conviction, you know.

Mr COWAN: I hope the party will continue to function with the Liberal Party in coalition. If we adhere to our principles we will be castigated for rocking the boat, and if we do not adhere to them, I am quite sure our electors will say we are not doing the right thing, and the Labor Party would move a motion in the House inviting us to support our principles rather than some compromise decision made by the Government. I am quite sure that if the National Country Party adheres to its policy, it will provide a valuable third party.

MR B. T. BURKE (Balcatta) [2.58 p.m.]: I would like firstly to extend to the Minister for Lands and Forests the heartfelt sympathy of myself and my family, and I know I speak for all members of the Opposition when I say we know her sorrow has been difficult to bear and impossible to share. I see, too, Sir, that you have changed your place in this House. The Opposition expects that you will be fair and impartial, and it will accept no less than that.

To those members on this side of the House who have been elected or re-elected this year, I offer my congratulations, particularly to those new members who demonstrated competence and eloquence, and who have shown quite clearly that in their ability the seed of the demise of the policies which have been implemented and espoused by the present Government.

I do not congratulate those on the other side who were elected and re-elected simply because my commitment is to their defeat.

My major preoccupation, as far as my special interests lie, has become very rapidly the tragic situation that has developed within the housing industry in this State. I think it is true to say that there are two very desperate sides to the story. There is firstly the interest or the concern of those people who need housing as a basic requirement to their commitment to the care of their families and themselves.

Secondly, there is the equally anguished situation of people now employed in the industry who face an uncertain future, which includes just one certainty, and that is the uncertainty of their positions.

If we take both of those points in order, we should note firstly that approvals for new dwellings have decreased by 20 per cent in the period to the 30th April, 1977. That is a quite clear indication of a dramatic downturn in activity in the home-building sector of the building industry.

It is also true to say that for some time—although not in the very recent past—there have been dramatic increases in the costs associated

with building new homes. If we look quickly at the figures we can see that during the period from the 30th June, 1974, to the 31st December, 1976, material costs rose by 45 per cent. During the same period, average weekly earnings increased by 53 per cent; and, carpenters' rates increased by 46 per cent.

However, over the same period the average cost of a new home rose by 80 per cent, an increase that is not justified by the corresponding increases in component costs.

Mr O'Connor: To which period are you referring?

Mr B. T. BURKE: The period between the 30th June, 1974, and the 31st December, 1976. So, there has been a dramatic increase in building material costs and a much more dramatic increase in the end cost of a new home to the consumer. That certainly takes some explaining. It probably requires more precise management regulations; certainly, those things do not exist now.

Where previously, money lenders consistently discounted or refused to take into account the earnings of a working wife, we see now the taking into account of those earnings has become the norm. Even with a norm such as that, the situation has been reached where people, especially the young, cannot afford the commitments which are necessary in the purchase of a new home.

If we look at the same period again, and assume that in 1974 the prospective home owner owned unencumbered a block of land suitable for immediate construction, and compare his situation to a person similarly placed in 1976, we see there has been an increase from \$14 000 to \$25 500 in the cost of building a 144 square metre home on the same block. In that period, there has been an increase of more than \$11 000 in construction costs.

Additionally, the \$14 000, if borrowed at a rate of 11 per cent over a period of 28 years, would provoke a total cost of \$45 200. The purchase of the same home now would provoke a total repayment of \$82 493. So, in that relatively short period the increased total commitment is the difference between \$45 200 and \$82 493. The situation clearly is a very desperate one for young people, old people and, for that matter, for any people contemplating the purchase of a home.

To express the matter in other terms, in June, 1974, it required 359 average weekly wage packets to purchase a new home. In December, 1976,

the figure was 428 average weekly wage packets. So, not only in money terms but also in real terms there has been a dramatic and quite desperate increase in costs.

It is true to say also, as most of us would know, that many people are not in the position of owning unencumbered a residential block of land at the time they wish to build or even at the time they do build. So, while the example I provided to members takes unencumbered ownership as a constant, it should be remembered it is not often the case. It is also the case that the price of land is escalating quite dramatically.

If we apply the commonly applied 25 per cent rule as the level of commitment people might comfortably be able to undertake as their repayment schedule we see that on the average weekly wage of \$190, lending institutions are literally ignoring the rule. They are asking people to pay not 25 per cent of their weekly wage but in excess of 32 per cent.

The private sector of the home building industry quite clearly is unable both within itself and by lack of regulation and proper management, to meet the demands which have been quite deliberately shifted onto it by this Government in the period since it was elected and re-elected. When we examine the activities of the State Housing Commission, we see it has been the agent of that redirection of emphasis in the housing industry.

I seriously believe this Government has embarked on a deliberate programme of emasculation of the State Housing Commission, a deliberate programme of reducing its effectiveness and of turning it into an agency which deals only with the most desperate and serious of welfare cases which cannot be catered for by other sectors of the industry. In doing so, the Government has relocated the burden previously borne by the SHC to the private sector, which quite clearly is unable to handle the burden placed upon it.

The last financial year saw the State Housing Commission build fewer houses than it has built since 1946, and 1946 was a year of post-war crisis in the supply of building materials. In any sort of terms, no Government can be proud of that sort of performance. To return to a situation which applied 30 years ago in terms of the construction of houses and accommodation units is something of which no Government can be proud.

It is also puzzling to look at the financial performance of the State Housing Commission. In

reply to questions asked by the member for Dianella, it was illustrated quite clearly there was a carry-over in excess of \$6 million this year from last year's Budget in money which was made available to the home builders' account during 1976. In my opinion, this money was specifically earmarked and denied to the terminating building societies so that houses at Koondoola could be financed.

What happened was that for 12 months, the money languished with the State Housing Commission; for 12 months it lost its value and for 12 months its use was denied to people desperately wanting homes. What benefit was there in having in the commission's bank account an amount of \$6 million, which could have been made available to people either through the commission or through terminating building societies? Why was it denied? Was there mismanagement?

If we look at the balances in the different accounts of the State Housing Commission, it becomes quite a serious point to see the amount of money which in fact was carried over by the commission from its last budget. We have heard all sorts of reasons, rationalisations, and excuses for a carry-over of that magnitude, but it just does not make sense when one compares this carry-over to those of previous years. For example, during 1973-74 there was a carry-over of \$4 640 000 in the State Housing Commission and Commonwealth-State Housing Agreement funds. This year the carry-over is \$14.9 million.

In the home builders' account to the 30th June, 1974, the carry-over was \$2 625 000.

This year it is \$6 760 million. Why the difference? Why the denial of the use of this money to people who desperately need it? Is it part of the Government's policy deliberately to restrict building activities in line with its policy of confronting unions and provoking industrial unrest? If that is not the reason—and it may very well not be the reason—then what is the reason? How can the commission justify saying that it needs this money for building projects in hand when in no previous year has it needed an amount even approaching that much? How can it say that it needs this money in the home builders' account for programmes that persist into the future when the Minister knows as well as I do that there will be a new allocation of home builders' account money within the next two or three weeks, and when both the Minister and I know that in 1972, 1973, 1974, 1975 and 1976 the carry-over never exceeded \$2 777 000? Why should 1977 be an exception? Do people now need homes less than they needed them previously?

Is it not true that the Housing Commission's waiting lists are escalating dramatically? Is it not true that the waiting time of about two years when the Tonkin Government left office is now five years? Is it not true that the commission is restricting its acceptance of emergency applications much more severely than it did in those years? Are waiting lists longer? Is that the production barrier? If it is not, perhaps the Minister can explain the persistence of this amount of money in the commission's coffers.

The Minister, the House, and I know the situation is that the commission has built fewer houses, fewer units of accommodation, than in any year since 1946. In 30 years its performance is the most dismal.

I want to touch now upon something that the Minister has denied previously, if not in essence certainly in the absolute terms that I have used; and that is the proposed increase in rents for State Housing Commission tenants. Whether the Minister agrees that the proposition before Cabinet is for an increase of \$5, \$6 or \$7, I say simply that time will prove that there is before Cabinet a recommendation from the commission to increase substantially the rents being paid by State Housing Commission tenants.

There is also before the Cabinet the proposition that country rents should be on a parity with metropolitan rents. The method by which this will be implemented is by leaving country rates at their already high level and moving metropolitan rates up to the same level. The Minister can deny those things if he likes—time will tell who is right—but at the same time it is certainly true, as everybody knows and as the Minister has even implied, that some sort of increase is in the pipeline.

Mr O'Connor: What you say is not true. I am not saying that you do not believe it to be true, but it is not true.

Mr B. T. BURKE: We will see whether there is any increase in State Housing Commission rents.

Mr O'Connor: I did not say there would not be any increase.

Mr B. T. BURKE: Or whether it is substantial, which is what I am saying. I thank the Minister for the confirmation of the fact that there will be an increase.

Mr Harman: He has just confirmed that there will be.

Mr B. T. BURKE: I have mentioned that he has confirmed the fact that there will be increases. The argument is about how substantial they will be.

I want to look now at the employment situation which has resulted from the policies of this Government. It has been found during past years that when the work force in the industry is employed half and half on construction of homes and construction of factories and major construction projects—offices and the like—maximum employment is maintained. The situation now is that 60 per cent of the workers in this industry are engaged in home building and 40 per cent are engaged on commercial projects.

That balance does not militate towards the optimum employment situation, and with approvals falling, as they are doing, we can foresee a situation in which there will definitely be unemployment in the building industry. The unemployment will result from the need this year, according to the Indicative Planning Commission, to build not 20 000 housing units, which is the number that would be required to maintain the employment of the present 11 000 workers, but 18 000 units which will result in a decrease to 9 000 workers from the 11 000 presently employed and needed in the building industry to construct those homes.

Unemployment must result, and with that unemployment will come a decrease in the efficiency of those people employed in the industry. That has been found to happen previously; that will be found to happen again. So there is a very significant and serious situation developing with regard to the employment aspect of the building industry. As yet the Government has not moved to provide the regulation and management that is needed to ensure that these people retain their jobs.

The Labor Party has a three-point plan which it puts forward as a way of combating some of those evils to which I have referred. Some of the points are not new, it is true, but it is certainly equally true that none of the points has been adopted, implemented, or tried by this Government.

Firstly, we say, in conjunction with building society people, that there must be lender of last resort facilities. I remind the Government that at no time since the introduction of the Housing Loans (Guarantee) Act in the 1950s has there been one call on the provisions of that Act. The Act has not been invoked once to reinstate a defaulting position. That Act has been in existence now for in excess of 20 years.

Why cannot the Government adopt the same sort of philosophy and belief as the permanent building societies? Why can it not introduce lender of last resort facilities and remove the compulsion felt by building societies to hold

in excess of the legal liquidity required? At times when we require them to hold 10 per cent of their funds as liquid reserves they hold up to 23 per cent of their funds as liquid reserves. They are scared of being caught short. The Government cannot lend them the assistance and support they require.

I have suggested that this will cost the Government nothing and will allow the societies to operate more efficiently and to lend money much more efficiently in order to manage their building programmes. It will also not compel them, at times when the money they carry does not earn the return that is involved in carrying it, to shovel that money out into the community as quickly as possible, and at other times to cut off almost entirely lending programmes because of the opposite reason.

Building societies are not being given the support they need. They are not being allowed to operate in the public interest. Lender of last resort facilities would be one way in which we could approach a situation in which we recognise the role of building societies, in which we support that role, and in which we enable societies to operate in the public interest.

The second matter I wish to raise is the question of the money that building societies carry as liquid assets either by law or by their own uncertainty and lack of confidence.

Mr O'Connor: You are referring to terminating or permanent?

Mr B. T. BURKE: Permanent societies, and I shall refer to terminating societies in a moment. Permanent societies are required by law to carry a certain amount of their money as liquid assets and their own uncertainty in the future is just as great a compulsion for them to carry this amount of money. Why cannot the Government institute a fund which complies with the Income Tax Act, retains for the societies their favoured tax status, and returns to the societies at least as much as the carrying costs on the money that is invested as liquid reserves? It would be a subsidy, I suggest, not to the societies but to the borrowers—to the economic health of the building industry in particular and to the health of the community in general.

If we are going to look at the proper management of the industry and the proper management of the societies, we have to look at those areas in which the societies fall short, those areas which compel the societies to duplicate wasteful advertising, and those areas which compel societies to compete in a costly manner with people providing similar or the same services.

This is one way we can do it and can guarantee to the societies, firstly, that they will be given as much money in return on the money they invest as they incurred in holding that money; and, secondly, that their investing in these Government funds set up specifically for the purpose would not take from the societies the tax advantage they now hold. It can be done, and done easily, so why will the Government not do it?

The other aspect which is exceedingly important is that of the taxation deductibility on home loan interest repayments. The Federal Government's action in this matter has been nothing short of a sham. It has introduced a system which will, over a period of three years, cost \$35 million in home savings grants. At the same time, what it has done is to scrap a system which cost \$138 million per year; and that was the Labor Party's system of tax deductibility. Why has it done this? Has it been done because it sees the building industry or home ownership as not a top priority? At the same time I remind members that the Liberal Party has constantly trumpeted about home ownership. It may trumpet, but the notes are off key.

What we need to do is to make urgent and strong representations to the Federal Government to indicate to it that the recommendation of taxation deductibility of home loan interest repayments is of real benefit to the community in an area in which there is real suffering. We should not allow ourselves to be told by the Federal Government that this is not a priority area.

At the same time I sound a word of warning to the Minister about what he is going to have to accept at the negotiation of the new agreement. If, as I suspect, the Minister is looking at a situation in which we are talking about interest rates on these funds, 1 per cent below the bond rate—and that is what has been announced by his Federal colleagues—that is entirely unacceptable to us, because it ignores the real need of the underprivileged and places them on a plane they cannot tolerate, a plane which involves commitments they cannot meet.

So I urge the Minister most strongly to deny to the Federal Government the efficiency or the worth of that sort of proposition. It rests with him and he can expect to be severely criticised if the agreement does not result in continuing advantage to this State.

Taking those matters which I have raised into account and adding to that the desirability of the commencement of operation of the Finance

Corporations Act to allow some sort of control, the Labor Party estimates a decrease in interest rates of 3 per cent to 3½ per cent will result. That is something the community is looking for; it is something on these arguments that is possible; and it is something the Government should implement.

All we need to do is look seriously at these propositions. The Government in the past has refused to entertain them and what has occurred is a continuing rise in interest rates, at least over the last three years.

Mr O'Connor: Federal-wise you mean.

Mr B. T. BURKE: On the Government's loan money or the State Housing Agreement moneys; but the Opposition can do nothing about that. It is not privy to the conference the Minister attends and so the responsibility rests on the Minister and it is a responsibility that is taken seriously by the Opposition.

I suggest to the Minister that he has had several months of comparative peace in his portfolio and in which he has been able to say that the Opposition has not placed him in the position in which he has to defend ground he was unused to or areas with which he was not familiar. However, the time has come when performance will be sought and performance will be criticised, and I do not think the Minister would blame us for that.

There is one last matter on which I wish to touch before concluding my contribution; that is, the increasing deposit gap being faced by young home seekers. It is very true that in the situation I have outlined and the situation in which building societies now lend in excess of 65 per cent of their funds for the purchase price of secondhand homes, the deposit gap situation has become quite intolerable to new home seekers. Something has to be done.

If the Government cannot implement a system of low-interest loans to cover the deposit gap then something is radically wrong. We are not talking of thousands of dollars, but, in the main, of amounts of less than \$2 500, amounts that are just as surely a bar to the provision of housing as is the need to borrow; in the final analysis, \$25 000. If a person cannot bridge the deposit gap he cannot buy a home. Cannot the Government study specifically this problem and provide some sort of relief in this initial area?

Amendment to Motion

As is probably expected by the Government, because it usually accompanies its expectations

with guffaws, I move the following amendment—

Add the following words to the Address-in-Reply to His Excellency's Speech:

; but the Parliament begs to inform the Governor that because of the ineffective policies of the State Government a quite desperate situation has developed within the housing industry.

This policy has particularly caused—

- (1) disruption to State Housing Commission efforts to properly fulfil its function;
- (2) the heartbreak of young people facing commitments they cannot afford in order to provide adequate housing for their families;
- (3) complete lack of any constructive or worthwhile policy aimed at lowering interest rates;
- (4) the prospect of serious unemployment within the industry;
- (5) the ineffective regulation and management of the industry as a whole.

In conclusion I add that while all the points are very important, the key to the whole matter is ineffective legislation and bad control of the industry. It is of no use clinging desperately to notions of free enterprise and that sort of thing, which are not applicable, and it is certainly not applicable to say that a sector of the economy as large as this one can operate without precise and effective management.

We need this management to ensure the public interest is protected; we need it to protect the industry against itself. Perhaps the most vivid example of the way in which the industry fails to act properly not only in the public interest, but also in its own interest, is the Housing Industry Association. This comprises a group of building companies offering advice on contracts to purchasers who will eventually build through the agency of one of the advisers. The contracts which are being recommended by the association are next to worthless in terms of the protection provided to the consumer.

We need to be able to say to the consumer that his interests are being watched by an independent authority; we need to be able to say to the industry that its interests are being protected by an independent authority which has no bias towards consumer or industry. In those terms we can provide the proper protection and management necessary. As long as people cling to unrealistic ideas as to what free enterprise is, the more slowly goes the process of sacrifice of worth-while things

which pander to people's philosophies which have nothing to do with the realities of the problems that the mass of the people face.

If members opposite wish to persist with free enterprise and whatever they think it means, I am quite happy they do so, but not at the extreme to accept what appears to be a total *laissez-faire* approach to dealings of business and industry and people in what is an essential part of this State's economy and, more importantly, an essential part of the lives of so many people.

I conclude my remarks by saying that I hope I have been temperate enough to cajole from the Minister the information we are seeking.

Mr WILSON: I formally second the amendment.

MR SKIDMORE (Swan) [3.30 p.m.]: I support the amendment moved by the member for Balcatta. I have previously in this House spoken about housing and I have heaped a certain amount of praise on the State Housing Commission in relation to its activities in my electorate. But perhaps my praise has been misplaced because since I gave it I have found a rapid deterioration in the efforts of the commission in looking after the interests of people who desperately seek homes which they can either buy or rent.

I say that with due respect to the officers of the commission who I believe are facing an impossible situation today in endeavouring to carry out their duties in an appropriate manner. I would like to touch upon the social aspects of the State Housing Commission and the soul-destroying effects upon members who have to go out into heartbreak territory to interview people who are seeking homes.

I would not like to be a social worker in the State Housing Commission today and have to go out to the population at large and defend the inadequacies of the funding for rental homes. It must be very hard for a social worker to have to go into a home such as the one I am about to describe, the occupant of which then came to me and said, "They will not give me any emergency treatment. I will just have to wait my turn."

The house in question is situated at Swan View. It is an old home at the back of a block on which a new residence is being built. It is owned by a voracious landowner who feels he can extract the last dollar out of the property by placing a tenant in this horrible place which goes under the name of a home. When one enters it through the back door—if one can do so without the door falling off its hinges—one walks into a kitchen-cum-lounge-cum-diningroom. The reason that room must be used for all those activities is that the roof is collapsing, sheets of plaster are falling off the

ceiling of the lounge, and it is in an unsafe condition.

I have suggested the house is unfit for habitation and should be condemned, but I was told that if it were condemned the people living in it would have nowhere to go, but that if they were forced to leave the house the State Housing Commission would do something for them. So I pursued that matter with the commission. I arranged for an inspector to look at the house, and his statement which came back to me from the Parliamentary Liaison Officer of the commission was, "It is no worse than many other places I have seen in the time I have been doing inspections." Therefore, Mrs X and her family must wait their turn. I understand they have been on the waiting list for nearly 3½ years, and the member for Balcatta has said the waiting period appears to be five years.

This is just one example of a family which desperately needs satisfactory accommodation and despairs of ever getting it. The family needs a place it can afford because the father is unemployed at the moment and has had difficulty in finding employment. The mother is working and the children are at an age when they can look after themselves. But it must be very soul-destroying for them to have to live in such a confined space. The accommodation available is not a conventional type home. It is the built-up back verandah of the original house. The front part of it which is unfit for habitation was originally the lounge and bedroom. The only livable part of the place is a lean-to on the back of the house.

What does a member of Parliament do? This brings me to my next beef about the system under which I, as a member of Parliament, have to work. Like all members, I go into my office as often as I can during the period Parliament is sitting, and most of my time is taken up acting as a sub-office of the Housing Commission. I might as well be employed by the Housing Commission on a full-time basis because, as a member of Parliament, I do a great deal of its work anyway. On top of that, I have to act as guidance counsellor in connection with a marriage which is breaking up because of the living conditions of the people involved. They are in a desperate plight because their family life is being disrupted and the house is falling down around their ears.

I must also try to "con" the people into believing that I, as a member of Parliament, can work a miracle and have a supreme right to go to the Parliamentary Liaison Officer of the Housing Commission to seek the elevation of one person's right to a home over somebody else's. To my mind, it is completely unfair for that burden to be imposed upon a member of Parliament. I

do not mind the burden; I accept it because apparently it was given to me when I became a member of Parliament. However, I am sick and tired of people coming to me in the faint hope that, as their member, I can help them to overcome their housing difficulties. I have to sit facing them over a table, sad at heart and trying to convince them there is a faint hope I will be able to do something, while all the time I know my overtures will result in the Parliamentary Liaison Officer getting the file, reading it, and making an approach to whoever is designated to determine whether or not a person will receive favoured treatment when there are 4 500 or 5 000 people in a similar situation, and that the answer which comes back to me will be "No, the people will have to wait their turn."

I expressed to the previous Minister for Housing satisfaction with the magnificent effort being made in my electorate in connection with the redevelopment of the Midvale homes. How long did it take me and others to convince the commission it should provide the funds? I spent many hours debating this subject. They were houses in which I would not put a pig or cattle. Thank goodness, they are going, but there are many more like them in my electorate, and they are owned by private enterprise—the leeches who think anything that looks like a house, provided it has four walls, two doors, and two windows, will do for people to live in.

Unfortunately people have to accept those conditions because they have nowhere else to go. It is a condemnation of the Government when the member for Balcatta can show that in 1946 we were building no fewer homes than we are building in 1977. Surely we must remind ourselves that the Minister for Labour and Industry made a great song about the growth in employment. I suggest it is evident that if we have 5.6 per cent more people employed in Western Australia—and I assume at least 50 per cent of them would be in the metropolitan area—those people must be housed. Where in the name of hell are they being housed? I would say a great number of those people who come to Western Australia for employment are living in caravan parks or whatever other accommodation is available to them.

If the Minister for Housing doubts what I say, then I suggest he accompany me to some caravan parks to see how many permanent residents they hold who are waiting there to see whether they have some faint hope of getting a home in five years' time after making application to the State Housing Commission. The great tragedy is that

many of these people are unsung heroes who do not make any noise at all about their plight. I get people coming to me who are most apologetic and say they do not want to complain but who plead with me to try to help them get out of the place they are living in and into a reasonable home.

I share their misery, and so do the officers of the State Housing Commission. Those officers must welcome the help of members of Parliament in the affairs of the Housing Commission. But I am sick and tired of being a servant of the Housing Commission; I am sick and tired of apologising for the State Housing Commission; and I am sick and tired of trying to boost the very slender hopes of people who think perhaps I will be like a messiah and will be able to get them a home.

I have no doubt that other members are also sick and tired of doing this work. It is about time the Housing Commission was given funds by the Government to carry out the function it was set up to do; that is, to provide accommodation for people in this State. The Government has abrogated its responsibility to provide funds to the Housing Commission, and over the last two years the situation has become absolutely deplorable.

I will not dwell on the matters raised by the member for Balcatta in respect of interest rates and the purchase of land. It is well known to me, and I have said it time and time again, that the way land in our country is exploited is a disgrace. We have private developers buying hundreds of acres of land, subdividing it, and selling it at an exorbitant profit to people who then must spend half their lifetime paying for those blocks in the faint hope that if inflation does not erode their opportunity they may be able to build homes.

We all know the heartbreak those people feel when they do get a house and get into trouble because not only have they a first mortgage, but also a second and sometimes a third mortgage. Why do they do it? It is not because they do not recognise the inherent dangers involved, but because they have nowhere else to go. They are hooked on a system which does not provide what they need. Their inability to obtain State Housing Commission homes is the reason they buy other homes, and the sheer tragedy of it is that they spend their lives trying to purchase a home which will never be theirs and in which they will never have much equity.

In conclusion, it seems to me the Housing Commission is becoming merely a rental agency

—"Pay your money at the front door, and we will do a bit of maintenance." I must say in my area it certainly is a "bit" of maintenance. I do not know that I have seen too much paint being put on buildings or windows and paths being attended to in homes in my area—and in my electorate I have some of the oldest settled areas.

As I said, I am sick and tired of being an agent for the Housing Commission and trying to satisfy people who come to me with a faint hope that I can do something for them, when I know all the time that I will have to go back to them and say, "I am sorry, you are not going to get a house."

Sitting suspended from 3.45 to 4.05 p.m.

MR WILSON (Dianella) [4.05 p.m.]: I support the amendment before the House and I wish to direct my comments largely towards the State Housing Commission. In 1968 a visiting Japanese architect and town planner giving his impressions of his visit to Perth said—

Everywhere I go in the world I see poverty and ugliness. Beauty and riches are hidden. Here in Perth I am in paradise.

Everywhere I look I see beauty and riches.

Mr Blaike: Go to Busselton and it is even better.

Mr WILSON: I have not finished yet. He continued—

Where do you hide your ugliness?

Mr Skidmore: In Busselton!

Mr WILSON: He said—

Where do you hide your poverty?

We should be in no doubt that there is poverty in spite of the fact that many people in Australia deny it. The Henderson inquiry into poverty has clearly shown that 18 per cent of Australian people live beneath or just above the poverty line. This is very difficult for many Australians to believe because the poor are hidden; that is to say, they are largely to be found in reserves set aside in designated parts of the metropolitan areas of our cities, areas of low cost housing provided by the State Housing Commission or its equivalent.

These people, particularly those occupying rental accommodation and to a lesser extent those who are purchasing homes from the Housing Commission—although there are very few of those now—have what has been called "a no choice life style". They are placed where other people decide they should be placed with little

choice and, in most cases, with no choice; and they have little or no control over the conditions governing their lives. They are to be thankful for the minimum that is begrudgingly allotted to them.

In this situation the State Housing Commission is the chief conveyor of general community attitude; and I suppose we cannot blame the Housing Commission. The Housing Commission happens to be the agency through which these attitudes are channeled—attitudes which stem essentially from the belief that need or dependence on any form of public assistance, including low cost rental housing, is due to a lack of thrift or a weak and immoral character; a view that such need or dependence represents a basic imperfection, weakness, or failing in the individual. I suppose it is a very close parallel to the bludger bashing line. This point of view sees solutions flowing from essentially punitive or restrictive social policies which allow for minimal services. The State Housing Commission in Western Australia by definition of its role provides the minimum in terms of physical provision and in terms of the services offered to clients.

For instance, a problem which has been well known to me for many years is the sterile form of rental group housing and flats which in themselves militate against people establishing harmonious relationships with the other people with whom they are placed to live in very close confines. What happens is that every act of rowdiness, every petty quarrel, every piece of litter, and every act of vandalism causes the well-behaved family to shrink deeper into its isolation. It not only turns them into themselves; it also turns them against each other.

There are large areas of these sterile blocks of flats and group housing. From the outside they are nice looking flats. They look quite tidy and clean. They have big blocks of grass and neatly planted trees and bushes all round them, but they are still sterile blocks with very little else but a few things such as a bleak sandpit thrown in a long way from where mothers can supervise their children, dirty concrete steps, and long and dark concrete corridors. If one goes there after 5 o'clock in the evening one will rarely be able to find one's way about because it is pitch dark and there are no lights.

Then there is the problem of the stigma which attaches to separated wives, to widows, and to unmarried mothers. As far as I know, there are not any blocks where fathers with children are concentrated together. But if one happens to be one of the unfortunate people who lives in such a concentration and one has a visitor who has a car with a high revving engine and screaming tyres that leaves the vicinity in the early hours of the

morning, one is classified as one of those people, as one of the girls, to be avoided at the bus stop at all costs.

I believe this situation results from the Housing Commission's much vaunted placement policy which seems further to intensify the existing discrimination against single mothers and their families by concentrating them in easily definable blocks. The problem is not only with single mothers. There seems to be a total lack of welfare consideration and concern for people who end up destroying each other when concentrated together—people such as those with long histories of depression, long histories of attempts at suicide, and long histories of alcoholism who are all thrown together so that in the process a great deal more mental illness and a great many more social problems are injected into the community.

Then there is the problem of ill-defined and uncertain channels of communication with the landlord, the Housing Commission. It seems that the clients are deliberately confused and their requests for information, maintenance, repairs, and transfers seem to be sometimes deliberately delayed by a process of circular referrals. I do not know whether that is the term used officially but I know that is how it operates. They are never sure whether the rent man, the caretaker, or the man at the counter in town is the real link with the commission; and the truth is that it is probably none of those. There is an urgent need for the Housing Commission to make these kinds of services more accessible and more responsive to the needs of the people they are designed to serve.

I believe the key to an improvement in the present situation is receptive management practices both at the top echelon and at the local level of the Housing Commission. The management is all too frequently marked by lax and superior attitudes towards clients who are being dealt with. I shall never forget the comment which was passed to me by the previous General Manager of the State Housing Commission at a public meeting about eight years ago when he was ignorant of the fact that I was also a client of the Housing Commission living in a commission house. He said to me, "You know, these houses that we build for these people are too good for them."

Mr O'Connor: You do not agree with that, do you?

Mr WILSON: I will leave the Minister to judge that for himself. Another problem associated with the State Housing Commission is that administrators fail to identify people as fellow human beings. The commission is very highly over-centralised. There is a crying need for a more

efficient system of resident managers with supporting services to provide training arrangements for housing officials operating at all levels. It is management style rather than organisational structure that is important.

An urban institute study in the United States showed that in high performance housing authorities, the managers reported knowing about three-quarters of their residents by name, and the tenants felt this recognition, and appreciated it, because they felt they were not known simply as faceless, nameless housing commission tenants.

Speed of maintenance and responsiveness among tradesmen is another important factor in relation to tenant satisfaction. This includes not only responsiveness to maintenance requests, but also quick response to emergency requests. The study to which I have already referred notes the difference between high performance authorities which were able to answer requests in 12 days in opposition to low performance authorities which took 20 days or more to answer requests.

This is a matter which is of great personal concern to me in the electorate I try to serve. For instance, I have several cases before me at the moment. I am grateful to the State Housing Commission because I understand that some \$600 000 has been allocated to allow for the conversion of solid fuel stoves and water heaters to gas or electricity. Unfortunately, so many people require this service—all at low income level—that a crisis has been reached. Apparently, the commission does this conversion work through one private contractor who has obviously overreached himself in contracting for the work which is now available.

The contracts are supposed to be completed within 21 days, but many people in my area have to wait for much longer periods to have the work, which they badly need to be done, actually implemented. The people include pensioners who have been told that their fuel stoves will be replaced within 21 days.

Mr Clarko: How long does the work usually take?

Mr WILSON: In most cases it takes a lot longer to get the work done. Most of the people concerned, having been told that the work would be done within 21 days, have run out of firewood and they are now in the position where they have to buy a further supply of firewood, which they will not require when the work has been done, or continue to wait without cooking and heating facilities.

Mr Watt: In country areas we sometimes wait for months for work to be done.

Mr WILSON: If that is so, why is something not done?

Mr Watt: You cannot make people go to the country to do the work.

Mr WILSON: If the money is available for this type of work, and we have such a high unemployment situation, surely the work can be done. Surely means can be found to get the work done. Surely the system under which all the work is allocated under a very restricted contractual arrangement can be altered. Surely there are ways and means to overcome the situation in which people are facing genuine hardship and suffering—particularly pensioners and elderly people.

Mr Clarko: I think that has been said previously. If you have any constructive suggestions the Housing Commission would like to hear from you.

Mr WILSON: I am saying the Housing Commission is responsible to the Government to see that the work is done. If the work is not done, and the Housing Commission is not carrying out its responsibility, it is not for me to tell the commission how to do the work; it is for the Government. The Housing Commission is responsible to the Government.

Mr Clarko: Any suggestions would be appreciated.

Mr WILSON: I am saying there are genuine cases of hardship, and if those people are to receive any sympathy, that sympathy should be translated into action.

Mr Old: If you are able to get maintenance fellows to work in the country you will do a great stroke.

Mr WILSON: When talking about maintenance, is the Minister talking about private contractors?

Mr Old: Not necessarily contractors.

Mr WILSON: I understand the commission lets the work out to a private contractor.

Mr Old: How do you overcome the situation?

Mr WILSON: I do not know. Perhaps another contractor should be engaged.

Mr Old: If you can get another contractor.

Mr Blaikie: An unemployed "grano" worker could not be employed on contract work installing heating units.

Mr Jamieson: They are not as silly as the member opposite.

The SPEAKER: Order!

Mr WILSON: When I inquire at the Housing Commission I am told the work is let out to a

private contractor, and that the contractor does not have enough men to get the work done on time. That seems to me to be a very sad situation. The contractor is supposed to carry out the work within a specified time, and when the work is not done no action is taken to see whether other contractors are available to do the work. Alternatively, pressure should be brought to bear on the contractor to see that the work is carried out more expeditiously.

Another area of concern to me is also the cause of great hardship to a number of people. Recently I asked the Minister for Housing a number of questions relating to the scarcity of four-bedroomed accommodation at the present time. In answer to my question the Minister stated that he was aware of the build-up in the number of families listed for emergency accommodation. He said the number of families listed for four-bedroomed accommodation was 23, and he said these families would be housed from the turnover of four-bedroomed accommodation in existing stock, and by the construction of new houses.

Subsequently, I asked a further question relating to the turnover of four-bedroomed houses during the last 12 months, and the number presently under construction in the metropolitan area. It seems that last year 29 four-bedroomed houses became available through exchange or through people leaving that type of accommodation. The Minister also said that eight four-bedroomed homes currently were under construction in the metropolitan area. Based on last year's experience, one might expect, at a maximum, 38 four-bedroomed houses to be available in the foreseeable future.

The fact is that 23 families are on the emergent priority list for four-bedroomed accommodation, in addition to those on the wait-turn list. I do not have the figures for that list, but perhaps the Minister can provide them later.

I will instance a family who, for reasons of gaining employment, moved to the metropolitan area a few months ago. The only accommodation that family could find was a small private rental house in Dianella. The rent for that house was \$45 per week, which was as much as the family could possibly afford.

Recently the owner of that private accommodation has indicated that he wishes to sell the house, and he has brought considerable pressure to bear on the people in order to force them to move out. When the Housing Commission was notified of the situation, I was informed that no four-bedroomed houses were available anywhere in

the State at the present time, particularly in the metropolitan area. Subsequently, the family was informed that the owner of the house should take eviction proceedings against them. They would then be able to gain some leeway with regard to time and would not have to move out straightaway. However, the owner of the house did not intend to fool around with legal proceedings. He put a further burden on the people concerned by giving the key of the house to an agent who then proceeded to bring people into the house at all hours of the day and night without even asking permission. Further to that, he has made it clear that he intends to increase the rent to \$55 per week, payable fortnightly in advance, as from next Friday.

When I took the case to the Housing Commission the officers there were very sympathetic. They said they would like to help, and they noted the details. In fact, I pay a tribute to the Parliamentary Liaison Officer at the State Housing Commission; he is most sympathetic. However, in this situation I was not able to obtain any assistance. It seems that no four-bedroomed houses are available.

Mr Nanovich: Do you estimate that there are more four-bedroomed houses in Coolbinia, or in East Girrawheen?

Mr WILSON: I cannot answer that question, but I imagine there would be more in East Girrawheen. However, I am told there are no four-bedroomed homes available anywhere, not even in East Girrawheen.

Mr Nanovich: How long has the family been on the waiting list?

The SPEAKER: Order! Will the member for Dianella please resume his seat. Would those members who wish to interject do so at a level which can be heard by the *Hansard* reporter. The member who is addressing his remarks to the House can be heard, but the interjections which he is answering cannot be heard very clearly. The member for Dianella may resume.

Mr Clarko: Perhaps it would be better to have the interjections included.

Mr WILSON: Thank you, Mr Speaker; I notice a smile on the face of the member opposite.

I have drawn this particular case to the attention of the Minister because I believe it is one of particular hardship. The parents of the family are distraught. They are desperate and they have nowhere else to turn. They just do not know what to do because after next Friday they will be virtually on the street. They cannot afford to pay \$110 in a block sum which the owner of the house insists they do. Other than the State Housing Commission there is nowhere else they can turn. I know the Minister is concerned about the general situation,

and I urge him to look into this particular case and the plight of the family.

Many families are in a similar plight, particularly at the present time when the breadwinner can so easily be out of work, and be placed in financial difficulties. As has been mentioned by other speakers, there does seem to have been a downturn in the financial affairs of the State Housing Commission. I believe there is a need for a new approach to be taken with regard to the amount of money which is made available to the State Housing Commission to deal with situations of extreme need, such as the one I have put before the House this afternoon.

I hope that the Minister will give special attention to these areas of need and use all the influence he may have at his disposal to see that the people in these situations of particular hardship are assisted. If nothing is done for them, it can lead to social consequences in the future which will add further burdens to our social services and social welfare agencies. Funds should be allocated to the areas of the greatest need.

The SPEAKER: Before the Minister rises to speak, I would like to make a brief statement. Speakers over the years have asked members not to read newspapers in the Chamber. It is recognised that from time to time members will want to refer to newspapers but I ask members to do so in such a way that the paper is not displayed prominently. I ask for members' co-operation in this regard because I feel the reading of newspapers does nothing to enhance the dignity of this House.

MR O'CONNOR (Mt. Lawley—Minister for Housing) [4.31 p.m.]: The amendment moved by the member for Balcatta was not unexpected.

Mr Pearce: He caught you on the hop.

Mr O'CONNOR: However, the tone in which he presented it was, and certainly it was appreciated.

All members of this House, irrespective of their length of service, have been concerned at the length of the waiting list for Housing Commission homes. I have been here now for 18 years, and over that period this problem has occurred regularly. I am sure every member has had people on his doorstep or waiting at his office because of a problem in regard to housing.

I would like to refer to some of the comments made by the member for Balcatta. He said that a recommendation was before Cabinet for a rent increase, and I refuted his statement. I want to assure the honourable member that there is nothing before Cabinet.

Mr Taylor: Before, or just about to come before.

Mr O'CONNOR: Certainly over a period of time certain recommendations have been presented, but the public have known all about these. However, obviously the honourable member is referring to a document prepared by the Housing Commission which has not yet been presented to Cabinet. Cabinet has dealt with some recommendations of the commission, but these recommendations were returned to the Housing Commission. Therefore, I assure the honourable member that my statement in regard to this matter is accurate.

The member for Balcatta commented also on the number of houses completed during the last year. I believe he said that last year fewer homes were completed than in any year since 1947. That statement is not accurate. Last year 957 homes were completed and the year before 878 were completed.

Mr Harman: Are you talking about calendar years?

Mr O'CONNOR: I am speaking of the year 1976-77. The honourable member cannot expect me to have all these figures in my head.

Mr B. T. Burke: You are contradicting your own answer to a question.

Mr O'CONNOR: The completions for the year to June, 1977, were 957, and to the end of June, 1976, were 878.

Mr Skidmore: That does not mean that any more houses were built then than in 1947.

Mr O'CONNOR: The honourable member said that fewer houses were built last year than in any period since 1947.

Mr B. T. Burke: Let me put it this way: I think you are wrong. The last two years have been the two worst years in terms of completions since 1946.

Mr O'CONNOR: They would have to be because they are the only two years.

Mr B. T. Burke: I am simply using the figures given by the Minister in reply to a question.

Mr O'CONNOR: I will look into this matter and give the answer to the honourable member at a later stage.

Members must be aware also that housing costs have risen considerably over the last three years. In addition, the information I had from the commission was that housing costs are increasing at about the rate of 22 per cent, and this could be a total of an 80 per cent increase in a short period of time.

Mr Davies: You should do something about that.

Mr O'CONNOR: Of course the Government has done something about it. If the honourable member waits a little while, I will explain it to him.

No-one likes the increases brought about by inflation. We have received the same amount of money from the Commonwealth for three years, but there has been no allowance for escalation during the period. Slight though it has been, there has been an increase this year. However, we certainly would have liked a much greater increase.

Mr Harman: Why has there not been money in previous years?

Mr O'CONNOR: Perhaps the honourable member will get in touch with the Prime Minister or the Federal Government. We have endeavoured to obtain more funds. The honourable member has been a Minister himself, and probably he pleaded to the Whitlam Government for more funds at a time just before the Fraser Government came into power.

Mr Harman: Has the Federal Government given you any reason for this?

Mr O'CONNOR: The Federal Government has told us it does not have the money. While we have not received any increased funding in that time, we have been able to generate a fair amount of funds ourselves. It was necessary to generate something like \$34 million.

Mr B. T. Burke: You are also selling houses below the cost of production.

Mr O'CONNOR: If the honourable member will give me an example of such transactions, I will investigate the matter.

Recent statements in the Press indicate that there has been a halt in the spiralling costs in relation to home building. We can see a glimmer of hope on the horizon, and I hope this trend will continue. Certainly home building costs are too high for most people today.

When tenders were very high, the State Housing Commission would reject them because it believed it would obtain lower tenders at a later stage. Indeed this is what happened. This is one of the reasons—although not the only one—that housing costs are being contained. This is good housekeeping; it is something any good manager would do.

Mr B. T. Burke: What about money in the home builders' account?

Mr O'CONNOR: I will come to that later. The Minister for Urban Development and Town Planning and I are working together in an endeavour to keep down the cost of building blocks because we believe it is this additional cost that keeps the price of houses up. The Urban Land Council has been able to put a number of blocks on the market and this is proving of assistance. The honourable member mentioned that \$6 million was left in the home builders' account at the end of the year. Of that amount, \$5.2 million was committed for homes which were completed at that stage. I do not know when the documentation on those homes will be completed.

Mr B. T. Burke: Whose fault is that?

Mr O'CONNOR: The honourable member must realise that it is not always possible to have documents completed at the same time as a block of houses is completed.

Mr B. T. Burke: That was not my point. My point is that you are now to get another allocation of this builders' account money and this could have been used to replace the other money.

Mr O'CONNOR: The trouble was that some of the people who are purchasing the homes were not available to sign the contracts at that time. If the honourable member wants the details of this matter, I will be quite happy to give them to him. Of the \$6 million, \$5.2 million was totally committed to homes completed before the end of June.

It is necessary to raise \$34 million this year if we wish to build the same number of homes. Of course we all want to do just that. However, we are saying also that we want to keep rents down. If we keep rents down it will mean fewer homes for other people. We must keep rents at a reasonable level so that the people live in homes they can afford. However, we must help other people to move into homes at a reasonable price also.

Last year we had a very substantial increase because of rebate rentals. Members might ask why? Over the last three years, rebate money on rentals has risen from \$1.3 million to \$3.8 million of the total rents; that is a very substantial increase.

I believe most members agree that we must have a rebate system because it applies to people who are in extreme difficulties and who are not able to provide housing for themselves.

As members know, conditions have changed in regard to pensioners, and subsequently we have had an increasing number of applications from

pensioners. The rent for single pensioners went up to \$7.60 a week. I believe some members do not realise that there would be a \$5 a week rebate on that, so the actual money paid by the pensioner is \$2.60 a week. I do not think that is a particularly high rent, and so I believe a number of people will wish to live in houses of that type.

Mr B. T. Burke: After the rebate it is \$7.60, not \$2.60.

Mr O'CONNOR: That is right, the figure is \$12.60 less the rebate of \$5, so that leaves an amount of \$7.60. Many people would like to obtain houses at such a low rental.

There has been a sharp increase in the number of single parent families applying for State Housing Commission homes. The member for Fremantle will be interested to know that in the Fremantle area, one-third of the applicants are single parents. Most of these people would be eligible for rebate on their rentals, so this matter is causing us a considerable amount of concern financially. The member for Dianella mentioned maintenance. There has been an increase in the amount for maintenance from \$2.4 million to \$7.8 million. This is a substantial increase, and members will know it was badly needed. This money is for various works involved with housing.

Mr. B. T. Burke: Also for rebuilding communities.

Mr Taylor: Replacing floors and things like that.

Mr O'CONNOR: I am saying that over the last year the amount of money available for maintenance has risen from \$2.4 million to \$7.8 million. This is a substantial increase and we all know it is a very necessary one. I am quite happy about this, but I point out the increase was made in an effort to catch up on the heavy backlog. The facilities in the homes have been improved quite considerably.

We could perhaps cut back on the provision of improvements such as hot water systems and stoves, and this would give us a little more money to pay for a few more homes. However, I believe the people are entitled to such facilities.

Through the commission we have held recent discussions with the Minister for Urban Development and Town Planning in an endeavour to provide a number of blocks at a price that will allow us to build more homes. Also, as the blocks are sold, more funds will be generated into home building. The member for Balcatta referred to interest rates and I agree with most of what he

said. We need to bring interest rates down, and this Government has done what it can in this regard. Part of the amendment moved here this afternoon reads—

- (3) complete lack of any constructive or worthwhile policy aimed at lowering interest rates.

That was one of the points in the amendment. At the only conference of State Housing Ministers which I have attended since I became the Minister for Housing, I took up this point.

Together with other Ministers for Housing, I have indicated to the Commonwealth Minister how very strongly we feel that we should retain a low interest rate, particularly in respect of funds for pensioner homes. The Federal Minister has advised us that he will give consideration to this matter and will do whatever he can to assist. A further meeting of Ministers for Housing is to be held in Perth next month.

Mr B. T. Burke: We are talking not only about the State Housing Commission, but all interest rates.

Mr O'CONNOR: I cannot disagree with the honourable member on the matter of interest rates.

Mr B. T. Burke: I am saying there has not been any decrease during the term of the Government.

Mr O'CONNOR: I recall that when Gough Whitlam went before the people before his Government was elected he said he would reduce interest rates, and the rate increased from 9 per cent to 14 per cent. Before the next election he said again that he would reduce interest rates, and they went up to 19 per cent. I agree with the member for Balcatta that interest rates are a problem—a problem I would like to see overcome and one in respect of which I will do all I can.

Another factor that has increased the waiting list is that as weekly earnings rise so more people become eligible for rental homes. This has caused a problem.

The member for Dianella and the member for Swan mentioned problems in their electorates. I know there are difficulties in respect of many families, and I will do what I can to assist them. I understand that a person on a very low wage could not afford to pay rent of \$55 a week; and if we cannot get a family in that position into a four-bedroomed home, maybe we could get them into a three-bedroomed home temporarily until other accommodation is found.

Mr Taylor: As wages rise the number of eligible people become fewer. It is the exact reverse of what you said.

Mr O'CONNOR: It is worked out on a percentage.

Mr Taylor: Yes, and fewer and fewer become eligible.

Mr O'CONNOR: It is worked out on a percentage of the income.

Mr B. T. Burke: But the people on the top end go out.

Mr O'CONNOR: I believe this Government has tried to do what it can; it is effectively, through the commission, trying to provide homes for those who need them. We have made approaches to the Commonwealth Government in connection with the interest rate, and we have already acted in respect of land in an effort to reduce prices. The Government has been effective in the latter regard. We will this year generate the highest amount of internal funds ever generated; we hope it will be around \$34 million. However, when one realises that maintenance has increased from \$2.4 million to \$7.8 million, one realises the problems that we face.

The Government has gone into development on a build-and-design basis in an effort to construct homes more cheaply. We have called for designs in various areas of the State, and we have had people inspect those designs to see if we can provide better homes for people in various areas. We have installed better facilities in Housing Commission homes and we intend to continue to do so.

We are keeping a close watch on tenders. In fact, we have knocked some back and that is the reason a small amount was left over in the fund. We knew the tenders were too high, and our action was justified because in many cases the price has since come down.

I say quite frankly that all members of Parliament are concerned for people who are unable to pay rent on a proper home of the quality they desire. However, I believe the Government is doing all it can. It is doing as much as any other Government has done. From discussions I have had with the general manager of the commission in recent weeks, I am hopeful that we will be able to generate funds to increase the number of homes to be made available this year.

I reject the amendment put forward by the member for Balcatta.

urb are to be redeveloped. None of the residents seem to have any definite information as to when this redevelopment will start, and how it will affect them.

Mr O'Neil: You surprise me, because more than six years ago the people of the area were advised, as was the local authority, of the intention to redevelop part of the area. The Commission has since started to acquire the houses from people who wished to sell. I have known of it for at least seven years.

Mr HODGE: Probably, there has been a considerable turnover of residents in that six or seven years, because many people who currently reside in the area are uncertain as to what the future holds. The Willagee community association approached me recently on this matter because so many of its members were concerned, and I asked a question of the Minister for Housing seeking information as to what was planned.

Mr O'Connor: We advised you that a programme had been laid down.

Mr O'Neil: We have been in consultation with the local authority for at least seven years.

Mr HODGE: The Minister did supply me with the information, but I did not regard his answer as being sufficiently detailed. He was either unwilling or unable to provide me with the information I sought.

Mr O'Connor: If you want further information, I will be pleased to provide it for you.

The SPEAKER: Order! I wonder whether the members of the House might care to listen to the conversation entered into between the member for Melville and the Minister for Housing.

Mr HODGE: I endeavoured to obtain information from the Minister to allay the fears of the residents of the older part of Willagee, but I have not received sufficient information as yet. Many of the houses in this older section are run-down and dilapidated, and quite severe maintenance problems are evident. One such problem with which I have been acquainted in the few days is so severe that almost the entire roof of a home needs to be replaced. Three of the rooms have mildew and mould on the walls, the dampness is having a detrimental effect on the health of the widow and the two children living in the house. As a result of my representations, the State Housing Commission has agreed to replace almost the entire roof. However, the resident is still unhappy because she believes the condition of the house is affecting her health,

and she would like to move. So far, the commission has refused to agree to her application.

There are many examples of problems caused by the lack of maintenance being carried out in the area. I suppose the reason is that the commission does not want to spend money on maintaining and renovating homes which will soon be demolished. A similar situation applies to homes owned in the area by Westrail; they seem reluctant to spend money on maintenance. It would be a great help if we could establish just what is proposed for the area, and when the redevelopment is to take place.

In all my dealings with officers of the State Housing Commission, I have found them to be helpful and courteous. However, they seem to work under a great deal of pressure and are severely restricted by a lack of funds.

In another case recently brought to my notice, a family living in Hilton applied to have their sleepout enclosed. There are two children in the family, one aged six and the other aged eight; one child suffers from asthma and the other from bronchitis. The family doctor supported their application stating that for medical reasons the boys should be in separate bedrooms. The application to have the back verandah enclosed was forwarded to the State Housing Commission, together with the doctor's certificate.

Apparently, the commission then telephoned the doctor and subjected him to a cross-examination. It eventually received from the doctor some sort of statement that it was not strictly necessary for the boys to sleep in separate rooms, and consequently the application was rejected. It would seem that, presumably because of a lack of funds, the State Housing Commission adopts a very tough and hard policy towards such applications.

There are many young people in my area purchasing new homes, and the phasing out of the interest deductibility scheme by the Federal Liberal Government has come as a severe blow to them. The member for Balcatta pointed out that the scheme was worth \$135 million a year in subsidised interest rates. Many of these young people are committed to monthly repayments of \$250 and \$300 over periods of 25 to 40 years, and the removal of the taxation deduction on housing loan interest has come as a severe blow.

The Minister for Housing has listened intently to the debate, and I noticed him taking copious notes earlier. I hope he has listened to the few points I have raised in the short time I have been speaking. Hopefully, I will see some action in the near future on those points.

MR HARMAN (Maylands) [4.49 p.m.]: I am sure the House will be grateful to the member for Balcatta—

Sir Charles Court: Be careful; he is very sensitive about that.

Mr HARMAN: —I mean the member for Balcatta—for moving an amendment to the Address-in-Reply on the very important matter of housing so that it may be debated and certain aspects brought to light.

The first aspect I would like to mention is that this matter demonstrates the basic difference between the policies of the Australian Labor Party and the Liberal and National Country Parties; because it is the stated policy of the Liberal Party that it will leave the matter of housing to private enterprise. The Liberal-National Country Party Government does not see itself playing any major part in attempting to alleviate the housing problems of the people of the State. That is the stated policy of the Liberal Party. It is quite different from the policy of the Australian Labor Party, because our policy is to do something about housing.

Secondly, this debate this afternoon also demonstrates and questions in quite clear terms the credibility of our Premier. It also questions the credibility of the members of his Government, because if one looks at the housing situation in Western Australia today, having regard to the fact that our Premier has been in office for more than three years, and bearing in mind his stated policy in respect of housing three years ago, the only conclusion to which one can come is that the people of Western Australia have been hoodwinked. They have been "conned" by the Premier in a massive confidence trick which he has perpetrated upon Western Australia.

Point of Order

Sir CHARLES COURT: Mr Speaker, I rise to object to the reference to "conned" and also the reference to "confidence trick". I think they are unparliamentary and untrue.

Mr Tonkin: Come on! We won't be able to open our mouths.

The SPEAKER: I believe the expressions used by the member for Maylands were objectionable. I ask him to withdraw the references to "conned" and "confidence trick".

Mr HARMAN: I withdraw, Sir.

Debate (on amendment to motion) Resumed

Mr Jamieson: What is it coming to? Is it a Sunday School picnic or something? You have said a lot worse than that about us.

Sir Charles Court: I have never done that.

Mr Jamieson: Of course, your halo slips down around your ears and you can't hear yourself talking.

Sir Charles Court: You wouldn't stand for that kind of thing yourself.

Mr Jamieson: Get out!

Mr Tonkin: Soon we won't be able to make a speech.

The SPEAKER: Order! I ask that the interjections cease, and I ask the member for Maylands to address the Chair.

Mr HARMAN: Mr Speaker, the people of Western Australia have been subjected to—

Mr Jamieson: We will object to some of yours after this, and you will withdraw, too.

Mr Tonkin: You are putting the Speaker in an invidious position.

The SPEAKER: Order!

Mr HARMAN: The people of this State have been told certain things would happen, and they have not occurred.

Several members interjected.

Mr HARMAN: This is what has been perpetrated on the people, and I want to prove to the House that I think the words of the Premier were idle words—

Several members interjected.

Mr HARMAN: Sir, I am endeavouring to make a speech, and you said you would protect those who ignored interjections. What do you want me to do?

The SPEAKER: Order! I ask the cross-Chamber conversations to cease. I call the member for Maylands.

Mr HARMAN: I want to prove that the strong words I used were, in my opinion, quite in order. To do that, I wish to refer to some remarks made by the Premier, during a television performance in March, 1974. He said—

Let's talk about housing. This is a scandal. Do you know, we will be over 3 000 homes short this year, 7 000 next year, 8 000 the year after, unless something drastic is done. Do you know that inflation will push up the price of an average home by \$2 000 before Christmas. If you do know I'll be surprised, because the Government has done all it can to hush it up. Both Labor Governments are to blame, the one in Canberra and the one here and their excuse—inflation.

I ask you to note that part, Sir. It goes on to say—

The truth is that for a hidden reason Canberra forced up home interest rates and knocked hundreds of millions of dollars out of the home loans market.

Mr Davies: That sounds like a "con" to me.

Mr HARMAN: Mr Speaker, I want you to listen to this, because further on in the same television performance the Premier said—

I spoke earlier of the housing shortage. I speak now of the housing land shortage which is forcing prices up. Land cannot be sold for homes until it gets essential services. The Liberal answer is an imaginative new scheme to arrange finance for the missing services, to end the land shortage, to create competition and to hold prices down. For low income earners we've got a practical plan to help them get both home and land. The big barriers are finding a deposit and making weekly payments.

Sir Charles Court: That has been done.

Mr HARMAN: It continues—

We will overcome this by giving low income families a Government guarantee and negotiating an arrangement with home lenders.

Sir Charles Court: That has been done.

Mr HARMAN: The Premier now claims that has been done. Why is it then that now we have people who are unable to afford to purchase a home? Why is it that the waiting list of the State Housing Commission is growing longer, and the period of time a person must wait for a house is growing longer each day? The Premier claims that has been done, and it is up to him to prove it.

Mr P. V. Jones: It has been done with the permanent building societies. That is exactly what we said we would do.

Mr HARMAN: Why is it not a success?

Mr P. V. Jones: The provision is there for people to get money from building societies.

Mr HARMAN: Yes, the provision is there, but why is the scheme not a success?

Mr P. V. Jones: It will be a success if people use it.

Mr HARMAN: No scheme is successful unless people use it.

Mr P. V. Jones: You said it hadn't been done. I am telling you it has been done.

Mr HARMAN: It may have been done, but the scheme is not successful because people are not using it. Just look at the arrangements

of the scheme. Would you, Mr Speaker, subject people to that? Does not that prove my point conclusively?

I know a programme was introduced, but it is a programme which cannot be used by people because of the conditions implicit in it; and that is the reason we have people coming into our electorate offices and calling us on the telephone saying they cannot get finance to build a home. If members of the Government want to make inquiries about this, let them talk to some of the real estate people, and they will find the only way in which money can be obtained today is through the Commonwealth Bank, and to get money from the Commonwealth Bank for housing one must measure up to certain criteria that have been laid down.

If a person tries to get money from the building societies or insurance companies or any other lending authorities, he finds it very difficult indeed. One of the reasons for this is that those institutions have insufficient money available for lending.

The difference between the Labor Party and the Liberal Party on this matter is that the Labor Party believes in doing something about housing for low income earners. To show what the Liberal Party feels about this, I would like to refer to a speech made by the present Federal Treasurer—I say "present" because his position is somewhat in jeopardy at the moment.

In a speech made to the national convention of the Housing Industry Association, on the 21st April, 1977, the Federal Treasurer (Mr Lynch) made the following statement—

Free enterprise, rather than Government, is best able to provide for the community's diverse housing needs.

That sets out in a nutshell just where the Liberal Party stands on the question of housing. The Federal Treasurer continued —

At the outset I want to emphasise that my Government regards the housing of Australians as an issue of national concern.

We believe that it should be a major national objective to encourage all people who wish to do so to own their own home.

The Federal Treasurer claims the housing of Australians is a national objective, but he does not want his Government to do it; he wants private enterprise to do it.

Earlier in my remarks I asked members to note a statement which was made in 1974 by the then Leader of the Opposition, and now Premier, in which he said the blame for all our housing problems could be sheeted home to

Canberra. What the Premier was trying to show to the people of Western Australia was that Canberra's excuse that the problems were caused by inflation simply was not true; it was only an excuse, and not the real reason. Obviously, the Premier must have succeeded in convincing the people, because he was elected to form a Government.

However, he is in conflict in this opinion with the Federal Treasurer (Mr Lynch), because Mr Lynch argued that the reason for the downturn in Federal funds in housing to assist the various State housing authorities was inflation. Mr Lynch continued—

Experience has shown that activity in the housing industry is very sensitive to overall financial conditions.

Excessively easy financial conditions are readily translated into high and eventually excessive levels of housing activity.

Looking back on 1976 I think it is clear that the responsible administration of monetary policy by the authorities,—

That is virtually the control of the growth of the supply of money. Mr Lynch continued—

—and the degree of control achieved over growth in the monetary aggregates, was not only appropriate from an overall economic management point of view, but has contributed to a sensible and desirable pace of expansion in your industry.

What Mr Lynch was saying is that there has been a downturn in Federal funds due to the Government's endeavours to control inflation. However, that is at variance with what the Premier says and that is why I ask members to consider the credibility of our Premier. On the one hand, he says inflation is not the cause of a downturn in housing finance and on the other hand, his own Federal Treasurer says that it is.

Mr Davies: You can call him incredible, but do not call him a "con" man!

Mr HARMAN: The latest Federal Budget provides for an increase of 3.7 per cent in welfare housing. However, when we take into account the fact that inflation is running in excess of 10 per cent, it can be seen an increase of 3.7 per cent in this year's allocation for welfare housing does not even keep up with the inflation which has occurred over the last 12 months and in real terms represents a considerable decrease of funds provided to this area.

Of course, the Federal Government must take some of the responsibility for the downturn in funds for welfare housing, and the blame must be

sheeted home to that Government. It is unfortunate that the House takes particular note of the fact that for this financial year, the Government allocated less money for welfare housing in real terms than it did for the previous months.

I wish to deal briefly with the problems experienced by home purchasers in Western Australia. The average State Housing Commission home costs about \$28 000, and many home purchasers can borrow something like \$10 000, but to get an arrangement the commission has to be approved by the building societies. This means they must find a deposit of \$4 000, and for many people in Western Australia this money is raised by personal savings, bank or, if they are unable to obtain a second mortgage on their property, by people purchasing SHC homes and then selling them up either with a first mortgage or a first and a second mortgage. This is not the way in which we should encourage people to purchase their first home.

Despite this Government's promise to improve the housing situation, it has displayed an obvious lack of interest. The figures prove conclusively that the Government has failed; the waiting list to move into State Housing Commission homes is growing steadily, and we are putting more people into rental accommodation when we should be encouraging them to buy their own homes. In addition, the Government's accommodation into which we are moving people is principally of flats. This is not the type of accommodation people want to bring up their children in, and it is not conducive to the well-being of the community.

In some cases, the Government is moving people into caravan parks, and the only accommodation these people have is these members cared to look at the situation in the various caravan parks in the area, they would find most are full throughout the year. It is very difficult to get a caravan park simply because of the type of accommodation these people want. For those reasons, I am very happy to support the amendment.

MR HODGE (Melville) (5.15 pm): I support the amendment moved by the honorable member for the Willagee area. My electorate contains the Willagee Housing Commission areas, the Willagee areas of Willagee and Hilton. There is a great deal of discontent amongst residents of Willagee about that large area of the of

MR HARMAN (Maylands) [4.49 p.m.]: I am sure the House will be grateful to the member for Balga—

Sir Charles Court: Be careful; he is very sensitive about that.

Mr HARMAN: —I mean the member for Balcatta—for moving an amendment to the Address-in-Reply on the very important matter of housing so that it may be debated and certain aspects brought to light.

The first aspect I would like to mention is that this matter demonstrates the basic difference between the policies of the Australian Labor Party and the Liberal and National Country Parties; because it is the stated policy of the Liberal Party that it will leave the matter of housing to private enterprise. The Liberal-National Country Party Government does not see itself playing any major part in attempting to alleviate the housing problems of the people of the State. That is the stated policy of the Liberal Party. It is quite different from the policy of the Australian Labor Party, because our policy is to do something about housing.

Secondly, this debate this afternoon also demonstrates and questions in quite clear terms the credibility of our Premier. It also questions the credibility of the members of his Government, because if one looks at the housing situation in Western Australia today, having regard to the fact that our Premier has been in office for more than three years, and bearing in mind his stated policy in respect of housing three years ago, the only conclusion to which one can come is that the people of Western Australia have been hoodwinked. They have been "conned" by the Premier in a massive confidence trick which he has perpetrated upon Western Australia.

Point of Order

Sir CHARLES COURT: Mr Speaker, I rise to object to the reference to "conned" and also the reference to "confidence trick". I think they are unparliamentary and untrue.

Mr Tonkin: Come on! We won't be able to open our mouths.

The SPEAKER: I believe the expressions used by the member for Maylands were objectionable. I ask him to withdraw the references to "conned" and "confidence trick".

Mr HARMAN: I withdraw, Sir.

Debate (on amendment to motion) Resumed

Mr Jamieson: What is it coming to? Is it a Sunday School picnic or something? You have said a lot worse than that about us.

Sir Charles Court: I have never done that.

Mr Jamieson: Of course, your halo slips down around your ears and you can't hear yourself talking.

Sir Charles Court: You wouldn't stand for that kind of thing yourself.

Mr Jamieson: Get out!

Mr Tonkin: Soon we won't be able to make a speech.

The SPEAKER: Order! I ask that the interjections cease, and I ask the member for Maylands to address the Chair.

Mr HARMAN: Mr Speaker, the people of Western Australia have been subjected to—

Mr Jamieson: We will object to some of yours after this, and you will withdraw, too.

Mr Tonkin: You are putting the Speaker in an invidious position.

The SPEAKER: Order!

Mr HARMAN: The people of this State have been told certain things would happen, and they have not occurred.

Several members interjected.

Mr HARMAN: This is what has been perpetrated on the people, and I want to prove to the House that I think the words of the Premier were idle words—

Several members interjected.

Mr HARMAN: Sir, I am endeavouring to make a speech, and you said you would protect those who ignored interjections. What do you want me to do?

The SPEAKER: Order! I ask the cross-Chamber conversations to cease. I call the member for Maylands.

Mr HARMAN: I want to prove that the strong words I used were, in my opinion, quite in order. To do that, I wish to refer to some remarks made by the Premier, during a television performance in March, 1974. He said—

Let's talk about housing. This is a scandal. Do you know, we will be over 3 000 homes short this year, 7 000 next year, 8 000 the year after, unless something drastic is done. Do you know that inflation will push up the price of an average home by \$2 000 before Christmas. If you do know I'll be surprised, because the Government has done all it can to hush it up. Both Labor Governments are to blame, the one in Canberra and the one here and their excuse—inflation.

I ask you to note that part, Sir. It goes on to say—

The truth is that for a hidden reason Canberra forced up home interest rates and knocked hundreds of millions of dollars out of the home loans market.

Mr Davies: That sounds like a "con" to me.

Mr HARMAN: Mr Speaker, I want you to listen to this, because further on in the same television performance the Premier said—

I spoke earlier of the housing shortage. I speak now of the housing land shortage which is forcing prices up. Land cannot be sold for homes until it gets essential services. The Liberal answer is an imaginative new scheme to arrange finance for the missing services, to end the land shortage, to create competition and to hold prices down. For low income earners we've got a practical plan to help them get both home and land. The big barriers are finding a deposit and making weekly payments.

Sir Charles Court: That has been done.

Mr HARMAN: It continues—

We will overcome this by giving low income families a Government guarantee and negotiating an arrangement with home lenders.

Sir Charles Court: That has been done.

Mr HARMAN: The Premier now claims that has been done. Why is it then that now we have people who are unable to afford to purchase a home? Why is it that the waiting list of the State Housing Commission is growing longer, and the period of time a person must wait for a house is growing longer each day? The Premier claims that has been done, and it is up to him to prove it.

Mr P. V. Jones: It has been done with the permanent building societies. That is exactly what we said we would do.

Mr HARMAN: Why is it not a success?

Mr P. V. Jones: The provision is there for people to get money from building societies.

Mr HARMAN: Yes, the provision is there, but why is the scheme not a success?

Mr P. V. Jones: It will be a success if people use it.

Mr HARMAN: No scheme is successful unless people use it.

Mr P. V. Jones: You said it hadn't been done. I am telling you it has been done.

Mr HARMAN: It may have been done, but the scheme is not successful because people are not using it. Just look at the arrangements

of the scheme. Would you, Mr Speaker, subject people to that? Does not that prove my point conclusively?

I know a programme was introduced, but it is a programme which cannot be used by people because of the conditions implicit in it; and that is the reason we have people coming into our electorate offices and calling us on the telephone saying they cannot get finance to build a home. If members of the Government want to make inquiries about this, let them talk to some of the real estate people, and they will find the only way in which money can be obtained today is through the Commonwealth Bank, and to get money from the Commonwealth Bank for housing one must measure up to certain criteria that have been laid down.

If a person tries to get money from the building societies or insurance companies or any other lending authorities, he finds it very difficult indeed. One of the reasons for this is that those institutions have insufficient money available for lending.

The difference between the Labor Party and the Liberal Party on this matter is that the Labor Party believes in doing something about housing for low income earners. To show what the Liberal Party feels about this, I would like to refer to a speech made by the present Federal Treasurer—I say "present" because his position is somewhat in jeopardy at the moment.

In a speech made to the national convention of the Housing Industry Association, on the 21st April, 1977, the Federal Treasurer (Mr Lynch) made the following statement—

Free enterprise, rather than Government, is best able to provide for the community's diverse housing needs.

That sets out in a nutshell just where the Liberal Party stands on the question of housing. The Federal Treasurer continued —

At the outset I want to emphasise that my Government regards the housing of Australians as an issue of national concern.

We believe that it should be a major national objective to encourage all people who wish to do so to own their own home.

The Federal Treasurer claims the housing of Australians is a national objective, but he does not want his Government to do it; he wants private enterprise to do it.

Earlier in my remarks I asked members to note a statement which was made in 1974 by the then Leader of the Opposition, and now Premier, in which he said the blame for all our housing problems could be sheeted home to

Canberra. What the Premier was trying to show to the people of Western Australia was that Canberra's excuse that the problems were caused by inflation simply was not true; it was only an excuse, and not the real reason. Obviously, the Premier must have succeeded in convincing the people, because he was elected to form a Government.

However, he is in conflict in this opinion with the Federal Treasurer (Mr Lynch), because Mr Lynch argued that the reason for the downturn in Federal funds in housing to assist the various State housing authorities was inflation. Mr Lynch continued—

Experience has shown that activity in the housing industry is very sensitive to overall financial conditions.

Excessively easy financial conditions are readily translated into high and eventually excessive levels of housing activity.

Looking back on 1976 I think it is clear that the responsible administration of monetary policy by the authorities,—

That is virtually the control of the growth of the supply of money. Mr Lynch continued—

—and the degree of control achieved over growth in the monetary aggregates, was not only appropriate from an overall economic management point of view, but has contributed to a sensible and desirable pace of expansion in your industry.

What Mr Lynch was saying is that there has been a downturn in Federal funds due to the Government's endeavours to control inflation. However, that is at variance with what the Premier says and that is why I ask members to consider the credibility of our Premier. On the one hand, he says inflation is not the cause of a downturn in housing finance and on the other hand, his own Federal Treasurer says that it is.

Mr Davies: You can call him incredible, but do not call him a "con" man!

Mr HARMAN: The latest Federal Budget provides for an increase of 3.7 per cent in welfare housing. However, when we take into account the fact that inflation is running in excess of 10 per cent, it can be seen an increase of 3.7 per cent in this year's allocation for welfare housing does not even keep up with the inflation which has occurred over the last 12 months and in real terms represents a considerable decrease of funds provided to this area.

Of course, the Federal Government must take some of the responsibility for the downturn in funds for welfare housing, and the blame must be

sheeted home to that Government. It is imperative that the House takes particular note of the fact that for this financial year, the Federal Government allocated less money for welfare housing in real terms than it did for the previous 12 months.

I wish to deal briefly with the problems being experienced by home purchasers in Western Australia. The average State Housing Commission home costs about \$28 000, and prospective purchasers can borrow something like \$23 500 under an arrangement the commission has with building societies. This means they must find an additional \$4 000, and for many people in Western Australia, this money is raised by personal loan from the bank or, if they are unable to obtain a loan, by second mortgage on their property. Thus, many people purchasing SHC homes are loading themselves up either with a first mortgage and a personal loan or a first and a second mortgage. That is not the way in which we should encourage people to purchase their first home.

Despite this Government's promises to do something to improve the housing situation, it has displayed an obvious lack of interest and has failed dismally to come to grips with the problem. The figures prove conclusively that the Government has failed; the waiting list of people wishing to move into State Housing Commission homes is growing steadily, and we are forcing more and more people into rental accommodation at a time when we should be encouraging them to purchase their own homes. In addition, the rental accommodation into which we are forcing people is composed principally of flats. We are forcing people to bring up their children in an environment which is not conducive to their well-being.

In some cases, the Government is even forcing people into caravan parks, because that is the only accommodation these people can afford. If members cared to look at the situation applying in the various caravan parks in the metropolitan area, they would find most are completely booked throughout the year. It is very difficult to get into a caravan park simply because this is the only type of accommodation these people can afford. For those reasons, I am very happy to support the amendment.

MR HODGE (Melville) [5.07 p.m.]: I support the amendment moved by the member for Balcatta. My electorate contains two large State Housing Commission areas, the long-established areas of Willagee and Hilton. At the moment, there is a great deal of uncertainty and discontent amongst residents of Willagee due to rumours that large areas of the older part of the

suburb are to be redeveloped. None of the residents seem to have any definite information or timetable as to when this redevelopment will occur, and how it will affect them.

Mr O'Neil: You surprise me, because more than six years ago the people of the area were advised, as was the local authority, of the intention to redevelop part of the area. The commission has since started to acquire the houses from people who wished to sell. I have known of it for at least seven years.

Mr HODGE: Probably, there has been a considerable turnover of residents in that six or seven years, because many people who currently reside in the area are uncertain as to what the future holds. The Willagee community association approached me recently on this matter because so many of its members were concerned, and I asked a question of the Minister for Housing seeking information as to what was planned.

Mr O'Connor: We advised you that a programme had been laid down.

Mr O'Neil: We have been in consultation with the local authority for at least seven years.

Mr HODGE: The Minister did supply me with some information, but I did not regard his answer as being sufficiently detailed. He was either unwilling or unable to provide me with the information I sought.

Mr O'Connor: If you want further information, I will be pleased to provide it for you.

The SPEAKER: Order! I wonder whether the rest of the House might care to listen to the conversation entered into between the member for Melville and the Minister for Housing.

Mr HODGE: I endeavoured to obtain information from the Minister to allay the fears of residents of the older part of Willagee, but I have not received sufficient information as yet.

Many of the houses in this older section are run-down and dilapidated, and quite severe maintenance problems are evident. One such problem with which I have been acquainted in the last few days is so severe that almost the entire roof of a home needs to be replaced. Three of the rooms have mildew and mould on the walls, and the dampness is having a detrimental effect on the health of the widow and the two children living in the house. As a result of my representations, the State Housing Commission has agreed to replace almost the entire roof. However, the resident is still unhappy because she believes the condition of the house is affecting her health,

and she would like to move. So far, the commission has refused to agree to her application.

There are many examples of problems caused by the lack of maintenance being carried out in the area. I suppose the reason is that the commission does not want to spend money on maintaining and renovating homes which will soon be demolished. A similar situation applies to homes owned in the area by Westrail; they seem reluctant to spend money on maintenance. It would be a great help if we could establish just what is proposed for the area, and when the redevelopment is to take place.

In all my dealings with officers of the State Housing Commission, I have found them to be helpful and courteous. However, they seem to work under a great deal of pressure and are severely restricted by a lack of funds.

In another case recently brought to my notice, a family living in Hilton applied to have their sleepout enclosed. There are two children in the family, one aged six and the other aged eight; one child suffers from asthma and the other from bronchitis. The family doctor supported their application stating that for medical reasons the boys should be in separate bedrooms. The application to have the back verandah enclosed was forwarded to the State Housing Commission, together with the doctor's certificate.

Apparently, the commission then telephoned the doctor and subjected him to a cross-examination. It eventually received from the doctor some sort of statement that it was not strictly necessary for the boys to sleep in separate rooms, and consequently the application was rejected. It would seem that, presumably because of a lack of funds, the State Housing Commission adopts a very tough and hard policy towards such applications.

There are many young people in my area purchasing new homes, and the phasing out of the interest deductibility scheme by the Federal Liberal Government has come as a severe blow to them. The member for Balcatta pointed out that the scheme was worth \$135 million a year in subsidised interest rates. Many of these young people are committed to monthly repayments of \$250 and \$300 over periods of 25 to 40 years, and the removal of the taxation deduction on housing loan interest has come as a severe blow.

The Minister for Housing has listened intently to the debate, and I noticed him taking copious notes earlier. I hope he has listened to the few points I have raised in the short time I have been speaking. Hopefully, I will see some action in the near future on those points.