

HOUSE OF ASSEMBLY.

Tuesday, October 2, 1951.

The SPEAKER (Hon. Sir Robert Nicholls) took the Chair at 2 p.m. and read prayers.

ILLNESS OF HIS MAJESTY THE KING.

The SPEAKER—I have to inform members that with the President of the Legislative Council, I proceeded, on Tuesday, September 25, to Government House where we presented to His Excellency the Governor the Joint Address adopted by both Houses on September 25. His Excellency has been pleased to make the following reply:—

The Governor informs the honourable the Speaker and honourable members of the House of Assembly that he has received the under-mentioned cablegram from the private secretary to His Majesty the King in reply to the Joint Address presented by the honourable the President and the honourable the Speaker at Government House on Tuesday, September 25:—

Please assure the members of both Houses of Parliament of South Australia that the loyal terms of the Joint Address are much appreciated and that it will be laid before the King at an early opportunity. The Queen is deeply grateful for the message of sympathy which you have sent on behalf of the Parliament and people of South Australia and desires me to convey her warmest thanks.

SUPERANNUATION ACT AMENDMENT BILL.

His Excellency the Governor, by message, recommended the House of Assembly to appropriate such amounts of the general revenue as might be required for the purposes mentioned in the Superannuation Act Amendment Bill.

CONSTITUTION ACT AMENDMENT BILL (No. 2).

His Excellency the Governor, by message, recommended the House of Assembly to appropriate such amounts of the general revenue as might be required for the purposes mentioned in the Constitution Act Amendment Bill (No. 2).

GOVERNMENT'S FINANCIAL POLICY.

Mr. O'HALLORAN—The following is an extract from the Commonwealth Treasurer's Budget speech, as reported in the *Advertiser* of September 27, and relates to the increased commitments of the Commonwealth Government on account of payments to the States:—

The States could not maintain their essential services without further assistance from the Commonwealth, but it was fair to expect the States to make a reasonable effort to raise

what revenue they could from their own sources, to economize in administration, and to minimize losses on their business undertakings.

Has that statement been brought under the notice of the Premier, and, if so, does the Government contemplate taking any action on the three lines suggested, particularly in connection with minimizing losses on business undertakings, because that would involve increases in railway freights and probably water rates?

The Hon. T. PLAYFORD—As the honourable member knows, quite apart from the tax reimbursement grant, the State receives a grant, commonly called a disabilities grant, under section 96 of the Commonwealth Constitution. That grant is decided on by a Grants Commission appointed by the Commonwealth Government. Each year it investigates South Australian affairs and considers such matters as those mentioned by the honourable member when it believes it to be necessary. For a number of years now South Australia has received commendation from the Grants Commission, particularly in connection with the efficiency of its administration.

SHEEP HUSBANDRY ADVISER.

Mr. CHRISTIAN—I have received a suggestion by letter from the Pygery Branch of the Agricultural Bureau for the appointment of a sheep husbandry adviser for Eyre Peninsula. Will the Minister of Agriculture consider the matter and let me have a reply?

The Hon. Sir GEORGE JENKINS—The honourable member has already brought the matter under my notice and it is now being considered.

TEMPORARY SCHOOL BUILDINGS.

Mr. FRANK WALSH—I have received a letter dated September 24, from the South Australian Builders and Contractors Association regarding a question I asked recently about temporary school buildings. The letter states:—

I would point out for your information that the negotiations proceeding between this association and the Architect-in-Chief were not in relation to contracting on a cost plus basis.

The letter further says that the association has always opposed the cost plus system, preferring firm contracts. The letter continues:—

The negotiations with the Architect-in-Chief proceeded on the basis that it was impossible for any one building contractor to contemplate the erection of 100 temporary classrooms throughout the State before February, 1952,

and the association offered to assist the distribution of the schools amongst its members in comparability with their particular respective businesses upon a price being determined and agreed upon as a firm price for pre-cutting and a basis for the pricing of erection of each of the schoolrooms respectively in accordance with the locality and circumstances applicable. The negotiations continued to a stage where the Architect-in-Chief would confer with members of the association able and willing to perform the work upon firm price determination, but apparently he was directed not to confer and the next thing this association learned was that the Housing Trust had been approached and had in turn arranged with contractors operating with it to perform the work of pre-cutting and erection in the city, the erection in the country districts to be carried out in some other method.

Is it a fact that the Housing Trust arranged with the contractors operating and willing to perform the work of pre-cutting and erection in the city, the erection in the country districts to be carried out by some other method? What was the price for the work to be carried out in the city, and was it on a firm contract basis?

The Hon. T. PLAYFORD—We called for tenders to get a firm contract basis, and no tenders were received even for one classroom. If anyone had been prepared to do any of this work by contract we would have been very pleased to have received contracts; but we are not prepared, nor does the Act contemplate, that we should go into an arrangement without calling for tenders, which is the proper method of determining things. The Housing Trust recommendation is based upon a firm price.

BRICK SUPPLIES.

Mr. HUTCHENS—Can the Treasurer say whether it is a fact that certain brick manufacturers, because they are not satisfied with the approved price for outside bricks, have determined not to manufacture any further outside bricks and have notified building contractors contracting for public works accordingly? Is it true that the contractors have advised their employees that they must search the inside bricks in order that they might be brought forward for outside bricks? Can the Premier say whether the Government will take action to secure the necessary bricks for public works?

The Hon. T. PLAYFORD—I am not aware of any discontent amongst brickmakers concerning the price of bricks. The price of bricks in this State has been fixed with a certain allowance for incentive in the price

because we want to encourage production; but a number of brickmakers do object to supplying only outside bricks and say that Government work, like every other type of work, should take a percentage of inside as well as outside bricks, which is not an unreasonable basis on which to do their business. They say that, if the Government is buying bricks for a special purpose for outside walling and want a high-grade brick, they should at the same time take a percentage of inside bricks. Apart from that I know of no discontent or difficulty. In fact, I was not aware that this difficulty existed. Some time ago I gave instructions that the Government should buy a percentage of inside bricks for their work, and I understood that that matter had been cleaned up.

POTATO SUPPLIES AND PRICES.

Mr. DUNKS—Recently I asked the Minister of Agriculture a question with regard to the supply of potatoes. I understand the position is again desperate. Can the Minister give any indication when fresh supplies will be coming forward?

The Hon. Sir GEORGE JENKINS—I have no information as to the immediate supplies that will be available. A few potatoes have been received from Western Australia and Victoria. They are short on the market at present, but the position is expected to improve in the near future. I will bring down the latest information for the honourable member tomorrow.

Mr. TAPPING—Last week-end some shopkeepers were charging 8d. a pound for potatoes, which is 3½d. above the fixed retail price. This was brought about by suppliers asking for considerably more than the fixed price of £35 a ton. Will the Premier make inquiries into the matter?

The Hon. T. PLAYFORD—Yes, if the honourable member will give me the information he has.

REPORT ON POLIOMYELITIS.

Mr. QUIRKE—I understand that Dr. Crosby and another medical gentleman were appointed to report on the incidence of poliomyelitis. Can the Premier indicate when that report will be available?

The Hon. T. PLAYFORD—I believe it has been made available to the Chief Secretary. I will make inquiries and let the honourable member have the information.

AMBULANCE SERVICES.

Mr. MOIR—Has the Premier received the report of the committee that considered South Australian ambulance services? Can he say when it will be available to the district councils which are concerned with the shortage of ambulance services?

The Hon. T. PLAYFORD—There is a question on the Notice Paper on this topic, and I think I would be out of order in giving a reply to this question without notice.

BUILDING PERMITS.

Mr. FRED WALSH—According to a report in this morning's *Advertiser* the Government Statist, Mr. Bowden, has stated that there has been a reduction in the number of permits granted for home building. According to the report in July of this year 426 permits for building homes were issued compared with 511 for the same month last year. Permits for other new buildings in July were 41, compared with 27 for July, 1950. Is the falling off due to any lessening in the number of applications or to greater restrictions on the part of the Building Materials Office?

The Hon. T. PLAYFORD—Not much weight should be given to monthly housing figures. The figures referred to by the Statist, I believe, are derived from information lodged by local government authorities regarding applications for permits to erect buildings, and do not refer to building permits under the Building Materials Act. Those figures, I believe, are not lodged until a builder willing to undertake the work is secured. I find there is a considerable variation from month to month, without any apparent reason, in the number of permits issued, but generally speaking there are more applications now being granted than previously. The Building Materials Office has been issuing more permits as well as granting a greater percentage of applications. There has been no tightening up in issuing permits. I think perhaps the figures referred to by the honourable member were on too short a basis to have any real meaning.

KAROONDA AREA SCHOOL.

Mr. STOTT—Has the Minister representing the Minister of Education a reply to the question I asked last week about bus contracts for the Karoonda area school?

The Hon. M. McINTOSH—Through my colleague, the Minister of Education, I received a report that there are four different contractors, the rates varying from £3 10s. to

£5 13s., according to distance and the number of children carried. I have the exact figures in each case and shall be pleased to let the honourable member have them.

VISIT TO RADIUM HILL.

Mr. O'HALLORAN—Last week the Premier intimated that he hoped to make arrangements for members of Parliament to visit Radium Hill. Has the matter been taken any further?

The Hon. T. PLAYFORD—Not yet, but I will consult with the honourable member in the near future regarding the programme.

COMPENSATION TO INJURED RAILWAY PASSENGER.

Mr. TAPPING—A letter from one of my constituents states:—

I was a passenger in the train from Exeter on Friday night that crashed into another train at Bowden. I am suffering from a bruised shoulder and shock. Can I claim any compensation for the suffering I have to put up with? I was on my way to visit my wife when the accident occurred.

I ask the Minister of Railways whether this man can expect to receive any compensation?

The Hon. M. McINTOSH—The common law of the land provides the right to compensation to anybody who suffers damage through the action of another person, either by negligence or by default that could have been avoided. It is not compensation that one can claim as a matter of right; where the claim was disputed it would have to go before the court; but if there is any evidence of default on the part of the Railways Commissioner I am sure he will be glad to discuss this matter in an amicable way with any person who has suffered injury. It is not the desire of the Government or the Railways Department that any person patronizing the railways should thereby suffer injury.

SUPPRESSION OF NAMES IN COURT CASES.

Mr. STEPHENS—Has the Premier received a report on the question I asked last week about the suppression of names in court cases?

The Hon. T. PLAYFORD—I have received a report from a special magistrate which I shall read, still suppressing the name of the person concerned. The report states:—

In regard to the question asked by Mr. Stephens, M.P., on Thursday, September 27, in the House of Assembly, I have to report as follows:—On September 18 this person appeared before me on a charge of indecently assaulting a girl aged 5 years. On the application of his counsel and with the consent of

the Police Prosecutor, I made an order prohibiting publication of the name of the defendant or the girl until further order. The defendant was remanded to appear on September 26. On September 26, before hearing this case, I remanded a man charged with embezzlement. His counsel indicated that he would plead "guilty" but that it was desired to call evidence of his previous good character. As that evidence was not available on that day the request for a remand was granted. No question of suppression of his name arose, nor would it have been granted. I assume this is the case to which Mr. Stephens refers. At the conclusion of the evidence against the man charged with indecent assault, I considered it my duty to commit him for trial, and accordingly did so. No request was made for a variation in the order prohibiting publication of his name. I, however, considered the question and decided not to vary the order. Section 69 (1) of the Evidence Act reads as follows:—

Where it appears to any court . . . that for the furtherance of or otherwise in the interests of the administration of justice, it is desirable to prohibit the publication of the name of any party or any intended party to, or witness or intended witness in any such proceeding, the court may, either before or during the course of the proceedings or thereafter, make an order . . . forbidding the publication of the name of such party or witness.

It is apparent where a man is charged with an offence of a sexual nature that grave injustice would result if his name were published before it was clear that there was some justification for the charge. It is for this reason that the order was made on September 18. This procedure is very frequently adopted in most courts of summary jurisdiction. After hearing the evidence I considered it desirable that the order should stand until such time as an indictment is filed. It would be inappropriate for me to discuss the details of the evidence, but in my opinion in the circumstances of this case, it is in the interests of the administration of justice that the defendant's name be withheld until the Crown Law officers have had an opportunity of advising the Hon. the Attorney-General as to whether or not an indictment should be filed against the defendant.

RAILWAY FREIGHT RATES.

Mr. SHANNON—Has the Premier seen the report in today's *Advertiser* that the Labor Government in New South Wales proposes to obtain additional revenue from its railways? Can he assure the House that similar action will not be followed in South Australia? I understand that the Government of New South Wales proposes to increase the freight on wheat by up to 150 per cent, which may result in the price of bread being increased by 2d. a loaf. Can the Premier give an assurance that in dealing with the problem

the singling out of primary products for special attention in the matter of freight rises will not be adopted, as apparently is being done in New South Wales?

The Hon. T. PLAYFORD—I read the *Advertiser* report concerning the proposed policy of the New South Wales Government, but no authority was quoted for the article. Apparently it has some background, but they may not be the proposals eventually adopted by the New South Wales Government. The policy of the South Australian Government for a number of years has been to keep its costs as low as possible, consistent with maintaining a reasonably stable financial position for the Government, and that policy will be continued.

BUILDING MATERIALS LEGISLATION.

Mr. DUNKS—Since people have been allowed to build houses of up to 12½ squares many of them have transgressed the regulations and have been taken to court and fined, with a "Stop" notice being served on them. I believe that in some instances the cases have been glaring, but in others they have been trivial. The procedure is that they must abide by the decisions of the special committee set up under the legislation. Can the Premier say if it is advisable, where a man is renting a house and has nearly completed building one for himself, to keep one house unoccupied, and is there any leniency which can be allowed a person who honestly makes a mistake as against the person who breaks the law deliberately?

The Hon. T. PLAYFORD—The policy of the Building Materials Department has not been to make criminals of people. If a person offends against the Act in a minor degree, or does so unwittingly, frequently on a recommendation no action is taken against him. Possibly a warning is issued. Where there appears to be a distinct and deliberate violation of the Act a "Stop" notice is served, as approved by Parliament, and that notice is not lifted except on the recommendation of a committee, which is not a Government committee. Its attitude has always been that it will not lift a "Stop" notice to place a person in a favourable position after he has broken the law. If a person can get a 12½ square house, either by means of the exemption in the Act or under a permit, and has started to build a 17-square house, he will not get permission to complete it merely because he has paid a fine of £20. He will be given a permit to build a 12½-square house, which could be justified.

Frequently I have personally investigated cases to see whether a fair deal is being given in general, and I believe the committee is not vindictive in its approach to the matter, but insists that a lawbreaker shall not be placed in a better position than the man who observes the law.

SALES TAX INCREASE.

Mr. MOIR—Can the Premier say under which section of the Act the Prices Branch refuses to allow some of the increases in the sales tax under the Commonwealth Budget, and if there is no power to pass them on how long must business people be asked to carry the full extra burden?

The Hon. T. PLAYFORD—Under the Commonwealth Budget the sales tax will not apply to goods already in retail shops. It applies only to goods sold by wholesale firms. Where a firm deals in both wholesale and retail business it is involved in the payment of the full sales tax. Recently I made a public statement in connection with passing on the sales tax and pointed out that under the pegging order applying in all Australian States anyone wishing to alter the prices of his pegged commodities must get permission to do so, and cannot do it himself from day to day. As far as I know, every application for a variation is being dealt with promptly. A compliment was paid to our Prices Branch this week when it was said that South Australia was gazetting its orders more rapidly than any other State to meet the changing circumstances. It is not a simple matter for the Prices Branch to cope with the many alterations to trading conditions brought about by the sales tax increase. Many thousands of orders have to be issued. Notwithstanding that, approvals are going out quickly and there is no unnecessary delay. They cannot go out automatically because many of the retail traders cannot put sales tax on the goods they have in stock at present.

PHARMACY ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

SUPERANNUATION FUND: WIDOW PENSIONERS.

Mr. O'HALLORAN (on notice)—

1. How many widows of deceased pensioners received South Australian Superannuation Fund pensions during the year 1950-51?

2. What was the total amount of pensions paid to such widow pensioners during the year?

3. What was the total amount contributed by the Government to such pensions during the year?

The Hon. T. PLAYFORD—The replies are:—

1. 1,245.

2. £77,805 12s. 6d.

3. £67,526 18s. 4d.

CO-ORDINATED AMBULANCE SERVICE.

Mr. O'Halloran for Mr. TAPPING (on notice)—What progress has been made in connection with the proposed legislation for a co-ordinated ambulance service?

The Hon. T. PLAYFORD—Discussions have taken place between ambulance services operated by the St. John Ambulance, S.A. Ambulance Incorporated, and the Commissioner of Police, to provide a co-ordinated ambulance service. A line will be provided upon the Estimates to assist this project.

EVICTON WARRANTS.

Mr. Tapping for Mr. FRANK WALSH (on notice)—How many warrants for eviction were issued during the period October 1, 1950, to September 30, 1951?

The Hon. T. PLAYFORD—There were 57 in Local Court, Adelaide; 4 in Local Court, Port Adelaide. To obtain returns from all country courts would involve a special inquiry.

SETTLEMENT OF EX-SERVICEMEN.

Mr. MACGILLIVRAY (on notice)—

1. How many qualified ex-servicemen have applied for land settlement on (a) dry land farms; (b) irrigation blocks?

2. How many qualified ex-servicemen have been settled under each heading?

3. How many qualified ex-servicemen have been placed on single unit farms under each of the abovementioned headings?

4. In the event of insufficient land being available for the purposes of settling all applicants mentioned in question 1 (a) and (b), what steps does the Government propose to take to see that ex-servicemen who have been accepted as qualified for land settlement are, in fact, placed on the land?

The Hon. C. S. HINCKS—The replies are:—

1. (a) 1,582. Based on experience including the recent irrigation investigation wastage of approximately 30 per cent is expected as regards dry land applicants, leaving 1,107 estimated active applicants. (b) 435.

2. (a) 445; (b) 264.

3. (a) 16; (b) 6. Since Commonwealth approval in 1948, the Government has made extensive endeavours to promote offers of single farms by personal approach and through land agents and ex-service organizations. The number of properties investigated following offer, but which, except for a few which were withdrawn from offer were declined owing to unsuitability was:—(a) 171; (b) 24.

4. The Government will continue its efforts to obtain additional land. Areas are now being investigated in the Upper South-East, Yorke Peninsula, and the River Murray. The attention is drawn to the provisions of the War Service Land Settlement Agreement Act which came before Parliament in 1945. Clause 3 (a) reads:—“Settlement shall be undertaken only where economic prospects for the production concerned are reasonably sound and the number of eligible persons to be settled shall be determined primarily by opportunities for settlement and not by the number of applicants.”

BUILDING MATERIALS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 27. Page 714.)

Mr. HAWKER (Burra)—This legislation is becoming a hardy annual, and it looks as if it will be many years before we can discontinue it. The practice of the Government in continuing the operations of the Act for only one year at a time is good, because it gives the House a chance to discuss this very important matter. This legislation was first introduced in 1948. In 1948-49 the Housing Trust received 5,026 applications for houses, both rental and purchase, in the metropolitan area. Although it has built 3,340 houses in the metropolitan area during the last three years, last year 5,037 applications were received. The rate of building is higher than ever before, yet we are not catching up the lag. As more houses are built in the metropolitan area more people come to live in the city. Consequently, the population of the metropolitan area is growing, to the detriment of country areas. It appears to me that some people would sooner live in the metropolitan area under unsatisfactory housing conditions than go to the country, where they might live under good conditions.

Mr. Frank Walsh—Have you any good housing conditions to offer them in the country?

Mr. HAWKER—Yes.

Mr. Frank Walsh—Would they be guaranteed employment there?

Mr. HAWKER—Yes. Guaranteed employment is constantly being offered in the country. We should encourage people to go there. Many go to the country so that they may live under good housing conditions. When the housing lag is caught up in the city it may be even harder to get people to produce butter. Though the maximum amount for a non-permit house is to be raised, it will actually be more restrictive than the limit of a year ago. Unless he is lucky enough to obtain secondhand material a non-permit builder has to depend largely on imported materials. Over the last year the price of Australian cement has risen by 29 per cent, Australian galvanized iron by 10 per cent, and wages by 58 per cent. The price of imported cement has increased by 66 per cent, imported galvanized iron by 58 per cent, and oregon by 31 per cent.

Mr. Frank Walsh—Since what date has the price of oregon been increased by 31 per cent?

Mr. HAWKER—Since February last.

Mr. Frank Walsh—I think the increase has been a little more than that.

Mr. HAWKER—My figures were supplied by a firm selling much timber. Although the expenditure allowed on a non-permit home has been increased by £300, the steep rises in the price of imported materials will absorb this sum. Parliament is dependent for administration of the Act on the Building Materials Office which could restrict or expand the activities of people desiring to build without a permit. The department might be in a position to grant permits to almost everyone applying. In New South Wales outside certain prescribed areas, and in Victoria outside a 60 miles radius from the General Post Office, there are no restrictions on home building. Under the Bill the provisions regarding repairs and alterations without a permit are to remain, but owing to the increases in prices which I have quoted the amount of work that can be done is much less. We should do everything possible to keep people in the country, and if a person desires to build a good home he should be given the opportunity. As wool prices have dropped I do not think country people would demand too much material and manpower in this direction, because they would have to use so much expensive imported material. Further, people in the country incur extra expenses on account of travelling time, living away from home allowance, and cartage on materials. Therefore, city people get more for their money than those in the country. It might be said that country

people would engage in luxury building, but building is not the only luxury being carried on. Many consider mid-week racing a luxury, as it takes men and material from vital food production. Although I do not think the Government should allow unrestricted building outside a certain radius of the Adelaide General Post Office I consider it would be only fair to make some provision to enable country people to carry out renovations and alterations to the same extent as those in the city. With those reservations and with much regret I support the second reading.

Mr. CHRISTIAN (Eyre)—I must draw attention to the difficulties encountered by country people in obtaining controlled materials. I repeatedly receive complaints that although permits have been issued for timber, cement, galvanized iron, or water piping they are not being supplied by the merchants who normally provide them. I recently received a letter from a country contractor who cannot get cement, although permits for it have been granted on several occasions. He states:—

Last June I took a permit for 10 tons of cement on account of a certain client, but he was informed by the suppliers that it would be 12 months before it could be supplied. Then he had three other permits from another firm and over 12 months only got one of these partly filled and he has had no cement at all in regard to them since last October.

That is symptomatic of the difficulty being experienced by country people. It seems that merchants distributing scarce materials find it convenient to supply those living virtually on their doorstep, and those living outback get only what is left over. There should be some regulation regarding this matter. One hates to suggest any further controls, but until we go a step further by apportioning materials to permit holders some people will be always left out. Materials in short supply should be placed on a quota basis so that each permit holder will get his fair share. The present situation in which the man farthest away whose voice cannot be heard does not get materials is not fair and I do not think it was envisaged that it would arise. What are we going to go about it?

Mr. Dunks—Produce more goods.

Mr. CHRISTIAN—That is an easy answer, but it is not so easy of accomplishment. If people will not work as they used to, goods will not be produced. That is why our steel works are producing to only 60 per cent of their capacity, and our coal mines are not

being sufficiently exploited to supply fuel. We are not getting the output from our workers, but the position is not remedied simply by saying so. We must get the co-operation and goodwill of the workers. We must get more output from the individual before we can expect to see daylight in this matter of building materials. At present I cannot see any daylight, and it looks as if shortages will be with us for years ahead. We must have controls. Otherwise some people will get all the materials and other people will get none. Must we extend controls as suggested? Should permits be placed on a quota basis in order that everybody shall get his fair share of the materials available? It seems to me that that is the only way we can make materials available in their proper proportion; otherwise we must limit permits according to the materials available.

Mr. Shannon—That would be sensible.

Mr. CHRISTIAN—It is not being done.

The Hon. T. Playford—Is it possible?

Mr. CHRISTIAN—I do not know. The Building Materials Office would be in the best position to say whether it would be possible. I pay a tribute to that office for the very good job it is doing under extremely difficult conditions. It is issuing permits to the most deserving cases, although it may make mistakes at times. I have no fault to find in its administration, but to make its work effective and appreciated by everybody there must be a quota system related to the materials available. For our country people such a system should be adopted; otherwise the merchants will supply those people who are continually on their doorstep, and a man outback will be left lamenting. That will include people on Eyre Peninsula, who have the additional disadvantage that all material must come by sea and then by rail or road at great cost. With so much double handling there is inevitably considerable loss.

Mr. Dunks—They pay more promptly in the city.

Mr. CHRISTIAN—I question that. I can cite a case which came under my notice the other day. A man with a substantial bank balance, and who could easily pay cash on the nail, could not get timber and cement because the merchant would not supply him as he could get rid of what he had available to local clients. On general principles I support the Bill.

Mr. SHANNON (Onkaparinga)—I am pleased that this Bill comes up for annual

review. The Building Materials Office is conducting a difficult task very efficiently. I think Mr. Pollnitz and his officers are imbued with the necessity to meet the hardest cases first. I do not think the quota system suggested by Mr. Christian would bring results. It would need a surveillance over all the distributing houses. The Bill provides for people building houses of a certain size and cost without a permit, if they can get the necessary materials. Few homes can be built according to the present restrictions in the Act, and even with the increases in the Bill the position must be difficult for builders, especially if they cannot get local materials. Those who build without a permit are in less necessitous circumstances than those who need a permit, and it would be a hard man who would not assist the latter. The man with the permit should have first call on the cheaper materials. Usually Mr. Christian provides constructive arguments and he has done so in this case. I understand that at present a certain percentage of the available materials is allocated to country areas. Mr. Christian wants it covered by legislation.

Mr. Christian—I would like it to be done co-operatively.

Mr. SHANNON—I thought the honourable member suggested that we should take this Bill a step further and have a system of quotas to ensure that all people would receive a proper proportion of the materials available. It would be difficult to assess the quotas correctly, because of the varying applications for permits, and the tremendous lag in building in country areas. For instance, it would be impossible to assess how much galvanized iron will be available next month and how much of it should go to the metropolitan area and how much to the country. We do not know how many applications will be received, nor how many will be granted. I understand that Mr. Pollnitz and his officers grant permits for lines in short supply, according to the quantity which they assess will be available for a period ahead. All sorts of factors come into the assessment of building materials available, particularly those of Australian origin, because there are shipping hold-ups and other transportation difficulties. A State outside New South Wales awaiting supplies of iron and steel from Newcastle does not know when they will arrive. Ships may be available but not the manpower to load them. Our interstate highways are congested by heavy hauliers carrying all kinds

of materials uneconomically. Steel products such as galvanized iron are being brought in loads of about 30 tons by road vehicles, frequently in the charge of two drivers. The railways could handle the carriage of these goods at a tithe of the cost of road transport. A train with a crew of three men could carry 20 or 30 times the quantity carried by one of these road vehicles. The cost of carrying these materials by sea would be even less than by rail. Mr. Pollnitz must take into account all these factors. I give him and his officers full marks for handling the situation as well as possible by the restricted issue of permits. He knows it is a waste of time to give a permit to a man for material which is not in supply. If the material cannot be obtained a permit for it becomes operative when it becomes available.

I agree with the restriction on the area of a home to be constructed by a non-permit builder; but with regard to the upper limits of cost I point out the privilege enjoyed by certain people who, by virtue of their vocation, can carry out a certain amount of the work on their homes at week-ends and during the evenings. In many cases they not only comply with the terms of the legislation but enjoy facilities such as internal fittings not normally enjoyed by the man who has to employ labour to install them. The increase in the maximum costs will be swallowed up by the increase in costs over the last 12 months. Provided a reasonable type of home is built, I would not worry at all about the upper limits of cost. Building costs vary throughout the State. In some parts local stone or timber may be readily available. I see no particular merit in fixing upper limits of cost, providing an over-indulgence in luxury fittings is not allowed. Why should a man who wants to spend £3,000 on his home, which must be built within a prescribed limit of area, be unable to do so? The money he spends on materials and labour is put back into circulation. Parliament is trying to enforce a too rigid control of the building activities of thrifty people. If it were known that a home could be built, restricted only to a certain area, people would save towards that objective; but today they feel that the monetary restrictions imposed are almost a bar to building without a permit.

Mr. DUNKS (Mitcham)—When speaking on this legislation last session many members hoped that sufficient progress would have been made to enable us to be more liberal this year with regard to the number of squares permitted

a non-permit builder. A person desiring to build a house of more than 12½ squares has difficulty in obtaining a permit to do so. Last session a limit of 14 squares was suggested for non-permit builders. That suggestion was debated rather hotly in the second reading stage, and also in Committee when, I think, an amendment to that effect was moved. I consider it would be a good idea to lift as soon as possible the maximum area of a non-permit house to 14 squares. Recently I saw a non-permit house, and it was very small. The two main rooms were a fair size, but the builder had had to curtail the building of one room until later. A family with two or three children of different sexes requires more rooms than one in which the children are all of the one sex.

In 1949 the only size of house provided for without a permit was up to 12½ square at a cost of £1,600. At that time I challenged anybody to prove that a decent house could be built for that amount. The Treasurer produced quotations given to the Housing Trust for the building of houses and convinced members that £1,600 was then enough to build a reasonable house of that area. Many people wish to install conveniences such as built-in cupboards, bathroom appliances, and electric light points, so that later on drastic alterations will not have to be made. These people realize that they will probably live in those houses for the rest of their lives. In 1950 the Government introduced a Bill providing for upper limits of 10½ squares costing £1,700, 11½ squares costing £1,800, and 12½ squares costing £1,900. At that time I said that provision was quite inadequate considering the cost of local materials such as cement, steel, and bricks, and that a worthwhile home would cost more than that. I previously quoted the prices in Victoria. I know they were a little above those in South Australia, but I gave them as an indication of the steep increases that had taken place in the cost of house building in that State over two or three years. I think at that time a home of 12½ squares cost well over £2,000. It seems that costs in South Australia have caught up with the Victorian figures I quoted, because the Bill allows £2,000 for a house of 10½ squares, £2,100 for 11½ squares, and £2,200 for 12½ squares. Those figures are not high enough because people without permits have to use imported materials. If materials made locally could be obtained the prices would be about right. The member for Burra quoted prices this afternoon that would astound many members.

There are many reasons for the increased prices, but the shipping freight on Oregon is one.

The Hon. T. Playford—The cost of Oregon in America has increased too.

Mr. DUNKS—Yes. I do not know how we can overcome this problem of price increases. Our Government forests have performed a useful service in supplying pinus, but it cannot be used for all timber purposes. Two important materials are steel for rods and cement. They can be made in Australia but because of certain happenings in this country they are in short supply and persons desiring to build houses without permits cannot obtain sufficient locally. Even permit holders cannot always obtain all they require. I find the cost allowed for a 10½-square house is about £190 a square, for 11½ squares £182, and for 12½ squares £160.

The Hon. T. Playford—The cost of plumbing and other services would be the same in each case.

Mr. DUNKS—That is probably the reason for the variation. Clause 2 (e) states:—

Provided that nothing in this paragraph shall apply to the carrying out of any alteration or addition to any building or structure during the construction of the building or structure or during the period of 12 months after the completion of the building or structure but nothing in this proviso shall apply to the construction of one out-building during the said period of 12 months.

I take it that a person building a house will be allowed to erect a garage, stable, shed, workshop, or laundry or similar building if it is not joined to the house.

The Hon. T. Playford—Yes, provided the outbuilding does not cost more than £150. That is in addition to the expenditure allowed of £2,200 on a house of 12½ squares.

Mr. DUNKS—That will be of great advantage to home builders. I assume that 12 months after completion of his home a person will be allowed to spend £150 on additions or alterations?

The Hon. T. Playford—Yes.

Mr. DUNKS—I do not oppose the Bill because it would be foolish to do so at present. However, I suggest that for some time we should stop building houses and employ building tradesmen on the manufacture of raw materials so that when building commenced again there would be a stock-pile of bricks, cement, and other necessary materials.

Mr. Macgillivray—Bricklayers may not agree to manufacture bricks, and there would be a

waste of manpower in employing carpenters and other tradesmen on unskilled work in sawmills.

Mr. DUNKS—A bricklayer might be a suitable person for employment in a brickyard and a carpenter might be usefully employed in a sawmill.

Mr. Quirke—The employees might object to that work.

Mr. DUNKS—I realize the difficulties. The basic difficulty lies in the fact that coalminers are not producing sufficient coal. The production of steel, bricks, and cement is in their hands. It is tragic that Australia should be importing these commodities when it has sufficient raw material to make them. Our shortages would be overcome if we could entice more people into the manufacture of building materials and lengthen the working week, at least for some 12 months. I suggest to the member for Eyre that these are not the days to talk about rationing and setting up a new department. He said the Building Materials Office should ensure that materials would be available to permit holders, but that is almost the position today. The permit is in effect a priority for materials. I trust that before long we shall have conditions approaching those that existed before the war. This will not be attained until we are prepared to say that we cannot produce the number of goods required in the number of working hours available. To this end I hope the Government will approach the Arbitration Court. It opposed the 40-hour week during the hearing of the case and could now say, "The shorter working week has been given a fair trial but goods are in short supply; let us have another look at the case."

Mr. QUIRKE (Stanley)—I agree with the member for Eyre that the amount of £2,200 allowed for a house of 12½ squares is insufficient. The War Service Homes Division intends to increase its maximum loan to £2,750. The division will not make advances to people without a permit. It realizes that in order to build an ordinary house today it is necessary to lift the cost to £2,750. Under our non-permit system it is not possible to build a house of 12½ squares without using imported materials, including oregon. When a permit is granted for a building in a country area in some instances the use of Australian iron is excluded and because the building is in a water reticulated area cement tiles must be used, but that only increases the cost of the roofing. Tiles cost more than iron, and more roofing timber is needed for tiles than for iron. Consequently

many people are using imported galvanized iron instead of tiles. I think the fixing of a limit of £2,200 is designed to restrict rather than to promote the building of houses. I cannot see why there should be such a limit for a house of 12½ squares, particularly when the War Service Homes Division realizes that to build the same type of house under permit £2,750 is needed. Many building permits have been issued and there is a tremendous lag. Today a man with a permit cannot get immediately the materials he wants. Suppliers of water piping, for instance, for which there is a No. 1 priority, say that it will be available in two or three years' time, according to how supplies come forward, so the permit holder buys imported water piping, which increases his building costs. The man wanting five tons of cement under permit is told that he can get it perhaps in 12 months' time, but he does not wait for it and uses imported cement, which costs considerably more. I doubt whether under existing conditions many houses of 12½ squares can be built of an Australian material at a cost of £2,200. I do not like this type of legislation. I admit that there is a need for it, but each time it is introduced there is a tightening up of its provisions. Apparently some people have been getting away with some materials received under permit, and the proposal now is to give a court the right to say whether a reasonable time has elapsed for the use of materials obtained under permit. I would like to know whether if materials have been obtained and cannot be used for say two years the owner of them will be liable under the legislation.

The Hon. T. Playford—He will not be committing an offence. The purpose of the provision is to prevent material obtained for a building under a permit being used on a non-permit job.

Mr. QUIRKE—That is satisfactory. Times are such that legislation of this type is necessary and we must agree to it. Year after year we express the hope that it will not be introduced again, but as conditions are I can see that it will be necessary for many years to come. Notwithstanding the magnificent work of the Housing Trust and private builders it appears that the demand for houses is immeasurably greater than the number being built each year. I support the Bill.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Control of use of essential building materials."

Mr. FRANK WALSH—I move to insert the following paragraph after paragraph (c):—

(c1) by adding at the end of subdivision (i.) of sub-paragraph (c) of paragraph I. of subsection (2) thereof the words "and the said person has not, since the twenty-fourth day of January, nineteen hundred and forty-six, constructed or caused to be constructed a dwelling-house upon land in which he had a registered interest or beneficial interest at the time of the construction of the dwelling-house."

If a person builds a house, say, 1,250 sq. ft. at a cost of not more than £2,200, and sells it he should not be allowed to build another house for his occupation unless under a permit. I do not want to interfere in any way with the building of a house for an employee of a person using land as a grazing area, farm, orchard, market garden and so on, as provided for in the principal Act, but under the present day conditions a system of black marketing has grown up, and it should not be allowed to continue.

The Hon. T. PLAYFORD (Premier and Treasurer)—Section 4 (2) of the Act states:—

It shall not be a contravention of this section if any essential building material is used for any of the following purposes:—

I. The construction of any dwellinghouse where.

(c) (i.) The dwellinghouse is constructed at the cost of a person upon land in which that person has a beneficial interest and the dwellinghouse is constructed for occupation by that person as a permanent and principal place of residence; or

Under the amendment the words proposed to be added would be added after the word "or." I suggest that they should be included after the word "residence." At present a person who owns a block of land and desires to erect a house in which to live, that house costing not more than a certain amount nor of more than a certain size, may erect it without a permit. The amendment provides that that shall apply only once. At present in a number of instances a person having a house of his own purchases a block of land and erects a house under these conditions. Then he sells the house in which he is living and lives in the new one. Later he repeats that process. I believe that procedure is against the intention of the legislation, which was designed to give a person not qualified for a permit the right to build a house in which to

live. Subject to my query as to its form, I accept the amendment, which is in accordance with the intention of Parliament.

Mr. SHANNON—On the surface this amendment appears to be desirable in order to prevent "spec" building by people without permits; but a grave disservice could be done to people who, for reasons of employment or health, must change their place of residence. I suggest some provision should be made for cases of hardship.

The Hon. T. Playford—They could apply for a permit.

Mr. SHANNON—Generally these people are a long way down the list for a permit. People building houses without permits usually do so because that is the only way in which they can get homes. Some provision for cases of hardship, such as application to some authority, would probably meet this difficulty. The thrifty man who has built a house without a permit and who is forced to change his place of residence should not be penalized.

The Hon. T. PLAYFORD—The honourable member's point is quite good, but it is one which does not arise in connection with this matter alone. Frequently persons owning a home desire to change it for a residence somewhere else. While they have a residence they do not qualify for a permit for another. That position has been met by the Building Materials Department, which says, "If you make your house available to a person who qualifies for a permit, we will give you a permit to build a house where you want it." The department does not desire to be looked upon as a department of restriction, but is anxious to assist in the building of houses. The case mentioned by the member for Onkaparinga would not be adversely affected by this amendment. The purpose of the provision for non-permit building was to enable a person without a good claim for a permit to build a house and to take away the embargo otherwise placed on any effort to help himself; but it has been found that some builders, particularly small ones, already living in their own home, have bought a block of land, built a house, occupied it, sold the old house at a substantial profit, and later repeated this procedure. They have occupied their new house only for the period taken to build their next one. This type of "spec" building was not intended by Parliament.

Mr. FRANK WALSH—I accept the suggestion of the Treasurer and ask leave to amend

my amendment by inserting after "adding" the words "after the word 'residence.'"

Leave granted.

Amendment, as so amended, carried.

Mr. FRANK WALSH—A home owner may erect a motor garage, workshop or outbuilding at a cost not exceeding £150. He may also make additions to his home provided they do not cost more than £150 in any one financial year, and in this connection two things are agitating my mind. The first is whether we should not impose an area limitation instead of a monetary one. I would suggest that a garage or workshop 18ft. by 12ft. would be ample to meet the needs of the average householder: a garage of that size would certainly accommodate the average car. My second difficulty is not so easy to overcome and I do not quite know how to frame it. We have raised by £300 the amount permitted to be expended on a home and I am wondering whether we should not increase the £150 limitation proportionately.

Mr. Shannon—What amount do you estimate?

Mr. FRANK WALSH—Perhaps double, but I do not want to give the right to expend £200 or £300 on a motor garage or workshop separate from the residence. What I have in mind is the provision of more accommodation in the house itself. I would like to know the Government's view of this proposal.

The Hon. T. PLAYFORD—I would be opposed to the suggestion to impose the limitation by area, because this is an additional amount which we are permitting a person to spend over and above the cost of his standard house. Our experience is that this work is usually done by home owners in their spare time without calling upon paid tradesmen, and it has been the rule not to count such time as cost in the building. Consequently, such people are able to get much more for their money, which we think is a good thing. To impose an area limitation as suggested would be a greater restriction than we have at present.

Mr. FRANK WALSH—It is very important for any home owner to have shed or workshop apart from his house. What would be the Government's attitude towards, allowing say, £50 more to the person who may already have a shed or garage and cannot qualify in the opinion of the Building Materials Office for an addition to his home. I believe that some people are getting orders

for cement 9 months postdated, and others who are holding permits are waiting up to 12 months for Australian cement.

The Hon. T. PLAYFORD—The Government does not believe that the £150 limitation should be altered this year. We are very short of cement and I know of nothing that is permitting the use of cement more than this very clause without providing accommodation for one additional bed. Probably £150 could be spent on every house in the city without necessarily providing additional accommodation; it would simply be a nice improvement to the property. Anyone can start a job before June 30 in one year and complete it after June 30 which means that £300 can be expended, so there is no need to increase the amount. If the member for Goodwood wants more houses he can get them, not by increasing this amount, but rather by restricting it, although I am not suggesting that.

Mr. HAWKER—Because of freight costs and the payment of living-away-from-home allowances to tradesmen people in the country are unable to get as much done for the £150 as those in the city. Would the Government consider raising that limit outside a certain radius of the G.P.O., or any town?

The Hon. T. PLAYFORD—It would be difficult to give effect to the honourable member's suggestion. Housing Trust costs in the country are very good as compared with those in the metropolitan area. Although in some parts of the country costs are higher, as the honourable member suggests, in other places there is no difficulty in getting local builders on very reasonable terms. If the work is warranted it is possible to obtain a permit. I know of cases where permits for expenditure of not only £150 but up to £800 were granted to country people. I do not think the honourable member's suggestion would be a better method to adopt. If a person in the country cannot carry out repairs or alterations for £150 he should apply for a permit.

Clause passed.

Clause 3 passed.

Clause 4—"Control of sale of essential building materials."

Mr. FRANK WALSH—Building contractors may have materials on hand that were not needed on previous jobs. Could they use them on later jobs without obtaining further approval?

The Hon. T. PLAYFORD—The clause has been inserted to ensure that where priorities have been issued the materials will be used on the work for which they were authorized. In some cases priorities were issued for bricks, but it was later discovered that the houses concerned were not being built of brick, and that the bricks had been diverted to some other purpose than that for which the priority was given. The clause will not apply to a contractor having, say, 10ft. of galvanized piping over from a previous job using it on another house. It is impossible for any builder to exactly estimate his requirements, and there are bound to be overs and unders from one job to the next.

Mr. FLETCHER—I know of a man whose contractor told him his house was held up because roofing timber had not arrived. The man wrote to the Building Materials Office about it, but was told a permit had been issued for the timber and that it had been delivered. Evidently it was used on another job. Will the clause cover a case such as this?

The Hon. T. Playford—Yes.

Mr. CHRISTIAN—Has the Premier any solution of the problem I raised during the debate on the second reading about the non-supply of building materials to country people?

The Hon. T. PLAYFORD—The honourable member's remarks about galvanized iron were not in accordance with facts. People needing Australian galvanized iron must apply for a priority in order to purchase it. Priorities are granted in various groups, according to urgency. Many country people have applied for priorities for galvanized piping stating that it is required to renew a pipeline. High priorities are granted for this purpose because stock could be deprived of water if a pipeline burst. However, it has often been found that the piping was required for a new pipeline. Every application for water piping is checked. Country and city people receive the same treatment and are served in rotation according to the date of application and the priority group. The position in respect of cement is different.

Mr. Christian—Why not apply the same conditions to cement as to galvanized iron?

The Hon. T. PLAYFORD—There is only a relatively small amount of galvanized piping available, and it is possible to check all applications through the police or local committees. On the other hand, cement is used for so many purposes that it would be physically impossible to check every application for

a few bags of cement. Galvanized iron is in the same category as galvanized piping, which is sold subject to priority, but people in non-reticulated areas are given a priority. Many more priorities for galvanized iron are granted to country people than to city people. It would be impracticable to require all people needing cement to fill in application forms; in fact, I am sure members would object to such a provision. As permits are issued for cement, directions are given that certain quantities shall be available for each type of permit. Sixty per cent of the South Australian cement production goes into housing.

Mr. Hawker—In accordance with the desire or requirements of people?

The Hon. T. PLAYFORD—Not the desire. Because of high taxation there is strong inducement for improvements of a permanent type to be made. It is not always possible to meet the desires of people. It is provided that a certain percentage of Australian cement shall go to people with permits to build houses, and certain percentages are also allotted for use by the Government, agriculturalists, and industrialists. In an effort to help out, the Government has been a big importer of cement for its own use. In a few days I hope to be able to announce that a large quantity of this imported cement will be made available at an intermediate price to the general public—intermediate between the imported retail price and the local retail price. The Government is buying cement at £18 a ton and foregoing its quota at £8 a ton in an attempt to ease the position. Unless something very unforeseen happens, by this time next year I hope the cement supply position will be a problem of the past. Both the Adelaide Cement Company and the Brighton Cement Company have been working on plans for extensive expansion to their production and it is expected that South Australia's production at the rate of 100,000 tons a year will have been increased to 230,000 tons. Under those circumstances we will be out of the wood as regards cement supplies. South Australians use a bigger percentage of cement per head of the population than any other State. At present the Government has on hand about 4,000 tons of imported cement and 4,000 tons of clinker.

Mr. SHANNON—I am afraid that under this clause another stumbling block will be placed in the way of country people. It is almost impossible for them to get a contractor to give a price to erect any kind of building unless he can be assured of the building

materials being available. It would appear that under this clause a person could be brought before the court and required to explain how he had obtained certain essential building materials. He could possibly have stored on his property almost all the materials required for a building, but because of the lack of certain essential requirements could not proceed with the work. In such a case he could be asked to prove that the materials had been secured for legitimate use.

The Hon. T. PLAYFORD—The clause is to deal with people who, having obtained materials on a priority, have disposed of them. All a man would have to prove is that he had the materials on his property, but if he had disposed of them he would be in the wrong. The Government is not attempting to make it more difficult for a builder to do his work. He may have obtained 1,000ft. of water piping for six different jobs, and if he had completed, say, three of them and could show that he had the remainder of the piping in his possession his position would be safe. However, if he did not have the piping on hand the court could reasonably consider that he had done something with it contrary to the terms of his priority.

Mr. SHANNON—I think the Premier's explanation rather fortifies my statement that in certain country areas it is almost impossible to secure a contractor to quote a price for a job unless a person can assure him that he has the materials on hand. There are many dairy farmers in my district who are compelled to reconstruct their dairies under directions from the Metropolitan Milk Board, and for this work cement is a major item. The other day a dairyman told me that he wanted four tons of cement to finish his dairy. He got one ton and within a week or two another ton. Under such circumstances, if a man has a contractor doing the work, it means that there is much waste of time travelling to and from the job. This clause should not apply where it is obvious that the materials have been accumulated so that a contractor can have everything at hand to enable him to proceed with the job without interruption. If a contractor travels 50 or 100 miles to a job and can only half finish it and has to return later, that adds to the cost. It would be possible for an officious officer who has seen a large collection of building materials in a farmer's shed to drag him before the court and make him say what he proposed to do with it. That is what the clause says, and if that is not to be the position the clause should be altered.

The Hon. T. PLAYFORD—The court would come into it only in relation to the words "it may be deemed by the court that the essential building material was used or disposed of contrary to the provisions of the subsection." If the materials were on the property obviously they could not have been used or disposed of.

Mr. Shannon—What about the reference to a reasonable time?

The Hon. T. PLAYFORD—It is included as a protection. If the words were not there the holder of the materials could be asked for an explanation. A man may get a permit to build a house and arrange for it to be built. Associated with the permit would be priorities in regard to building materials. After a short period the builder may stop work because of a shortage of galvanized iron. The holder of the permit may seek the reason for the hold-up, and on a check being made it may be found that the builder has been supplied with the galvanized iron under the permit but he has sold it or used it on another job. In that case the court would say that the materials had been used contrary to the provisions of the Act. Frequently bricks are supplied for a job and six months afterwards it is found that the house has not been erected, nor are the bricks on the block. This indicates crooked work somewhere, and that is what we are trying to prevent. Under this provision the honest person has nothing to fear.

Mr. Quirke—Your reply to my query during the second reading debate that no action would be taken if the materials were on the block was correct?

The Hon. T. PLAYFORD—Honourable members have my absolute assurance on this matter. If the builder shows that the materials are in his possession and are to be used on the job it will be sufficient.

Mr. PEARSON—The Premier said that applications are being received by the Building Materials Office for water piping in large quantities for replacements and repairs, and that a close check is made to see that the applications are genuine. In my district replacements to water piping are becoming more and more necessary because the water is hard on galvanized piping, and it will be common for farmers to make genuine applications for replacements. I do not want the Premier to get the wrong impression about replacements of water piping and I do not want those who make genuine applications for piping to feel that they are acting wrongly.

Mr. MACGILLIVRAY—This discussion has shown the difference between the needs of a bureaucracy and those of people who live under a bureaucracy. The Premier has given an absolute assurance on the matter under review. I do not doubt his sincerity, but I have the greatest doubt whether the Government department that will administer this legislation will carry out his intentions. He is only one member of Parliament and after the legislation is passed it is not the Premier's view that will be considered.

Mr. Pattinson—He will be the Minister controlling the Act.

Mr. MACGILLIVRAY—I have heard Mr. Justice Abbott, when he was the member for Burnside in this place, point out frequently that the court does not consider the views expressed by members of Parliament when they agreed to legislation. When the matter we are now reviewing comes before the court it will be useless saying that the Premier gave an assurance on it when it was discussed in Parliament. A person may collect the materials needed for the building of a house and, through circumstances over which he has no control, may not be able to proceed with the work. The materials may be on the block, but an informer can report that they are not being used. In such a case the owner would have to appear in the court to defend himself. Under such a provision the decent citizen must appear in court like a common criminal.

Mr. Christian—The Premier will administer the law, because he will be the Minister in charge of the legislation.

Mr. MACGILLIVRAY—If he tried to prevent the Building Materials office from launching a prosecution under the Act he would be using his powers wrongly. Under the provision we are making potential criminals of every honest man and woman in South Australia. I am trying to protect the rights of citizens. Although a man's intention may be honest, he may be unable to use materials because of circumstances beyond his control. Somebody may inform the Building Materials Department, which will then institute proceedings. It is then for the court to decide whether the period for which the building materials have been held without being used is reasonable. The paragraph we are dealing with reads:—

Section 8 of the principal act is amended—(b) by adding at the end of subsection (6) thereof the words "if in any proceedings for an offence under this subsection evidence is given to the satisfaction of the court that the essential building material was sold or supplied

to the authorized purchaser for the purpose of carrying out any work but has not, after the lapse of such time as the court deems reasonable in the circumstances, been used in the carrying out of that work, and if evidence to the contrary is not given to the satisfaction of the court, then it may be deemed by the court that the essential building material was used or disposed of contrary to the provisions of this subsection."

That proves my argument. The onus of proof is on the purchaser of materials. Why should he have to explain to a court a legitimate undertaking into which he has entered? Unless his materials are to hand, very often an intending home builder cannot get a contractor. Materials may have been obtained and later the contractor may be unable to carry out the work because he is sick or has been enticed away to another job. This often happens in country areas. Somebody may inform the Building Materials Department that certain materials have not been used. The local police will be asked to inquire and they will report that no house has been built.

Mr. Christian—Would not the department have some regard for its reputation?

Mr. MACGILLIVRAY—Acts should not be passed which give Government departments power over the will of the individual. The ex-member for Burnside often said that Parliament should not pass an Act without being certain what it would do and that its operation would be limited to Parliament's intention. Paragraph (b) is loosely worded and will give bureaucrats powers to which they are not entitled. A person who is prosecuted under it would have to defend himself the same as an ordinary criminal. This clause should be examined further. We should see that innocent people are not placed in the invidious position of having to appear before a court to explain something they have done honestly and sincerely.

Mr. STEPHENS—I support the clause, for I have had experience of constituents who have unsuccessfully tried to obtain materials to build a home. The Building Materials Department should be able to deal with people who use materials for a purpose other than that for which they were obtained. The member for Chaffey is looking at this question only from the point of view of the man who has stored the materials. He is afraid that that man may have to go to court, and referred to possible action by an informer; but I have more confidence in my fellow men than he has. I know some of the officers in the Building Materials Department, and I do not think any of them

would lay a charge without some foundation. The department would ask a man why he had certain materials, and if not satisfied with his reply the case would be submitted to the Crown Solicitor for a decision as to whether a charge should be laid. The police have the power of laying charges today in regard to matters other than this. Recently a young couple with a family received a permit to build a home. They could not understand why the builder did not get on with the job. I asked him the reason and he told me he did not get the materials; but the Building Materials Department told me that he had secured the materials six months before and had not used them on that home.

Mr. Macgillivray—Why?

Mr. STEPHENS—Probably because he used them on another house for which he got a better price. Why should he not be prosecuted? No man need be afraid of being taken to court if he is innocent. We can take it that the Government would never agree to bringing a man before the court without reasonable evidence that he had committed an offence. I support the clause.

Mr. PATTINSON—I have a great deal of sympathy with the difficulties of the primary producers and others described or envisaged by Mr. Shannon, but I think most of his fears are groundless when the proposed new clause is read with the appropriate section of the principal Act, which is as follows:—

8. (6) If any essential building material is sold or supplied to an authorized purchaser by virtue of a priority certificate issued for the acquisition of that building material and if the authorized purchaser or any person who, under the authority of the authorized purchaser has acquired or secured possession of that building material, uses or disposes of or causes or permits to be used or disposed of building material of that kind in any manner contrary to any condition of the priority certificate or for a purpose other than a purpose stated in the application for the permit or priority certificate, he shall be guilty of an offence and liable to a penalty not exceeding £100 unless the building material was so used or disposed of after the completion of the work in respect of which the priority certificate was issued and the building material was surplus material and unnecessary to be used for the purposes of the said work.

The whole section with which we are dealing relates to a person who obtains essential building materials as a result of a permit or priority certificate and, in contravention of that certificate, unlawfully sells them or uses them for unlawful purposes. That is the present law. In order to sustain a prosecution under the Act the Minister must prove an

overt act to the satisfaction of the court. The Minister and the Director could, in a given case, prove that a permit was issued, that the materials were purchased as a result of the permit and that they had not been used for the purpose stated in the permit, and had disappeared, but that would not necessarily prove to the satisfaction of the court, beyond all reasonable doubt, that they had either been sold or used for an unlawful purpose and the prosecution could very easily fail because of that lack of strict proof of some overt act. It is therefore proposed to add this new subsection (b). Under this, before a prosecution can succeed it is necessary to prove that the permit or priority certificate was issued, that essential building materials were purchased as a result of that certificate and that they had not been used within a reasonable time on the building for the purposes for which they were purchased. The defendant can say that he still has the materials in his possession. The only thing I do not like about this, I must confess, is the shifting of the onus of proof to the defendant. I agree to that under any legislation with the greatest reluctance and only where it is necessary to deter wrong-doers who cannot otherwise be deterred. The one weakness I see here, in theory at least, is that if the purchaser had retained full possession of all these materials for a year or two years and, because of difficulty in either getting a builder or because a series of builders had let him down and he still had the materials in his possession for what the court would deem an unreasonable period, a prosecution could be launched against him and the onus would be on him to show that he still had the materials in his possession. However, I cannot envisage the present Minister or Director of Building Materials doing such a stupid thing. The one thing I concede to Mr. Shannon and Mr. Macgillivray is that theoretically such a prosecution could be launched and the onus would be thrown upon the person accused to prove that he had the materials still in his possession, and that is as far as I am prepared to go with them. I do not think the Premier envisages such a thing and a very slight amendment would obviate that possibility. With that the clause is necessary and desirable.

Mr. SHANNON—To overcome the difficulty which has been conceded by Mr. Pattinson I move to strike out, in line 7 of paragraph (b), “after the lapse of such time as the court deems reasonable in the circumstances.” Then the only possible offence can be that the

authorized purchaser has not used the materials for the purpose for which he purchased them. I wish to add a proviso at the end of this paragraph and it is in the process of being drafted, but the intent is that it shall be a defence to any action pursuant to this section for the authorized purchaser to prove to the satisfaction of the court that the materials alleged to have been wrongfully disposed of are still in his possession. That will meet the needs of the cases I know of in my electorate where people wish to accumulate sufficient materials to enable the contractor to go right ahead and finish the job after he starts.

The Hon. T. PLAYFORD—I do not object to the amendment because it is in line with the intention of the Act. “Reasonable time” could be interpreted two ways—that no action could be taken until a reasonable time has elapsed or, as the member for Onkaparinga implies, as a period to enable his constituents to carry out their jobs.

Mr. Stephens—Doesn't the amendment make the position worse for builders?

The Hon. T. PLAYFORD—I think it does. Under the Bill the department could not take action until a reasonable time had elapsed, but if “reasonable time” is omitted the department will be able to go to court at any time. I am certain the Crown Solicitor would not take action in a doubtful case. The words Mr. Shannon proposes to strike out were inserted not to embarrass a purchaser but to give him some protection. I will not oppose his further amendment to be moved later because obviously the Crown could not successfully prosecute a person for unlawfully disposing of goods if he still had them in his possession.

Mr. MACGILLIVRAY—I am disappointed at the low level of the debate. It has been suggested that we can depend on the wise and fair administration of the Director of Building Materials and that any debate on the Bill would be regarded as a criticism of him, but nothing is further from my mind. We must confine our attentions to passing good and clear Acts of Parliament, and not depend on assurances about heads of departments or Ministers. The amendment of the Act by clause 4 will worsen the position. The Premier was right in saying that Mr. Shannon's amendment will not make things any easier for people brought before the court. Practically all actions under this Act have been taken as a result of evidence from informers. People

snoop around and watch the actions of their neighbours and tell the policeman. The clause should provide that anyone who obtains material wrongfully or by false pretences shall be guilty of an offence, placing the onus of proof on the department. If the Director of Building Materials launches a prosecution the Minister backs him up against the citizen who pays taxes to keep Ministers and departmental officers in their positions. It is futile to keep on talking against Communism and about freedom loving democracies if we adopt Communist methods. This legislation cuts across the principles of everything for which the British people have stood. People charged will have to prove they are not guilty. Mr. Shannon's amendment is ill-considered. Apparently he is prepared to put it forward on a *quid pro quo* basis because the Government is prepared to accept it. I ask the Premier whether he could not prosecute under common law. Could we not ensure that the department will have to prove a person guilty instead of putting that responsibility on the defendant? I have no doubt that the Federal Government lost the recent referendum because the people are fed up with continual attacks on the rights of the individual. They wanted to ensure that they did not have to prove they were not Communists, and they would not relish legislation such as this putting the responsibility on them to prove that they had not disposed of materials unlawfully.

The Hon. T. PLAYFORD—I understood the honourable member to say that if we pass a law specifying an offence we automatically attack democracy.

Mr. Macgillivray—I did not say that.

The Hon. T. PLAYFORD—Not one member who has spoken has defended what the Government is trying to prevent, namely the unlawful sale of building materials obtained under priorities. No member has suggested that this practice should not be stopped, but when the Government tries to stop it it is accused of attacking democracy and assisting communism. Could anything be more deplorable?

Sitting suspended from 6 to 7.30 p.m.

Mr. SHANNON—After further consideration of my amendment, following on consultation with the member for Glenelg, I ask leave to withdraw it.

Leave granted.

Mr. SHANNON—I now move to add after “work” in line 9 of paragraph (b) “and is no longer in the possession or control of the

authorized purchaser." This will protect the people in the country to whom I have already referred. I feel that some definite instruction should be given to the court on this matter. So long as a man made no attempt to sell any portion of the materials he obtained by permit it is most unlikely that any reasonable official would take action against him, but to make doubly sure I ask the Committee to accept the amendment, as it would more precisely indicate Parliament's intention.

Mr. MACGILLIVRAY—I support the amendment because it removes the greatest objection I had to the clause. We should include nothing in an Act which would provide an opportunity for anyone to abuse his powers.

Amendment carried; clause as amended passed.

Clause 5—"Duration of permit."

Mr. FRANK WALSH—This clause has a bearing on section 9 of the principal Act, which provides for action to be taken against a person who builds without a permit or exceeds 12 squares. A panel has been set up to advise the Director of Building Materials although there is nothing in the Act authorizing its appointment. If the director, on the advice of the panel, decides to issue a "Stop" notice, the clause gives him authority to lay down certain conditions. I contend that the panel has issued stop work notices without provision for an appeal. In effect it means that a person found guilty, after paying his fine, must appeal to the people who first recommended that the charge be laid against him. I know of a case where an appeal to the panel for permission to proceed with the work has been refused on several occasions despite the fact that the home was almost complete, with roofing tiles on the site waiting to be placed in position to protect the structure so far completed. He desired an inspection by officers of the Building Materials Office and was prepared to abide by their decision. In another instance a person's home had been partly erected for almost 12 months and he and his family, including children, were living in one room with the use of a community-shared kitchen, which was serving three families. Although he had paid his fine, no notice was taken of his appeal to the panel. By this clause the Government admits that the panel had no right to enforce the restrictions. There should be a right of appeal to the court after a certain period of enforcement. Persons have been granted permits to complete

1,300 square feet of a structure which was originally intended to cover 1,700 square feet. Under section 9 of the principal Act the Minister has power to serve stop notices. This amendment is considered necessary to build up the legislation which has already been used on a number of occasions. It would probably be necessary for the Building Materials Office to reconsider its attitude on some stop notices issued where people have appealed after paying a fine, giving them the right to complete portion or all of their homes.

Mr. PATTINSON—There is considerable merit in the honourable member's contention. This clause gives the Minister power to serve and enforce stop notices in respect of any buildings which are believed to be an infringement of the Act. If it is proved that an infringement has been committed the person is prosecuted. Last week a judge of the Supreme Court imposed a fine of £100 upon a man found guilty of driving in a manner dangerous to the public and in a culpable manner causing the death of a person. Persons have been fined much higher sums for infringements of the Building Materials Act. I do not criticize any of those decisions. In addition to substantial fines, a much more serious and lasting punishment is imposed by an authority who is not a judicial officer but an administrative officer acting under the authority of the Minister. He keeps the stop notices in existence for a long and indefinite period. I have never been able to fathom, despite letters to the Director of Building Materials and by questioning him, precisely on what basis he decides to continue stop notices for an indefinite period, because his powers are absolute. There is no right of appeal against his decision and no means of ascertaining on what information, or lack of information, his decision is made. I do not think these decisions are made by the director, but by some committee which has no statutory powers, and with which no-one is able to make personal contact. As a member of Parliament on behalf of constituents, and as a solicitor on behalf of clients, I have applied to this committee through the medium of the director. On one or two occasions I have been favoured with a peremptory reply that the application for the lifting of the stop notice has been refused with no reasons given for the refusal. In more recent times I have not been favoured even with the courtesy of a reply. The only time I made progress and got a decision was when I appealed to the

Minister himself—the Treasurer. He was soon convinced that my constituent had a just claim to be allowed to continue the construction of his building. On November 8, 1949, I raised this precise matter and said:—

When a person erects a house without a permit or in excess of the limitations of a permit, the Building Materials Office can, and often does, serve a “stop” notice. What happens in such cases? If, for instance, a man had completed a house except for the roof and a few other details and received such a notice, is it to remain in force for all times, thus allowing a valuable property to be open to the four winds of the heavens indefinitely so that no-one can occupy it?

The Premier replied that my contention was reasonable and in effect said, “We do not want valuable property left unoccupied. Each case will be considered on its merits.” I have no doubt that every person who approached the Premier would get a just and impartial decision, as he would from the Director of Building Materials, but I do not think every application would receive full consideration from one or more members of the Building Materials Advisory Committee, because I have heard it said that at least one member of that committee indicated that so long as he was a member such and such a person would not get a stop notice lifted. If that is the position, I do not think it is a fit and proper way to approach the matter. Executive officers must be given a discretion, but it is a rule of law that a discretion should be exercised in a judicial manner. I cannot see that a discretion would be exercised in that way if a person has not the right to state his case to the committee and is not supplied with reasons for the refusal of his application.

Mr. Shannon—You think it would be reasonable for the offender to ask the committee what he should do in order to abide by its wishes?

Mr. PATTINSON—Yes. I think there should be an independent body to which a man could state his case why a stop notice should be lifted entirely, or partially lifted to as near the original permit as possible.

The Hon. T. PLAYFORD—The purpose of the provision is to make it easier for the lifting of suspension orders. At present a permit expires upon completion of the work for which the permit has been granted, but the Bill enables the permit to continue for a longer period. A suspension notice is issued when a person wants to build a much larger house than the one for which he can qualify. The notice was first introduced when one man continued

to break the law and told his workmen that if they kept on breaking the law he would pay any fine imposed upon them. To assist the Government in this vexed question of issuing permits, and to avoid any political bias, the Government appointed an advisory committee. It has operated almost since the inception of the Act, and it has proved to be of tremendous assistance to the Building Materials Office. It comprises a representative who was nominated by the Leader of the Opposition, and one representative each of the R.S.L., the Master Builders, and the National Council of Women.

Mr. Hawker—That committee operates only in the metropolitan area.

The Hon. T. PLAYFORD—Yes, in connection with the issue of permits. We believe that when a man is fined for breaking the law he should not have a privilege over the man who does not break it. If a man is fined for a breach of the Act the advisory committee says he should not be allowed to continue to build the high-priced house for which he cannot qualify. It has been suggested that if the “Stop” notice is not lifted at the end of 12 months the person concerned should be able to appeal to a magistrate for it to be lifted. I have no objection to that, if it is clearly stated that it does not give the applicant new rights in the building of a house. I am not opposed to any appeal to the court, so long as the house comes within the provisions of the Act. Some people want a larger house, for which they cannot qualify, and after breaking the law and being fined they appeal to have the “Stop” notice lifted. At present we cannot lift suspensions because we cannot properly police the matter. The principle upon which we work is that after a man has paid his fine for breaking the law he should not be in a better or worse position than if he had not committed the offence.

Mr. Pattinson—In one case a man was worse off. In another case you said it was not a prosecution, but a persecution, and you lifted the suspension.

The Hon. T. PLAYFORD—I have never refused to examine an application to appeal against a “Stop” notice. The Minister is responsible for administering the Act, not the department. I have not always agreed to an application for an appeal. I obtain a report and if it can be shown that the applicant would get an advantage by breaking the law I do not agree to the lifting of the suspension. The whole purpose of the clause is to enable a simpler method of administration to be set

up to enable "Stop" notices to be lifted, provided other conditions of the Act are complied with.

Mr. FRANK WALSH—A married couple with one child could probably get a permit to erect a house of 12½ squares. If somebody else, say an aged mother, resided with them they would probably be entitled to a greater area. Some stop notices have been reviewed. In one instance a person who had been served with a stop notice was not permitted to complete certain portions of the home until after the expiration of two years from the date of its occupation. In the event of his family increasing during that period his case might be reviewed by the Building Materials Department. In the country homes of greater area than that permitted have been erected, and their occupants have escaped scot free. This clause gives the Government the right to enforce any conditions pertaining to the issue of a permit after the stop notice has been served.

Mr. MACGILLIVRAY—Parliament passes Acts which provide that certain things shall be done, but when these Acts are put into operation members complain of injustices. The member for Glenelg said that if an injustice were suffered a person could approach the Premier, who is the Minister in charge of this department. How many of the rank and file people in the country have approached him? How many have asked their member to plead that a stop notice served on them should be withdrawn? The member for Glenelg quoted the Premier as having said that action taken against a certain person was not prosecution but persecution. We should see that our legislation contains no loophole for either persecution or misjudgment. This power is necessary. The payment of a fine is not sufficient to deter this type of offender, because money does not mean a thing to him. It is no use our passing legislation and then trying to evade the responsibilities attending it.

Clause passed.

Clause 6—"Requirements of building contracts."

Mr. FRANK WALSH—Can the Premier say whether it would be practicable to advise intending home builders, when they are supplied with permits, of the requirements of section 14 of the Act relating to the payment of moneys into a joint account in the names of the home purchaser and contractor?

The Hon. T. PLAYFORD—I do not think the Government can take the responsibility of

advising people of their legal rights on every matter which crops up. People should take care to acquaint themselves with the legislation. I will consider the honourable member's proposal. Some people might regard it as an advantage and some might regard it as beyond the scope of the Government to advise them regarding their private business.

Clause passed.

Clause 7 passed.

Clause 8—"Temporary accommodation."

Mr. FRANK WALSH—I do not know how long the Government proposes to continue with the erection of emergency homes. There is a growing need for shopping facilities in some of these emergency housing areas. I understood the policy of the Government to be the replacement of these emergency homes by permanent homes. Where shops must be erected they should not be of an emergency nature but rather substantial. A permanent shopping centre should be established from the outset so that it may serve both the occupants of the emergency houses and later those of the permanent dwellings. I believe that the Housing Trust is providing emergency houses for certain departments, such as the Engineering and Water Supply. Speaking subject to correction, I understand that the Housing Trust even approached the Director of Medical Services for certain frontages at Bedford Park, but I am led to believe that it has been given the right by the council concerned to erect certain emergency houses on the condition that they will be demolished within a prescribed period.

Mr. O'Halloran—Will not a permanent shopping centre give an air of permanency to temporary homes?

Mr. FRANK WALSH—Bad as emergency homes are they at least afford an opportunity for the occupants to establish some degree of home life; certainly to a far greater degree than they can at the Gepp's Cross Hostel. It may even be worth while for the Government making overtures to the Commonwealth Government in respect of the housing of British migrants. There is no evidence whatsoever of civic pride at Gepp's Cross and I would infinitely prefer emergency homes to such communal settlements, for the residents would at least have the opportunity to establish a home environment which would be of advantage to the country. Kindergartens and health centres should be established by all means, and I hope that a more sympathetic

view will be taken of kindergartens. It is particularly difficult for the residents of a new housing area to establish a new kindergarten when they have to wait 12 months or two years before they get assistance from the Kindergarten Union.

Mr. MACGILLIVRAY—I have been wondering why this clause has been inserted in this measure, for it seems to me there has been a confusion in the names of Ministers. In section 26 of the principal Act the term "Treasurer" is used, but in no other part of the Act. The interpretation clause says that "the Minister" means "the Minister of the Crown to whom for the time being the administration of the Act is committed by the Government," so we must assume that if the administration is put under, say, the Minister of Lands the Act will need to be amended. Obviously, it is put in to enable an appropriation of money to be made by the Treasurer without further reference to this Parliament. This procedure is repeated in the clause under discussion and therefore has little to do with the subject matter of the Bill. I suggest that its proper place is in the Housing Trust Act. At present any losses can be met from general revenue. That seems to be an unnecessary precaution, for the Treasurer has informed us on many occasions that, for the express purpose of avoiding losses, the people getting these temporary houses pay more pro rata than those who get the more expensive type. It would be far better to put the building, allocation, administration and responsibility for finance under the Housing Trust itself. What would be included in "other places of a like nature"? Does it mean that the Treasurer may provide public halls or cinemas?

Mr. Shannon—Perhaps a creche?

Mr. MACGILLIVRAY—Yes, the clause covers a wide field. I do not object to the Housing Trust providing these things, but it seems anomalous that this power should be included in a Bill which has nothing to do with the building of homes. Further, are these buildings to be of a temporary nature? It has always been assumed that temporary housing accommodation will be pulled down after some years and replaced by something more permanent. What would be the position if some Minister other than the Treasurer were placed in charge of housing?

The Hon. T. PLAYFORD—The Treasurer is the person responsible for the State's finances and that was probably the reason why Par-

liament in the first place authorized the Treasurer to provide this accommodation. It has been the practice of the Housing Trust to make one of the houses in a new area available for kindergartens. The trust has built fairly substantial shops to serve new areas, but I believe that substantial shops would not be provided for temporary housing settlements.

Mr. MACGILLIVRAY—The Treasurer supplies funds for many Government activities, but not as Minister in charge of those activities. According to the Act the Minister means the Minister of the Crown to whom for the time being the administration of the Act is committed by the Governor. It may later be decided to bring housing under the control of the Minister of Works, for instance, but the clause says that only the Treasurer can provide temporary buildings.

The Hon. T. PLAYFORD—If the honourable member will look at the Acts Interpretation Act he will see the Minister concerned is the Minister to whom Executive Council has committed the Act. Parliament authorized the Treasurer to undertake certain work and pay certain moneys. Although departments not under the control of the Treasurer may require moneys Parliament has always authorized the Treasurer to provide the money.

Clause passed.

Clause 9 passed.

New clause 4a—"Amendment of section 9 of principal Act."

Mr. FRANK WALSH—I move to insert the following new clause:—

4a. Section 9 of the principal Act is amended by adding at the end thereof the following subsection (the previous part of section 9 being read as subsection (1) thereof:—

(2) When a notice has been given under subsection (1) of this section in respect of a dwellinghouse in course of construction, the owner may at any time after six months from the giving of the notice apply to the local court of full jurisdiction nearest to the dwellinghouse for the issue of a permit for any materials which he reasonably requires for the completion of the dwellinghouse to an area of twelve and a half squares.

(3) Upon such an application the local court may issue any permit or priority certificate which it thinks proper for the purpose of completing the dwellinghouse as aforesaid; and notwithstanding the notice issued under subsection (1) the permit or certificate shall give the same rights as if issued by the Minister.

I have had to specify a building of not more than 12½ squares, but the Building Materials Office, of course, may issue a permit for a

greater area if the family unit demands it. If the department has not cancelled a "stop" notice the person concerned should have the right to approach the court.

The Hon. T. PLAYFORD—Because a person has paid a fine for a breach of the law he should not be able to accrue rights he would not have otherwise. The amendment would give a man who has broken the law a priority in materials over a person who has not broken it. I ask the honourable member to add at the end of subclause (2) of his amendment "at a cost of not more than £2,200," and strike out "or priority certificate" in the second line of subclause (3) and in the next to last line "or certificate." A magistrate could then put a person in the same position as though he had not infringed the law. I have no objection to the new clause if the mover will accept those alterations.

Mr. FRANK WALSH—I ask leave to amend my new clause as suggested by the Premier.

Leave granted.

New clause as amended inserted.

Title passed; Bill reported with amendments.

PRICES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 27. Page 715.)

Mr. TEUSNER (Angas)—I consider it proper to review price control since its introduction after the outbreak of World War II., because the effectiveness or otherwise of its operations in the past should be a guide for the future. The Bill extends the present price control system for a further year to December 31, 1953. The Commonwealth exercised control over prices from the outbreak of World War II. in September, 1939, until September, 1948. It will be recalled that a referendum the object of which was to insert in the Commonwealth Constitution power to control prices and rents (including charges), was held in May, 1948, but was defeated. The Commonwealth had exercised control over prices by virtue of the defence powers in the Commonwealth Constitution, and pursuant to that power the National Security Act was passed and regulations and orders were made thereunder by virtue of which Commonwealth price control machinery came into operation. Following upon the termination of hostilities, and when it was realized that the defence power might come to an end at any time, the Defence

(Transitional Provisions) Act was passed, and it was under that legislation that controls by the Commonwealth were continued from January 1, 1947, till late in 1948. Initially price control applied to commodities as they fell in short supply. Until early in 1942 relatively few commodities were controlled, as general shortages did not occur until the war spread to the Pacific. In April, 1942, all commodities and services, with few exceptions, were declared subject to control. The initial control was not entirely successful. Upon the outbreak of World War II. the system adopted was one which allowed the trader to charge the cost of the article, plus the percentage of gross profit he was charging in respect thereof as at August 31, 1939. That system continued until April, 1942, until when, as the cost of a commodity increased, the retailer who was entitled to the percentage of gross profit as at August 31, 1939, was enabled to impose the same percentage on the higher cost of the article to him. This meant that the profit in respect of that article became higher because of the increase in the cost of the article to him.

In April, 1942, the system was varied, and the retailer was enabled to charge the cost of an article, plus the gross profit to which he was entitled as at April 15, 1942. That definitely pegged the amount of profit he could make in respect of an article, but it did not peg the cost of producing the article. That cost rose with the ensuing years, and as the prices of commodities were rapidly increasing, in April 1943 another system was adopted by the Commonwealth. Pursuant to that system prices were pegged at the level on April 12, 1943. Essentially the systems to which I have referred were cost-plus systems, but they had inherent weaknesses. For instance, without an investigation of his books there was no way of knowing whether a trader was overcharging. This resulted in costs increasing rapidly and an inflationary trend became apparent. In 1943 a system of price stabilization was introduced, and all prices were pegged as at April 12, 1943. That meant that no price increases could be made without the authority of the Commonwealth Prices Branch. The increased cost of certain consumer goods was met by subsidies, if the Price Stabilization Committee was satisfied that industry was unable to meet the increased costs. We had subsidies for such items as potatoes, whole milk, tea, wool used for home consumption and coal. As a matter of interest, from April, 1943, to June 30, 1948, the Commonwealth paid out £156,466,000 in

subsidies. The result of the stabilization plan was that for a period of three years, up to 1946, retail prices were held at a figure 22½ per cent above pre-war level. After the war, control in the international sphere crumbled with the result that prices again began to rise. The position was further accentuated when wage pegging was abandoned at the end of 1946.

Reliable Commonwealth statistics show that by June 30, 1946, prices in Australia had risen to 40 per cent above the pre-war level. Then, following the failure of the 1948 referendum, the Commonwealth abolished most of the subsidies provided under the 1943 stabilization plan. The States were invited to take over price control, and at a conference of the Prime Minister and State Premiers held in Canberra in June, 1948, it was decided that the States should take it over as from September 20, 1948. It has frequently been asked whether the control exercised by the States since then has been reasonably successful. Undoubtedly since September, 1948, prices have increased. The report of the Commonwealth Bank and Savings Bank of Australia as at June 30, 1951, shows that in 1948-49 there was an increase of 10 per cent in prices, 9 per cent in 1949-50, and 19 per cent in 1950-51. Under Commonwealth control there was an average increase of 9 per cent in 1946-47 and 9 per cent in 1947-48. Whilst price control was reasonably successful during the war, it did not continue to be as successful after the war under Commonwealth or State machinery, because certain effective conditions had ceased to exist. For instance, during the war years wages were pegged, and there was a record in taxation rates, a complete control of investments, import and export prices were relatively stable, manpower direction, a controlled consumption of goods, no 40-hour week, and there were the subsidies to which I have referred. The subsidies were an important factor in the price control structure. Firstly, they helped to keep prices of subsidized goods down, and secondly, they kept the basic wage down because many of the goods in the "C" series index were greatly subsidized. As members know the basic wage is regulated by the "C" series index. The subsidies were therefore indirectly responsible for keeping down the prices of goods not subsidized inasmuch as the element of wages was reduced. The removal by the Commonwealth in 1948-49 of the subsidies meant that the amount of the subsidies, which was about £40,000,000, had to

be added to the prices of the goods previously subsidized. Import prices which were reasonably stable during the war years have increased substantially since 1946. In the nine months ended March 31, 1951, the cost of imports has increased by 13 per cent. The cost of imported cement, timber and steel as well as the freights on these commodities has been exceptionally high during the past year or two. I recall a statement made by the Premier some time ago that a shipment of coal from South Africa would cost about 42s. a ton, but within 12 months the cost had risen to 170s. On one occasion the Premier said that orders had been placed overseas for 50,000 tons of cement at a price 100 per cent higher than that of locally produced cement, but before the cement had reached South Australia the price had increased, largely because of increased freight charges, to 300 per cent above the cost of the local product. Wage pegging ceased soon after the end of hostilities in 1946. In December, 1950, the basic wage was increased by £1 a week. It has been estimated by economists that the wage content of the price of goods varies between 81 and 89 per cent. If that is correct, wage pegging was the chief form of price control. For every wage rise of 10 per cent the price of goods inevitably increases by between 8 and 9 per cent. The Arbitration Court controls wages and consequently between 80 and 90 per cent of the factors which go to make up the retail price. In December, 1950, the basic wage rose from £6 17s. a week to £7 18s.—an increase of about 14 per cent. If the economists' calculations are correct, that increase resulted in an 11 per cent increase in the price of commodities. *Facts and Figures* (No. 19) issued in 1948 by the Commonwealth Department of Information, which was then administered by the Hon. A. A. Calwell, states:—

Higher prices are attributed to increased costs arising from the introduction of a 40-hour week in New South Wales on July 1, 1947, abolition of wage pegging, higher import prices and the withdrawal of some of the subsidies granted by the Government to stabilize prices during the war years. Further increases are expected in 1948, as the full effects are felt of the introduction of the 40-hour week throughout Australia on January 1, 1948.

Addressing the Economic Society in December, 1948, Professor Copland said:—

Prices are now about 40 per cent above the average of the three years immediately preceding the war. Prior to wage-pegging being

lifted, prices were rising at approximately 10 per cent per annum. Since wage-pegging ceased the increase has been about 15 per cent per annum and the rate of increase has shown a tendency to accelerate. The full effects of all this and of the 40-hour week have not yet been transmitted into the cost of living.

Mr. Fred Walsh—In 1931 Professor Copland said Australians would have to tighten their belts.

Mr. TEUSNER—It is apparent that under post-war conditions and bereft of war-time powers exercised under the National Security Act the Commonwealth would be unable effectively to control prices. In view of the disabilities mentioned, one is justified in concluding that the States under adverse circumstances have done a reasonably good job. Without State control prices no doubt would have sky-rocketed. Whilst there has been no pretence that such control is a cure for economic ailments, inflationary evils have nevertheless been greatly ameliorated thereby. I have one criticism to make. I feel that a greater number of luxury items should have come under price control. While wages are determined by the Arbitration Court and wages boards the amounts fixed by them are minimum wages. I have heard of certain industries which have offered a wage higher than the minimum fixed—industries which in the main are engaged in the production of luxury items. They have been able to pay higher wages and thereby attract manpower.

Mr. Macgillivray—Give us an example.

Mr. TEUSNER—I regard sweets as a luxury. This attraction of manpower has been to the detriment of industries producing essential commodities and I feel that much good would be done for essential industries if greater control were exercised over the prices being charged for luxury items. The Bill is a short one containing only five clauses. Clause 3 is the evidentiary clause which facilitates proof in a court of law. Rates are fixed for declared services. In section 47 of the principal Act there was a limitation in respect of declared goods, but this was not extended to cover services. It may have been an oversight and consequently the Bill seeks to extend the evidentiary provisions of section 47 to services. Clause 4 deals with the method to be adopted in the service of notices which must be given in connection with the various matters mentioned in the principal Act and I can see no objection to that. Clause 5 is, of course, the important clause which seeks to extend the duration of

this legislation for another year. In supporting the second reading I will, with approval, quote a few short extracts from an article entitled "Thirteen Shillings" in the *Monthly Summary of Australian Conditions* issued by the National Bank of Australasia Limited, as follows:—

The real measures which will check further increases in living costs and stabilize the price level are not to be found in official price regulations or fiscal devices which are aimed only at the symptoms of inflation. They must be based rather on a recognition that the current instability is due to a lack of balance between production of goods and the flow of money, and the effort to restore that balance must needs be a consistent one. On the production side the measures and the methods for improvement have been often stated and widely emphasized. Over and over again the task has been described, but as yet it has not been done. Perseverance has won some small gains, notably of late even on the coalfields, and that perseverance must go on to new and larger successes. For this remedy the main responsibility rests not upon officialdom, but on the shoulders of private industry and on Australian men and women as individuals. On the monetary side some achievements may be claimed in limiting the purchasing power in the form of money and credit available to private people and private industry, but this policy is inequitable and inconsistent while it leaves the highly important Government sector of the economy as yet substantially untouched.

The final paragraph concludes:—

If there are to be no more thirteen shilling rises in the basic wage, and if the pace of price rises generally is to be successfully checked, then the present time is certainly not too soon for those who are charged with large expenditures, whether from Government or private funds, to scrutinize these carefully and to become heavily price conscious. This country is in need of many things, but until there is a limit to the price which it is prepared to pay for a substantial proportion of its national as well as private needs then prices will inevitably continue to give way.

I support the second reading.

Mr. HAWKER (Burra)—This Bill, like the one previously discussed today, is becoming a hardy annual. Several references have been made in this debate to the referendum, and members opposite have stated that had the power of price control been vested in the Commonwealth Government we would have been in a better position than that in which we find ourselves under State control. I regard that as extremely doubtful, for had we taken our courage in our hands and abandoned price control we might have been in an even better position than we are. As I see it these controls are artificial and purely palliatives, for

when all is said only buyer resistance will keep prices down. Price control has many inherent disadvantages. One of the worst is that it ceases to be a price control and becomes purely profit control. When the Government introduced the first Act in 1948, the Premier was anxious to break away from the traditional profit control of the Federal Government and adopt more price control. In introducing the Bill he said:—

I hope it will be possible, by administration, to get away from the question of profit control and confine ourselves more particularly to price control. I know that there has been considerable difficulty and confusion due to the fact that the system in operation in some instances took the form of profit control.

In the following year I said, "I agree that there must be price control, but I do not agree with profit control," and the Premier interjected by asking what was the difference between price control and profit control, showing that the two things have, under this legislation, become synonymous. In my view the difference is that profit control takes no account of efficiency or lack of it. It shows the cost of producing certain goods, the manufacturer is given his margin of profit and on that the price is fixed. The same principle is applied to country stores. The storekeeper adds the cost of transport to the cost of purchase and on that he is allowed a percentage of profit, but if another storekeeper buys goods in bulk, or is able to avail himself of a cheaper form of transport, he should be allowed the extra margin accruing therefrom.

Mr. Fred Walsh—He doesn't sell his articles more cheaply.

Mr. HAWKER—Some storekeepers do. The price is fixed on the sum they pay for the article, plus the expense of getting it to their places of business. Last year I instanced a man who, by purchasing a larger quantity of shirts, could get them more cheaply, but by doing so he would be allowed a lower margin of profit.

Mr. O'Halloran—Are not country prices based on metropolitan prices, plus the cost of transport?

Mr. HAWKER—Yes, but transport costs vary. That method does not encourage him to seek the most efficient and cheapest form of transport. The Prices Commissioner's officers always want to see the storekeeper's invoices and costs of cartage and package before fixing the margin he can receive. There is therefore

no incentive to buy more cheaply or use the cheapest form of transport. On July 1, 1948, the Premier also said:—

In that case it immediately becomes a subsidy on inefficiency, because the firm making goods at the cheapest rate is compelled to sell them at the lowest rate, and the firm which does not regard its costs to the greatest extent is given a higher price for its commodities. Under that system there is no incentive to keep costs down to the lowest figure.

Mr. O'Halloran—There is no compulsion on the storekeeper to charge the highest possible price. He can charge less.

Mr. HAWKER—Of course, but why should he worry about that?

Mr. O'Halloran—You will find a big variation in the price of a commodity in country towns.

Mr. HAWKER—Yes, but the storekeeper is penalized for his efficiency in the same way as a factory is penalized if it can produce goods more cheaply. It might have been better to throw price control overboard altogether. Buyer resistance would have been more effective. Price control or profit control will not be effective while people are prepared to pay higher prices for goods. The United States Defence Production Act, 1950, introduced rationing and sought the voluntary co-operation of labour and industry to keep down prices, with the proviso that if prices were controlled wages in the industry affected must at the same time be frozen. The member for Mitcham referred to the standard hours inquiry. In their judgment their Honours stated:—

In addition, higher prices will reduce demand and in turn eliminate some shortages that exist on the present price level. If there were no price control, then shortages would largely disappear because unhampered economic forces would adjust prices to the supply and what is now a shortage disparity would then be equilibrium, namely, some sort of a balance between supply and demand.

The judges who gave the 40-hour week decision did not expect that price control would not be continued. By continuing price control we proceeded with only one thing which was at the back of their minds.

Mr. QUIRKE secured the adjournment of the debate.

ADJOURNMENT.

At 9.51 p.m. the House adjourned until Wednesday, October 3, at 2 p.m.