

**LEGISLATIVE COUNCIL.**

Thursday, October 24, 1957.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2.15 p.m. and read prayers.

**ASSENT TO ACTS.**

His Excellency the Governor, by message, intimated his assent to the following Acts:—Metropolitan Drainage Works (Investigation), Metropolitan and Export Abattoirs Act Amendment, Fruit Fly (Compensation), Amusements Duty (Further Suspension), Homes Act Amendment and Metropolitan Milk Supply Act Amendment Acts.

**QUESTIONS.****HOSPITAL ADMINISTRATION.**

The Hon. K. E. J. BARDOLPH—In view of the welter of criticism being levelled at the administration of the Royal Adelaide Hospital by local critics, and now the intrusion of an overseas visitor with similar criticism, will the Government give an assurance that on the return of the Chief Secretary from his overseas investigations on hospital administration his full report will be made public in order to allay any disquiet that may have been aroused by indiscriminate public statements?

The Hon. C. D. ROWE—I think that much of the criticism is ill-informed and some of it quite irresponsible. It appears to be that portion of the criticism was written by a man who may have some knowledge as a racing commentator, but certainly little knowledge on hospital administration. Yesterday, we were treated to some more criticism by a visitor, a neuro-surgeon, who has had no experience in hospital administration and who made an inspection of the premises—we do not know whether it was for a quarter of an hour, half an hour or two hours, because he did not inform the chairman of the board of the hospital that he was on the premises—and on the eve of his departure presumed to make certain criticism concerning the administration of the Royal Adelaide Hospital. These people made their criticism knowing that the Chief Secretary is overseas with a special view of investigating these matters and bringing himself quite up to date on them, and being absent cannot reply. I think this is a matter which places the critics in a very severe light when they choose to tender their criticism at a time when the person who is most competent to reply is absent from the State. I believe that an article in the press this morning from Mr. Dawes, a member of the Hospital Board,

in whom I have the greatest confidence to look after the hospital's affairs, effectively answers much of the criticism. As to the other members of the board—Dr. Rollison, who recently returned from overseas, in my view looks after the Hospitals Department very efficiently, and then there is Matron Carroll, and I defy any of the critics to bring to the particular work anything approaching her qualifications and experience. I am quite satisfied that on the return of the Chief Secretary, who is being posted from day to day with the criticism, he will have more than an adequate answer to the criticism. While it is not possible for me to give an undertaking as to what form his report will take, I say unequivocally that it will be very effective and in terms which are very much more to the point than much of the criticism we have received.

**REVISION OF STANDING ORDERS.**

The Hon. C. D. ROWE (Attorney-General)—During this session it has been necessary for me to take a little closer interest in the proceedings of the Council than on other occasions, and when I have had to consider more carefully than I have usually done the provisions of the Standing Orders, it has come to my knowledge that certain Standing Orders appear at variance with others, and some would appear to need revision. I refer particularly to the Standing Orders relating to instructions as opposed to the Standing Orders of another place; the difference between the two could lead us into some difficulty. I feel that it would be an advantage if, during the recess, the Standing Orders Committee could be called together to look at these and one or two other detail matters, and I ask, Sir, whether you would be prepared to call the Committee together during the recess to consider these matters?

The PRESIDENT—I welcome the suggestion, and will certainly take the hint and call the Standing Orders Committee together. As the Minister has pointed out, one of the main difficulties is where our Standing Orders vary from those of the House of Assembly and things that are out of order here are in order there. In fact, it happens occasionally that I rule a certain matter out of order, but it is ruled to be in order in another place and comes back to us as an amendment. These are the sort of apparent anomalies that need looking into, and during the recess I shall certainly call the Committee together to look into these and other matters.

# AGRICULTURAL SEEDS ACT AMENDMENT BILL.

Read a third time and passed.

# LAND SETTLEMENT ACT AMENDMENT BILL.

Read a third time and passed.

# LANDLORD AND TENANT (CONTROL OF RENTS) ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 23. Page 1230.)

The Hon. C. R. CUDMORE (Central No. 2)—This Bill, which provides for a renewal for one year of the control of the letting of dwellinghouses, may be termed a hardy annual. Nowadays, it has naturally got to the stage where everyone links the Act with the Housing Trust, because some years ago we appointed the trust to be the controlling authority to fix rents. History repeats itself in the way of pressure towards the last days of a session of Parliament. We are now reaching the last days of this session; in fact, I understand that we are threatened with the fact that there will be only three more sitting days, but we have before us a number of interesting and important matters.

We spent some time yesterday on the Long Service Leave Bill, and our amendments will have to be considered by the House of Assembly. The same applies to the Local Government Act Amendment Bill, which always causes much discussion because everyone knows something about local government. No doubt we will have a Prices Bill, and we have before us a very interesting and long delayed measure to amend the Justices Act. It has probably been on the stocks in the Attorney-General's Department for some time—perhaps years—and I am sorry that it did not come to us at a time when it could have received sufficient attention.

Following the end of session rush precedent I remember well that the actual legislation forming the Housing Trust was brought before this Chamber on November 19, 1936, the last day of the session. You, Sir, supported it with regret. I opposed it with regret, and Mr. Condon welcomed it with open arms as a good bit of socialistic legislation. I think we are the only three now in this Chamber who were here at that time, but so that we will not let either the blame or the praise for this democratic socialism under which we flourish today get into the wrong place, I point out that it was introduced by the then Premier, Sir Richard Butler, at the instigation of a very earnest member of the

House of Assembly, Mr. Horace Hogben, who was really in earnest about it. At the time I said that the Bill was a curious mixture of business, charity and sentiment, that it could never pay its way and that it would mean eventually that the Government would have to house everyone below a certain income. That, of course, has followed; there is no question about that.

The Premier recently attended a meeting of people connected with building and rather complained that they were not doing their share of building houses for letting. What chance have they got financially against a show like the Housing Trust, which through all these difficult years has had considerable preference in obtaining materials and has had the obvious preference that it does not pay income tax or sales tax. Quite obviously, no small private enterprise could compete with the trust and make it pay. As long as we retain these restrictions, that will be the position. If we removed rent control restrictions, private enterprise would come in and try to compete, but so long as we renew the present controls and keep the position as it is we cannot expect private enterprise to compete with something that has financial advantages they cannot get. In 1937 the Housing Trust produced its first houses and let them.

In 1939 war came and we in this State were the first in Australia to introduce control of rents—in September, 1939. It was some time after that before anything was done by the Commonwealth Government. It introduced the National Security Act, the regulations under which controlled rents during the war throughout Australia. I remind my friends of the Labor Party that every member of the Labor Party, including Mr. Curtin, voted against the whole of that legislation, because they did not want any control, but they have learned a lot since those days.

When legislation was first introduced here for the control of rents Sir Wallace Sandford and I tried hard to get it limited to rents for smaller houses at lower rentals as was done in Great Britain, and not to bring it in in a general way. However, we failed in that and we have failed in many attempts since to alter this legislation. We have had many conferences and we have received certain concessions, and the Government has, I must admit, said that its intention is to give up this control and also price control as and when the situation warrants it. I am certain it will be a very bad thing if these controls are retained. Mr. Anthony mentioned yester-

day that France has had rent control since the first war, and as one drives through France as I did in 1951 one sees that everything is hanging in pieces because no Government can attack rent control as a result of the proportional representation system. Under that system France can never have a firm enough Government.

The Hon. E. H. Edmonds—They have never had a Government in office long enough.

The Hon. C. R. CUDMORE—France will apparently have to have some sort of a dictator to ever get a Government. This is because of their iniquitous system of proportional representation. If a Government is only in a fortnight it is not likely to do away with rent control, so the whole country is falling to pieces because nobody will do any repairs. That is the effect of too much rent control. The same thing has been happening to a certain extent in England, but I am delighted to see that the Government led by Mr. McMillan has wiped out rent control. It was a very brave thing to do when one is depending on votes at a later stage, but it has been done and I admire the Prime Minister very much for doing it because I think it will help to keep the assets of the country in order by allowing people to spend money on houses.

Ever since the first of these Bills in 1939, we have had conferences and differences between this Council and the House of Assembly as to whether we should continue rent control and secondly whether we should alter the basis of rents and give the landlord a little more consideration. Obviously, this is a Committee Bill. It is a small amending Bill to what has now become quite a large Act, containing 120 sections, some of which are pages in length. I personally would like to see it done away with altogether.

I asked the Attorney-General several questions with regard to the Housing Trust. The first was as to the number of applications existing at June 30 in various years, and I thought the answer was quite illuminating. It is quite obvious from his second reading speech when he gave other particulars of the number of applications that the figures which he gave in reply to my question were an accumulation and that there are always at each June 30 probably thousands of names of people on the application list who have obtained accommodation somewhere else and have not let the Trust know. The figure he gave in reply to my question for this year was 10,130, whereas he said that there were only 5,417 applications during the year. I take it that there are always many names on the application list

of people who have forgotten about their applications or do not intend to go on with them. Assuming that that will have almost the same relation and percentage each year, the fact is that there was to June 30 last for the first time a very noticeable reduction in the number, a reduction from about 12,000 to 10,000. I was therefore pleased to see that the Minister said that the position has quite definitely improved, and I think it has improved to a considerable extent.

The other question I asked was what is the present rent being collected by the Housing Trust for the houses which were let by the trust in 1937 at 12s. 6d. a week. I received an evasive statement but no reply. My question was followed up by Sir Arthur Rymill who did get an answer. I do not know whether to say I was amused or disgusted when I heard the Minister's reply. We all learned at school that we can always get the right answer to a sum if we start at the other end. If I want to know the price of Syntax for the Melbourne Cup today I look at the list in the paper and I know that the bottom one is 100/1, the next to bottom is 66/1, the next 50/1, the next 33/1, and eventually I get back and know what Syntax's price is. The Minister started with 40 per cent and he has had to work his figures back and make them agree with that, and in order to do that he lets himself right out at the very beginning by saying that 12s. 6d. was the rent charged, but these houses were all let below the standard rent then applying. He went on to say that if they had been let at the ruling rates, the rental charged would have been in the vicinity of 22s. 6d. to 25s. a week.

One can do anything with figures, but I will tell the House the facts as to how and why 12s. 6d. was fixed as the rent. The reason was that when the Housing Trust was beginning to build houses to let it inquired of other people who had built similar houses—semi-detached four-room houses for working people—what they were charging. Mr. Swanson, of the firm of Rhode & Swanson, had built in the preceding years a number of similar type houses and when asked what he thought should be the rentals, curiously enough he replied that 31s. 6d. a week was what he asked. However, the rents of houses had been reduced by 22½ per cent as a result of the Premier's plan because of the depression years 1931-33. Although Mr. Swanson thought he should have got 31s. 6d. for those houses, in order to get them let at all he had to come down to 12s. 6d., and that was the actual rental in 1937.

When the trust came to look at these houses and asked what he would get for them he said, "I get as much as I can, which is 12s. 6d." That is from a reputable business man. With that, I simply wipe off everything the Minister said about what the rent of these houses should have been. The fact was that they could not get more than 12s. 6d. The basic wage was then £3 18s., so do not let us talk any more nonsense as to what might have been. In a further reply, the Minister said:—

On the basis of the standard rents payable for these houses in 1937, the percentage increase in rents for each of the years 1938-39, 1939-40, 1940-41 and 1941-42 would be approximately 40 per cent.

Is not that just too wonderful! The value of money had not begun to slip then. This is pure imagination. The Minister was right when he said that some rents had been increased by 180 per cent. But who by? The Housing Trust. There was no restraint on them. Personally I would rather have this legislation wiped out altogether, but realize I cannot do that, so I will attempt to have the 40 per cent increased to 50 per cent so that those unfortunate landlords who have been penalized for so long will have their position improved.

Another question relates to clauses 6 and 7, which were not included in the Bill when introduced by the Government, but were inserted by amendment in the House of Assembly. I have been associated more or less with this measure for about 18 years and have had to battle with it nearly every year. The scheme we have evolved enables a person to get possession of his house in certain circumstances—such as when the owner wants it for himself or one of his own family or an employee and so on. Under those special circumstances, we have provided that the landlord is entitled to get possession without any consideration as to hardship. Under section 42, the question of the hardship of the tenant and the landlord has to be considered. Before the owner can get possession he must offer alternative accommodation and such things. In 1956 we provided that he could give notice to quit if he wanted to sell. Trustees may want to wind up an estate, but it would be impossible to sell a house with a tenant whom the purchaser could not get out. They had to have some way of getting him out so that they could sell, but the power to do that has been whittled down by clauses 6 and 7, which are most objectionable and will make it impossible for people to sell their houses. Therefore, in Committee, I will ask members to vote against those clauses, as

among other things they are making it more difficult instead of easier for us to get rid of this legislation.

In February we passed an amendment providing for certain notices on sale. In some ways we tightened the position up quite well by providing that if a person gave notice that he was going to sell, but did not sell within three months, he then had to offer the house back to the previous tenant, and if he did not accept it in 14 days he had to offer it to someone else at the same rent. In some of these cases the trustees are trying to wind up an estate and naturally want to get as much as they can for the widow or the persons concerned, but we made it almost impossible for them to get any kind of price because we included subclauses (3), (4) and (5) of clause 3. As I anticipated at that time, they have had an almost prohibitive effect on the sale of properties, because the vendor has to tell a prospective purchaser what is the rent, how much he can expect to get, and in effect that he will still be tied up under these controls. Under those circumstances they cannot get buyers. That is the result I expected in February, and now the Real Estate Institute has told me that it is difficult to sell places tied up under the restrictions. I therefore hope in Committee to get the House to dispense with the three subsections passed last February, because I think they are simply stopping what we intended to do in 1956 when we said a person who had to sell could give notice and get rid of his tenant.

The Government has always said that it intends gradually to relax these controls and eventually get rid of them. At one stage business premises were controlled, and by way of beginning to get rid of control we amended the Act to provide that if the landlord and tenant could agree on a rent between themselves they would be exempt from the provisions of the Act. This was a good thing; it worked, and it helped tremendously by not having all premises in the State under the control of the trust. That was the first step, and it was followed by decontrolling all business premises. In Western Australia, which had rent control legislation like ours, the Act was thrown out at one stage, and then a new one was brought in.

The Hon. S. C. Bevan—The Government threw itself out in the interim.

The Hon. C. R. CUDMORE—I know that. However, they now have rent control back, but if the landlord and tenant can agree on the rental for any dwellinghouse they are allowed

to do so. Why should we interfere with individuals in this matter? I know it is said that some landlords might come along and bluff people into things, but we spend some £3,000,000 a year on free education, and if people are not taught by that free education not to sign things they do not read, what is the use of free education? It is useless to plead ignorance when so much is spent on education.

In Committee I intend to move for the insertion of a new clause to exempt properties on which the landlord and tenant can really agree on the rental to be paid.

I read in this morning's paper that it is apparently intended to raise the amount to be paid for the boarding out of infants from 30s. to 50s. a week, and this is a pretty fair increase. The basic wage in 1939 was £3 18s., and now it is £12 11s. This is an increase of 222 per cent, so I do not think we would be doing any injustice to tenants if rents were raised to a reasonable level. Members can bring in what arguments they like about the cost of clothing, food and other things, but these apply to everyone. They apply to the widow whether she has her money in bonds or in a house, so I cannot see why they come into this argument.

We all applauded the idea of providing cheap houses for employees in factories in this State. That was the basis of bringing in the Housing Trust and starting to let the Government do all the building of houses—that we should keep down the cost of living. Unfortunately, the cost of living is worked on what is called the "C" series index, but rental of Housing Trust homes is not taken into account, therefore the "C" series index is worked on only the few working men's houses that are now let by private individuals, so it is a false pegging. We must bear these things in mind when dealing with this matter. I have indicated four amendments that I intend to move and I hope that the House will give me some support, because I think they are reasonable, fair and proper. I do not like the legislation, but if we must have it, let us make it as fair and equitable as we can. I support the second reading.

The Hon. S. C. BEVAN (Central No. 1)—This Bill is really to continue legislation that has been with us for some time. Mr. Cudmore outlined the history of rent control in this State and told us about the activities of the Housing Trust over the period, to which I listened with interest. I support this legislation with one reservation—that I certainly do not support clause 3, but for totally different reasons

from those advanced by Mr. Cudmore. It might be interesting if I mentioned one or two matters Mr. Cudmore raised, only I shall speak in a different strain. The honourable member pointed out that the trust commenced its operations in 1937, and that was certainly before the war years and certainly before any legislation of this sort had been introduced.

The State Government created the Housing Trust and continues to keep it in operation. What made it necessary for the Government to embark upon large scale home building? It is all very well for members to say that this legislation should be discontinued, that there should be no rent control and that it should be the responsibility of private enterprise to build homes for letting purposes, but we find that as early as 1937 there was an acute shortage of houses and it was that fact which prompted the Government to commence home building, not because there were plenty of homes but because the landlord was charging an exorbitant rent which nobody could afford to pay. The homes that were being let at the time were at far cheaper rentals than those we know today, and because there was a demand for homes which could not be satisfied the Government decided that it would embark on large scale home building to satisfy that demand.

It is very interesting to note that since the commencement of building operations in 1937 the trust has completed 31,219 homes but the demand is still not satisfied. Until such time as we have adequate housing we cannot relinquish these controls. It appears that because of certain circumstances the demand is going to be with us for some considerable time.

The Hon. L. H. Densley—It would be rather a tragedy if we did catch up with the demand.

The Hon. S. C. BEVAN—When we do reach that stage it will be time to relinquish this legislation. There will always be a demand for homes. The Prime Minister of this country said it was imperative to have a pool of unemployed for the economic working of Australia, and on the same basis we could say that it may be advisable to have some empty homes. He made that remark publicly in his policy speech in 1949, and he has repeated it on various occasions since.

It has been said that there should be no control, but what would that lead to? Not very long ago this legislation was amended to allow agreements to be entered into between the landlord and the tenant, but within a few months the Act had to be amended to prevent the wholesale exploitation which was taking place as a result of those agreements.

I have received a circular, and I think other members have, which deals with the Government's policy on housing. It is signed by J. T. Lang, the President of the Real Estate Institute, and apparently represents the views of that organization. The comments contained in it are interesting, but I think they are an unfair and unjust criticism of the Government of this State. That organization may be expressing its point of view and the point of view of the people which it represents. The circular stated that it was a disturbing factor today that there was so much dependence on State Loan money to maintain what should be the responsibility of commerce by and large. Naturally, we interpret the phrase "commerce by and large" as referring to people who normally would build homes for letting purposes.

The Hon. Sir Frank Perry—Aren't there very few of those today?

The Hon. S. C. BEVAN—Why? They had an open field and they could nowhere near meet the demand made on them. I think they have fallen down lamentably on the job.

The Hon. E. Anthoney—The honourable member must not forget the flood of migrants that came in.

The Hon. S. C. BEVAN—What flood of migrants did we have coming into the country in 1937, and even in 1947? Yet we had an acute demand for homes in 1937.

The Hon. L. H. Densley—That demand was created following the depression.

The Hon. S. C. BEVAN—The honourable member is apparently suggesting that because there were more homes for letting purposes than tenants to occupy them nobody built a home.

The Hon. Sir Frank Perry—Don't you remember moratoriums and loss of rents during the depression?

The Hon. S. C. BEVAN—I remember a lot of empty houses too, and also that the State Government was about the only landlord who persuaded the tenants of its homes to stop in them and look after them. In 1937 conditions had changed to the extent that homes were not available, so the Government decided to build. Mr. J. T. Lang (President of the Real Estate Institute of South Australia) in a statement to the press said:—

When the Government stopped controlling business premises completely, we saw an immediate upsurge of building activity. While the rents of offices were pegged, it was said that the owners could not get a decent rent, but no-one would do anything

about it. However when the controls were lifted it was stated that the demand could be met. It was met to the extent that today plenty of office space is now available. In fact, in front of many buildings will be seen placards advertising the fact that office space is available at about £3 3s. a square foot. However, some difficulty is found in letting this space and the rents will have to be reduced if these offices are to be let. A further statement by Mr. Lang was:—

If the Government wants private enterprise to play a strong and active part in the housing of our people (and what Government could not want such a state of affairs) then it must realize that the present rent controls are outdated, unnecessary, stifling private enterprise and causing considerable hardship to many widows and elderly people.

The only reason it is suggested that this legislation should be discontinued is that landlords would be able to increase their rents because of the demand for accommodation, and accordingly the tenants would be forced to pay increased rents as they could get no other accommodation. Undoubtedly, there would be exploitation.

The Hon. Sir Frank Perry—Do you think that the present tenants have been in these houses since 1937?

The Hon. S. C. BEVAN—Many of them have, and perhaps prior to that. The present Act provides that if a person has a home which was not let previously, he can arrange a consent rent.

The Hon. Sir Frank Perry—Have you heard any complaints of that?

The Hon. S. C. BEVAN—I cannot say I have. The honourable member is saying in effect that rent control is preventing people from building homes for rental. I think he will agree that a person can build a home for rental and set the rent. What is to stop these people from meeting the demand for homes by building for rental, and yet we are told that the Act stifles building operations for this purpose?

While there is a shortage of homes it is necessary to retain rent control. We had experience of the removal of price control on footwear and clothing, and it was not long before the Premier was forced to reimpose controls because of the excessive prices charged. We know that there is an arrangement among certain business people to fix their own prices. No-one must interfere with their right to do exactly what they want and to say "You are to be allowed a fair and equitable profit for your goods." They must have an open hand, and that is what we are experiencing in

relation to rents which are not controlled. The question of the basic wage has been mentioned, but I have heard no-one, apart from Labor members, advocate the de-control of this wage.

The Hon. Sir Arthur Rymill—It would not make much difference at the moment.

The Hon. S. C. BEVAN—It would to the extent that house rents play an important part in the lives of the people. Despite our so-called control, the basic wage in this State is 7s. lower than what it should be, and yet we are supposed to have control over necessitous goods. The last quarterly cost of living figures released by the Commonwealth Statistician showed that South Australia was the only State where there had been an increase.

The Hon. E. Anthony—Does not that show the fallacy of your argument?

The Hon. S. C. BEVAN—It shows the inability of the authorities to control on a State basis, house rents, which play an important part in the compilation of the basic wage, but now we are going to add further to the cost of living and reduce the worker's standard of living by allowing increased rents. We are told that the Bill provides for an increase of 40 per cent on the rents ruling in 1939, but it is 40 per cent, plus. The Minister told us that certain rents had been increased by 180 per cent, but the wage-earner has no chance of getting any increase in the basic wage because of the continually increasing prices. There may be instances where the rents charged by the Housing Trust are higher than those obtained by private landlords. I know of instances where agreements have been entered into between the tenant and the landlord for a rent amounting to £6 a week.

The Hon. F. J. Condon—What would have happened had the tenant not agreed?

The Hon. S. C. BEVAN—He would not be living in the house. Unfortunately, the Housing Trust cannot meet the demand, otherwise the tenant would refuse to pay such high rent and get a home elsewhere. It is necessary to continue rent control until the demand has been reasonably met, and not while thousands of applications for trust homes are still not met. If there is to be a continual upward trend of rents and the prices of goods, we shall finish up with a revolt in the trade union movement as to costs and wages. We will then hear another cry. Rents are not too low. The capital outlay of many of the homes being let by various organizations which are demanding increased rents by the lifting of controls has been returned over and over again. Apart from that, they have received an interest

rate that has been equitable over the years, and I challenge anyone to deny it.

My parents lived in the same premises for 25 years, and if that house was not paid for over that period, I have never seen any place paid for. That was not an exception, but applied to many cases. The return these people get today is purely to maintain properties, because they have had their capital outlay returned long ago, but of course they want a greater return every year. The valuation of a house that cost about £500 to build is now about £3,000 to £3,500. The hardship landlords are supposed to be suffering is in many cases fictitious, and I do not think there should be any increase in rent. If we agree to increases that are ultimately reflected in the cost of living, we should raise all restrictions and give unions a fair deal in relation to the basic wage.

The Hon. Sir ARTHUR RYMILL (Central No. 2)—Mr. Cudmore put matters so clearly and succinctly, and so much better than I could do myself, that I could easily say I adopt all his arguments and then sit down, which no doubt would be a great delight to some members.

The Hon. C. D. Rowe—I thought perhaps you could advance different arguments.

The Hon. Sir ARTHUR RYMILL—Perhaps not different arguments, but different aspects of the same thing, and some additional facts. Although my arguments are very much the same as Mr. Cudmore's, I will be approaching them from a slightly different aspect. As Mr. Cudmore said, two groups of questions were asked about Housing Trust rentals compared with those the landlords who are pegged charge. I think Mr. Cudmore did not compare these answers, because they seemed to him to be clearly designed for the purpose they were intended for, but the pattern of the two different replies seems to be quite different. The answer to Mr. Cudmore's first question is very short, so I think members will bear with me if I read it in two sections and consider it in relation to my argument. The Attorney-General said:—

Pursuant to the provisions of the Act authorizing the Trust to equalise rents, the rents of these earlier houses have been increased . . .

and remember he would not answer the question, as it did not suit him to answer it, yet it was purely a factual question only requiring a single factual answer. His answer continued:—

. . . to permit of rents of later-built houses to be kept at a lower level than would otherwise be the case.

If his subsequent answer is to be taken as gospel—and I am not challenging the facts he has given, but some of the hazards he has made—why did he not answer the first question and say that the Housing Trust rents had been increased by only 40 per cent? Why go into the rigmarole about equalising rents? I think the answer is that at that stage he had not thought about going about it backwards, and possibly he had not got his dextrous pencil out and did not realize what a mathematical genius he was, because there is no doubt that his second answer deserves our congratulations.

The Hon. C. D. Rowe—The congratulations are misplaced. The answer was not mine, but of the chairman of the Housing Trust.

The Hon. Sir ARTHUR RYMILL—As the Attorney-General is so modest, I will congratulate the true author, whoever he may be. The Attorney-General went on in the first answer to say:—

Also, the original rents of the houses first built by the trust would be very much too low at the present time.

In the first answer there was no suggestion that they were too low then but that they are too low now and that they thus give tenants an undue advantage over those occupying later constructed homes. I am not challenging the fact that they are too low now—on the contrary, I heartily agree with that, as I do not think that the Housing Trust is charging one penny too much for its houses. I think its rents are very reasonable. However, why did he say that the original rents of the houses first built by the trust would be much too low at the present time? Why did he not say then that they were much too low in relation to real values at the time they were fixed? I suggest that the answer is that the Attorney-General had not thought of it at that stage. He had not got out that pencil, or someone else had not got it out. Of course, I accept the factual answers as correct, but I challenge some of the hazards as to what the rentals would have been, and I can show in black and white why I challenge them. Mr. Cudmore has named his informant who was a high authority on rentals whose information was given verbally, but I am going to give something in black and white that is very similar. In his answer to my first question, the Attorney-General said that houses had been let at 12s. 6d. a week in 1937 and 1938, and that if those houses had then been let at ruling rates the rental charged would have been in the vicinity of 22s. 6d. to 25s. a week. He then went on to say, with one reservation, that these houses then let for 12s. 6d. a week were now let at 35s. a week.

The Hon. C. D. Rowe—Does the honourable member propose to quote statements made by gentlemen called Mr. Anthoney and Mr. Perry when the Housing Trust Bill was in the House of Assembly some years ago?

The Hon. Sir ARTHUR RYMILL—I do not propose to quote from those honourable gentlemen because that might have been before I was born. Also, they might have said something in my favour, which of course I would be prepared to accept, or they might have said something against me, to which I would say that they are now 20 years older and are now, if possible, wiser men. Let me return to the matter of these houses being let at 12s. 6d. a week in 1938 when their real value was said to be in the vicinity of 22s. 6d. to 25s. a week. I have not been able to get factual figures for that year, and I do not think it is important to the argument I am advancing.

The Hon. C. D. Rowe—I wish you would get the figures.

The Hon. Sir ARTHUR RYMILL—They are not available to me. The Attorney-General has access to papers I have not, and I suggest that he get the figures rather than hazarding at large if he wants to substantiate, or if he can substantiate, what he said. The actual date that is important in relation to this Act is 1942, because that is the date on which rents are pegged; that is, the rents or values in 1942 are the values that are now taken into account when charging a percentage rise of 33½ per cent. In the sixth annual report of the South Australian Housing Trust for the year ended June 30, 1942, the following statement appeared with regard to rents:—

Rents of houses in the metropolitan area range from 11s. 6d. to 14s. a week for three-roomed houses, 12s. 6d. to 15s. for four-roomed houses—

these are the houses in question.

—and 13s. 6d. to 16s. for five-roomed houses. This is the telling thing, and I am sorry that the Attorney-General has fled, because I would like him to hear this:—

The average rent of all four-roomed houses in the metropolitan area for the financial year was 13s. 6d. a week.

This was the rental of a four-roomed house in 1942, which is the operative date, yet the Attorney-General said, although he was admittedly referring to a few years before that date, but that does not matter for my argument, that similar houses were worth 22s. 6d. to 25s. However, let us accept for the purposes of this argument that they were worth 22s. 6d. to 25s. in 1938. According to the Housing Trust's statement, the rents of all four-roomed houses in 1942—the operative



date—were 13s. 6d., which would of course include these houses. Indeed, they would probably on the average be at least as good or better than the Trust's houses, because the trust's report stated that they had been built as simply and cheaply as possible, and of course they are not in the most favourable areas or areas of the highest land values, so I think we can accept that the value of those houses was nearer 13s. 6d. than 22s. 6d. or 25s. If that is the case, the rental rises in respect of those houses, without making allowances for rates and taxes and repairs which no doubt went up proportionately, would be 200 per cent and not 40 per cent.

The other answer on which I wish to comment was that given to question No. 3, where the Attorney-General made a reservation in his answer. He said:—

The highest rental now being charged to a tenant who has been in occupation since before September, 1956, is 35s. per week.

That reservation must be made, because I think the only construction to be placed on it is that tenants in occupation since September 1956 are being charged more than 35s. a week. I do not think that answer bears any other construction, and it means that the Housing Trust—and accepting the Attorney-General's figure that 35s. a week equals a 40 per cent rise if my assumption is correct, and I think I can show it is, tenants who have gone into those houses after September 1956 are being charged more than the 40 per cent increased referred to. The private landlord cannot do that; it does not matter when his tenant goes in, if the rent is pegged that is all the landlord can charge. If one builds a new house one can charge any rental, but apparently the rent for an old house must be low. I think this is living in the past and trying to keep people who built a house in 1940 back to a 1940 return, which is quite unrealistic and unequitable. When the Attorney-General evaded Mr. Cudmore's question I made inquiries because I thought he was also going to find some reason to evade mine.

The Hon. C. D. Rowe—I did not evade; I do not have to answer anything.

The Hon. Sir ARTHUR RYMILL—I think it is quite customary to give a factual answer to a factual question, and the Attorney-General did not do that. I asked for inquiries to be made regarding the rentals of these houses. The Attorney-General qualified his reply to my third question and limited it to people who were tenants before September, 1956. One of those 12s. 6d a week houses is at 22 King William Street, Rosewater. It was built in

1937, and is now let at 40s. a week, and the present tenant has only been there for four months. Let us analyse that rental in relation to the figures given by the Attorney-General. He says that the increase from 12s. 6d. to 35s. is a 40 per cent increase.

The Hon. C. D. Rowe—I did not say that. I said it was an increase of 40 per cent on the ordinary level of rentals at that time, which was 25s.

The Hon. Sir ARTHUR RYMILL—That is the point. The increase from 12s. 6d., after making this debt allowance for various intangible factors, means a 40 per cent increase. The Attorney-General said that the increase was from 25s. to 35s., taking into account rates and taxes and repairs, etc., but the rise from 35s. to 40s. which the trust has charged the tenant in occupation since September, 1956, represents a further increase of 14 per cent. That brings the rise on that flat basis to 54 per cent, which is 14 per cent more than the private landlord can charge. But is the rise only 40 per cent? I suggest the real increase, still taking the Attorney-General's 25s. a week as the proper level, is nearer 100 per cent than 54 per cent, when we take into account that the whole of that 5s. is clear profit. The 35s. is loaded with rates, taxes, repairs and other factors, and the whole of the 5s. is clear additional profit. If I could work out these things as well as the people who have prepared these answers I would find that that increase is not 40 per cent but somewhere near 100 per cent.

Mr. Cudmore referred to what has happened in Western Australia, which I think is a pattern we should not disregard. In Western Australia control of properties let at December 31, 1955, only applies where the landlord and tenant disagree on the rent. In other words, what was done here before in relation to business premises has been, in effect, put into operation in Western Australia, possibly with a few slight variations. In Western Australia the rent fixation only applies where the landlord and tenant disagree on the rent, in other words, they can agree on any rent they like. Where they do not agree on the rent there is a right of appeal to the court, and the tenant is then protected against notice to quit for 12 months; the rent is fixed, but after 12 months he can be given notice to quit.

Weekly tenancies in Western Australia can be terminated at any time by one month's notice. I am credibly informed that there has been no great increase in rentals since this arrangement came into operation, the main

rise being in rates and taxes which are governmentally controlled. Supplies of private rental homes have increased, and this of course happens when there is a reasonable and open market. The rentals of flats have tended to decrease. Another factor is that in the quarter ended June 30 last there were only four applications to the court for rent fixations, which suggests that the system is working well.

I believe that there is no doubt that the control of rents in this State has very largely contributed to our housing shortage. Who, with a few optimistic exceptions, would possibly attempt to set out to build a house today purely for rental purposes? Anyone who would do that would be a very great optimist, in my opinion.

The Hon. C. D. Rowe—There is no control on new houses.

The Hon. Sir ARTHUR RYMILL—I am quite aware of that, but there are still the shadows of this legislation which is still going on 11 or 12 years after the war emergency has ceased, and anyone building a new house knows that if the Government is prepared to carry on this legislation *ad infinitum* it will take only some tiny economic upset for the Government to clamp down on new houses and control those rentals too.

The Hon. C. R. Cudmore—We have been going backwards instead of forwards.

The Hon. Sir ARTHUR RYMILL—Yes. Mr. Bevan mentioned the Premier's reported remarks when opening the 51st Convention of the Australian Master Builders Association, when he said:—

It was a disturbing factor today that there was so much dependence on State loan money to maintain what should be the responsibility of commerce by and large.

The Premier also said:—

Before World War II the Government of no States provided homes for rental, but homes for rental were now almost exclusively a Government undertaking.

Apparently the Premier felt that that was a wrong state of affairs. All I can repeat is that that is a situation purely and simply, in my opinion, of the Government's own making, so it is useless for it to complain about a situation that it has itself caused. Mr. Cudmore referred to amendments made in the House of Assembly this session, and which I say are setting the clock back. I could not support this legislation in any other form if those amendments remain in it. I supported the extension of the legislation previously because I said that this Parliament was not here to support anyone in any one particular

form of investment, and that I felt that it was a reasonable sort of compromise between those who wanted to get rid of the legislation and those who wanted to retain it; that it would not affect the C series index, and that on the other hand it would enable the landlord to sell after about six months and get a reasonable price for his house as unencumbered premises.

In those circumstances I felt at that stage that it was a fair thing that the landlord could find an alternative investment. These amendments that have now been introduced take that right away again, and I do not think any member on my side of the House could conscientiously support them. We have gone a little way in that last amendment to what our ultimate objective is, and now the House of Assembly is trying to take it back to where it was. Consequently, if those amendments remain in the Bill I propose to vote against it altogether. Mr. Cudmore has given notice that he proposes to move one or two amendments. I have not seen them yet, but in the form in which he announced them I believe they take us a step further towards our objective, and in those circumstances, and assuming that the amendments line up with what I have said, I propose to support them. In the meantime I shall support the second reading and reserve any further remarks I might have to the Committee stages.

The Hon. Sir FRANK PERRY (Central No. 2)—We have two hardy annuals in this Chamber in price control and rent control, and of the two I should say that rent control is the worst of the two. This matter has been discussed every year for a number of years, and during the last two weeks more information has been unfolded as to what is actually happening in our rental system than has been known to members in previous years. The replies by the Attorney-General to questions directed to him brought forward a type of answer which, though clever, I do not think was factual. I am glad to know that the Attorney-General was not the author of it. I do not know whether he sat at the author's elbow or helped him in any way. I think that when factual questions are directed by members in this Chamber they should receive factual answers.

I remember the legislation which brought the Housing Trust into being. I was then a member of the House of Assembly, and I remember that the whole idea of that Bill was to enable houses to be built within the region of £750 and let at 12s. 6d. a week. It sounds strange now, but it was possible

then when the value of money was very much different from what it is now. I do not think the Bill promised a rental of 12s. 6d., but it was expected that the return to the Government on interest and upkeep at 12s. 6d. a week would balance out. There was no thought at that time of obtaining 22s. 6d. a week rent for these houses.

The Hon. C. D. ROWE—They were built to meet special cases.

The Hon. Sir FRANK PERRY—They were built for the purpose of housing the man on the basic wage, and to give him a home to live in at a rental he could be reasonably expected to pay. The basic wage and interest rates were low, and 12s. 6d. was the anticipated rent. The Attorney-General said that the ruling rents were 22s. 6d., but I venture the opinion that whoever supplied that information was not correct in his assumption.

The cost of building a home in 1936 would not be a great deal more than the cost of a Housing Trust home. It is wrong for the Government to fix a standard of rent for its own homes and not apply the same standard to others. Those who invested in rental homes in 1937 and earlier sought a safe investment and a steady return.

Government loans and preference shares are types of investment which are readily saleable, but the owners of rental homes are surrounded by many difficulties in getting a reasonable return. There must be a logical approach to a difficulty which exercises the minds of members of this House every year, and also the minds of owners who are not getting a sufficient rent. I hope that instead of having a Bill introduced every year and dealing with the problem piecemeal, we will release this type of investment from the restrictions now imposed.

I agree with the Government and the Premier that it is very necessary to retain, if possible, as low and equitable a basic wage as we can if we are to maintain our position as a manufacturing State. The more equitable the rates of pay we can establish the better. However, I do not want to see one section of the people penalized for that purpose. By doing that, we would perhaps penalize all those who rent homes and those on the basic wage. Therefore, I am amazed that over the years that point has not been taken up by our Labor friends, who usually argue for a higher basic wage. The "C" series figures are based on a certain type of home, which no doubt has been fixed in the minds of those in charge of the index. However, there are not sufficient homes of this type

available, and often those on the basic wage are forced to find a home of another type for which current rentals are charged. We never seem to get a list or schedule of the rental houses available in order that we can examine the position more closely.

I do not want to see a sudden increase in rents which will affect the basic wage earners drastically at a time when they cannot take it. That is why I welcome the increase of 40 per cent proposed in the Bill. I am prepared to support Mr. Cudmore's amendment to increase it to 50 per cent because I consider that is reasonably equitable, considering the action taken in other spheres of a similar type of rental proposition. I believe the same terms should be meted out to the owners of rental properties as the Government has found necessary to apply to its own homes. I support the second reading.

Bill read a second time.

The Hon. C. R. CUDMORE moved—

That is be an instruction to the Committee of the whole Council that it have power to consider a new clause providing that dwelling-houses shall be exempt from the provisions of the Act in cases where the landlord and the tenant have agreed upon a rental.

Motion carried.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

#### LONG SERVICE LEAVE BILL.

On the motion for the third reading.

The Hon. F. J. CONDON (Leader of the Opposition)—When this annual leave Bill was debated previously the Opposition strongly opposed the second reading as we foreshadowed that probably some amendments would be inserted. It is now a different Bill from when it was introduced a few weeks ago. Some honourable members are not prepared to give the same conditions to employees that the court and many employers are prepared to grant. The object of the Bill is to defeat the unions' application for an extra week's annual leave in addition to long service leave. Long service leave has been granted in other States for some time. The Government brought down this Bill, but Standing Orders will not permit me to give it its proper name. Long service leave is granted to employees who have given their lives to industry. Once an employee enters an industry every inducement should be given to him to remain permanently in it. Industry must not be allowed to purchase by money the right to injure the health of employees, but that is what this Bill does by enabling the payment of a week's wages in lieu of a week's leave.

Long service leave restores an employee's health so that he may remain longer in his employment. When he returns to work his health is improved and he can work with renewed vigour, and the employer benefits as a result. How can the Government justify this measure when it grants its employees 13 weeks' long service leave after 10 years' service? Why deny other workers the same privilege? This Bill shows that the hands of Conservatism are working behind the Government. There are a number of prominent Liberals—and they are not all outside this Council—who will fight any reform introduced by Labor. What is the position regarding this legislation? Firstly, there will be Government employees receiving 13 weeks' long service leave after 10 years' service. Secondly, there will be other employees receiving 13 weeks' leave after 20 years' service and, thirdly, there will be another set of employees getting a week's extra annual leave under this Bill.

I stress that payment in lieu of leave should not be allowed. This Bill will only create chaos and ill-feeling because employees in the same industry will have different rights to long service leave. The Western Australian Parliament has introduced a Bill along the lines that the Opposition here has suggested. On behalf of the Opposition, I express regret that the Government has decided to pass this Bill and I oppose the third reading.

The Hon. C. D. ROWE (Attorney-General)—I can quite understand that the Leader of the Opposition regrets that the Government has introduced this legislation. It is obvious that he would regret it because he is not pleased that the Government has done something by legislation for the benefit of employees that is in advance of anything that has been done by any other Government. That was the basis of Mr. Condon's remarks. He said that this was not a long service leave Bill and that Standing Orders prevented him from saying what it was. My view is that it is the most generous long service leave Bill of any in the Commonwealth. Secondly, it will give long service leave to a far greater percentage of employees than any other legislation. Thirdly, it will enable a class of employees, particularly females, who do not remain with the same employer very long, to secure the benefits of long service leave, which they would not get under any other legislation.

Perhaps Mr. Condon was furthest off the beam when he made the rather remarkable statement that he thought the hands of Conservatism were behind the Government, but

I have not been conscious of that fact during at least the last two days' proceedings in this Council. This Government is not controlled by the hands of Conservatism, or any other hands. Its purpose is to bring down legislation to provide the greatest good for the greatest number of people in the community. Mr. Condon said that the Government provides for its own employees 13 weeks' long service leave after 10 years' service, but the code which has been introduced by the A.C.T.U. is 13 weeks' leave after 20 years' service. This Bill provides leave on the basis of one week's leave after seven years' service, with the power to allow the leave to accumulate, and no doubt will be availed of in many instances.

If Mr. Condon desires to get uniformity he should consider which of the two alternatives that have been put forward by Labor organizations he should support—13 weeks after 20 years, or 13 weeks after 10 years. It seems to me most anomalous that people who represent employees should find themselves at variance over two different proposals. We have the A.C.T.U., which is a body for which I have the greatest respect, almost falling over backwards to agree with employers on a code for 13 weeks after 20 years, yet other people are pushing for 13 weeks after 10 years. If there is any attempt in this State to create differences and ill-feeling on this matter it is certainly not an attempt on the part of this Government, which brought down this Bill because it wanted to provide long service leave on an equitable basis for the greatest possible number of people. It will achieve that object because this Bill covers a great number of people who may not be covered by any agreement, and it is one of the most worth-while measures to be placed on the Statute Book.

The vote on this Bill will determine whether a large number of people will have long service leave or not. The Bill will provide probably the only means by which those people can get long service leave because they are not members of unions, and in many instances it would not be possible for them to be parties to an agreement on long service leave. I will not be a party to a vote that will deny them getting it, nor can I understand anyone else with the interests of employees at heart doing so.

I ask the Opposition to reconsider its attitude to the Bill. I postponed the third reading last night so as to give members an opportunity to consider carefully all the amendments made to the Bill. I hope they will realize just what an advantage this measure is to employees

and not take a step which in later years they may regard as the most serious mistake they made in their political life.

The Council divided on the third reading.

Ayes (14).—The Hons. E. Anthoney, J. L. S. Bice, J. L. Cowan, C. R. Cudmore, L. H. Densley, E. H. Edmonds, N. L. Jude, A. J. Melrose, Sir Frank Perry, W. W. Robinson, C. D. Rowe (teller), Sir Arthur Rymill, C. R. Story, and R. R. Wilson.

Noes (4).—The Hons. K. E. J. Bardolph, S. C. Bevan, F. J. Condon (teller), and A. J. Shard.

Majority of 10 for the Ayes.

Bill thus read a third time and passed.

#### REGISTRATION OF DOGS ACT AMENDMENT BILL.

Returned from the House of Assembly with an amendment.

#### POLICE PENSIONS ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

#### MINING ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. C. D. ROWE (Attorney-General)  
—I move—

*That this Bill be now read a second time.*

This Bill to amend the Mining Act provides as follows:—Clause 3 deals with the registration of mining claims and provides that the Mining Registrar may, with the approval of the Minister, refuse to register a claim or title if he is satisfied after due enquiry that registration would cause severe hardship to the owner or occupier of any land included in the claim or title. The clause goes on to say that when exercising a discretion under this clause the Mining Registrar and the Minister shall have regard to the following matters:—

- (a) the value of the substance for which the claimant proposes to mine or prospect;
- (b) the importance of the substance for the development and maintenance of industry within the State;
- (c) the availability of alternative supplies of the substance.

As the Act stands at present, there is no power to prevent a person who is the holder of a current miner's right from obtaining registration of a claim following pegging out on land on which the minerals are the property of the Crown (except certain lands exempt under the Act).

Several cases have come to the notice of the Government where the exercise of this right to registration has acted to the detriment of the owner or occupier of the land in question, for example, one particular section of land at Tea Tree Gully which had been surveyed, subdivided and provided with made roads, was in the process of being sold for building purposes, when a person holding a miner's right registered a claim relating to the mining of building sand.

The effect of clause 3, which inserts a new section 39a in the Act, would be that the Mining Registrar could, with the consent of the Minister, refuse to register such a claim. Clause 4 amends section 41 of the Act. Section 41 states that any person who neglects to register his claim or title pursuant to section 39 shall not be entitled to continue to mine the lands included in the claim, and that his claim shall be liable to forfeiture. The Director of Mines has found that this provision leads to uncertainty, as in many cases his officers find it difficult to decide on the available facts whether the claim is valid or not. The effect of the amendment to this clause is that any claim which is not registered, as provided by section 39, shall lapse.

Clause 5 enacts a new section 114a relating to special terms and conditions for mining leases. Under the Act, the only terms and conditions which are prescribed by regulation can be included in a mining lease, and the Minister is unable in an unusual case to impose any other conditions, although the circumstances demand some alteration.

A particular case which shows the need for this amendment is the holder of a lease who, by failing or refusing to work the land included in the lease, deliberately produces less of a particular substance than he should. The effect of the amendment would be that the Minister could grant or renew such a lease upon special terms and conditions which would compel the holder to extract certain minimum amounts of any substance in a specified time. Whilst this clause gives a wide discretion to the Minister, I think that it is justified in the interests of the State, the development of which should not be retarded by holders of leases who, for one reason or another, do not intend to work their holdings in an ordinary businesslike manner.

The Hon. F. J. CONDON secured the adjournment of the debate.

#### ADJOURNMENT.

At 4.40 p.m. the Council adjourned until Tuesday, October 29, at 2.15 p.m.