Legislative Council

Tuesday, the 12th September, 1978

The PRESIDENT (the Hon. Clive Griffiths) took the Chair at 4.30 p.m., and read prayers.

NORTHERN TERRITORY LEGISLATIVE ASSEMBLY

Inaugural Opening: Attendance by President

THE PRESIDENT (the Hon. Clive Griffiths): I wish to announce that, in response to an invitation from the Speaker of the Legislative Assembly for the Northern Territory, and accompanied by the Clerk of the Legislative Council I attended the formal opening of the second session of the Second Legislative Assembly by His Excellency the Governor General to mark the advent of self-determination in the Northern Territory, at Darwin on Friday, the 8th September, 1978.

LEGISLATIVE REVIEW AND ADVISORY COMMITTEE

Reports: Tabling

THE PRESIDENT (the Hon. Clive Griffiths): I have for tabling the following reports—

Legislative Review and Advisory Committee—Report Year Ended the 30th June, 1978, and reports on—

Betting Control Regulations.
Chicken Meat Industry Act Regulations.
By-laws of the Shire of Chittering.
By-laws of the Shire of West Pilbara.
Pinnaroo Valley Memorial Park Public Cemetery By-laws under section 7 of the Act.

The reports were tabled (see paper No. 296).

QUESTIONS

Questions were taken at this stage.

REAL ESTATE AND BUSINESS AGENTS BILL

Further Report

Further report of Committee adopted.

BILLS (2): THIRD READING

1. Death Duty Assessment Act Amendment Bill.
2. Death Duty Act Amendment Bill.

Bills read a third time, on motions by the Hon. G. C. MacKinnon (Leader of the House), and passed.

UNIVERSITY OF WESTERN AUSTRALIA ACT AMENDMENT BILL

Assembly's Message

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

JURIES ACT AMENDMENT BILL

Order Discharged

THE HON. G. C. MacKINNON (South-West—Leader of the House) [4.50 p.m.]: I move—

That Order of the Day No. 9 be discharged from the notice paper.

I do so for the following reasons: The Attorney General in June, 1977, referred the question of exemption from jury service and the like to the Law Reform Commission. Currently the Attorney General is examining the Law Reform Commission's working paper and the public have until the 10th November, 1978, to make submissions with regard to this matter.

When the final report of the LRC becomes available, the Attorney General will make recommendations to the Government. Therefore, it is felt it would be premature to debate the issues at this time.

I have discussed the matter with the honourable member who introduced the private member's Bill (the Hon. Grace Vaughan) and she agrees this is a sensible arrangement. She has therefore concurred with my desire that the Bill be taken off the notice paper at this time to allow the Attorney General the necessary time to study the submissions. I thank her for her ready concurrence.

Question put and passed.

Order discharged.

WEIGHTS AND MEASURES ACT AMENDMENT BILL

Second Reading

Debate resumed from the 7th September.

THE HON. D. K. DANS (South Metropolitan—Leader of the Opposition) [4.52 p.m.]: The Opposition agrees with the measure which was clearly outlined by the Minister in his second reading speech. There is a Standing Committee on Packaging which is responsible for giving advice to Commonwealth and State Governments in order to maintain uniformity. The amending Bill is designed to maintain this uniformity.

The Bill will give us a certain amount of added consumer protection, but I reiterate what was said in another place; that is, we would like the Bill to go further. However, at this stage we are grateful for what is being done.

The Bill deals with metric conversion. I am fast coming to the conclusion that we have not gained a great deal by converting to the metric system. On the contrary, the conversion has cost the country a great deal of money, and I can see very little benefit accruing to the Government or to the people as a result of it.

With those few remarks we support the measure.

THE HON. A. A. LEWIS (Lower Central) [4.53 p.m.]: I note the Opposition's acceptance of this measure in this place and in another place. I do not know whether the few words spoken by the Leader of the Opposition would take up more than the four lines which his counterpart covered in another place.

The Hon. D. K. Dans: I said enough to fill 10 lines.

The Hon. A. A. LEWIS: In the two Houses that would make a total of 14 lines. I do not really think the measure will provide very much consumer protection.

The Hon. D. K. Dans: Very little.

The Hon. A. A. LEWIS: As a matter of fact I think it will cost the consumer a great deal of money. The Opposition in this place should occasionally think of the consumer and what he must pay as a result of some of the magnificent Bills introduced into Parliament. If I may say so, I have never seen such a tripey Bill in all my life, and I have never seen so much hogwash put into a Bill which creates absolutely nothing except extra expense for the consumer. The explanation of the Minister reads—

> The need to implement these measures is the result of recommendations by the standing committee on packaging.

The Hon. D. K. Dans: If you move that we do away with that particular committee, I might second it.

The Hon. A. A. LEWIS: From the consumers' point of view, it might not be a bad idea to accept the Hon. Des Dans' idea.

The Hon. D. K. Dans: I know how much it would cost the consumer.

The Hon. A. A. LEWIS: It is costing the consumers quids, because we have a Standing Committee on Packaging.

The Hon. D. J. Wordsworth: We have converted to decimal currency.

Several members interjected.

The Hon. A. A. LEWIS: If the honourable Des Dans wants to go back to the Imperial system, I am all for it.

The Hon. R. G. Pike: You are still getting *quid pro quo*.

The Hon. A. A. LEWIS: I do not think the consumers are getting their *quid pro quo*. The Minister continued—

> It is desirable that this uniformity of legislation be maintained as it has been found that benefits have accrued to industry, . . .

I wonder what benefits have really accrued to industry. To continue—

> —commerce—

Probably the people who are making printing machines are gaining a bit of commerce. To continue—

> —and consumers—

Certainly not the consumers. To continue—

> —from a uniform approach in relation to marking and standardisation of packaged goods.

What happens if a tea packer filling half-pound packages, or 500 gram packages, is confronted with a cog that slips and he packs only 499 grams?

The Hon. G. C. MacKinnon: I thought 500 grams was nearer to one pound.

The Hon. A. A. LEWIS: I do not mind what it is. That is how confusing metrics are.

The Hon. G. E. Masters: That is how confused you are.

The Hon. A. A. LEWIS: I am not confused. I am worried about the consumers. The Hon. Gordon Masters' constituents would not have to worry about consumer costs being imposed by a Government, because they have plenty of money. The Government has not really studied this Bill, and the Opposition has studied it even less.

The Hon. Des Dans commented on metrics. Have we not gone far enough in metric conversion? Could we not have a rest for a little while?

The Hon. R. Thompson: We have gone too far.

The Hon. A. A. LEWIS: I could not agree more. We can just understand dollars and cents.

The Hon. G. C. MacKinnon: That is the decimal system, not the metric system.

The Hon. A. A. LEWIS: We must have some degree of understanding. It is obvious the Opposition has not any. I have never heard a farmer yet indicate how many tonnes per hectare of wheat he is getting. The measurement is always converted for some of the higher-ups in the organisation. Usually they talk about bushels per acre and it has not been changed yet. No Government regulations will change it.

I agree with the Hon. Des Dans that we have gone far enough in this metric nonsense. It is supposed to be a wonderful thing that we refer now to "length, area, mass" instead of "weight and volume".

The Hon. D. J. Wordsworth: Do you know your weight in grams?

The Hon. A. A. LEWIS: No, but I think the brain power of the Minister for Lands could be measured in milligrams. The Minister continued—

> The Act currently provides for markings of true mass or measure to be made on pre-packaged articles. As other markings such as date, coding, or ingredients may be used in the future, an amendment will empower this to be done in accordance with regulations to be made for that purpose.

Will anyone really look at the regulations, and what effect will they have on the consumers? The Minister continued—

> It is necessary also to broaden the area of offences—

That is a nice sort of thing from a private enterprise Government.

The Hon. D. K. Dans: You do not really believe that, do you?

The Hon. A. A. LEWIS: To continue—

> —in respect to incorrect marking . . .

I will now deal with some aspects and ask the Minister for answers, which I am sure he will not be able to give.

The Hon. R. Thompson: He has not been able to give an answer yet, so it will be phenomenal if he can now.

The Hon. A. A. LEWIS: The Minister said—

> To enable action to be taken against the responsible person it is necessary to include those persons who marked the price on the article, caused or permitted the package to be so marked, or who sell such an article.

If I am reading that correctly, the person who marked the article might not have an engineering degree but might simply pull a handle expecting every package to come out weighing the same—"clonk", on goes a date stamp, "ping" in goes 250 grams and the package is sealed. One cog might be out of place, so the package weighs 350 grams. The person who pulled the handle to make that filler work is the person responsible.

The Hon. G. E. Masters: It would have to be interpreted as the person responsible.

The Hon. A. A. LEWIS: Who is to blame—the mechanic because he did not get the cog right? Because the Hon. Gordon Masters has not read the Bill, I will explain it to him.

The Hon. G. E. Masters: You are reading it to me.

The Hon. A. A. LEWIS: To continue—

> It is necessary to include persons who mark the price on the article.

That is the man who pulled the handle.

The Hon. D. K. Dans: That is the second reading speech. You ought to read the Bill.

The Hon. A. A. LEWIS: I will come to that. The second reading speech says—

> . . . caused or permitted the package to be so marked, or who sell such an article.

So the storekeeper, small or big, is also fined. Then we come to this—

> Legal argument has shown that the word "random" is not suitable on which to base a case and more appropriate words for packages "selected by an inspector without prior measurement" have been substituted.

I suppose that is all right. One would not expect an inspector to go around with a tape measure or a set of scales. I wonder how many more inspectors we will need when packages are selected without prior measurement. Do they just put their hands in and pull the packages out? I call that picking them out at random, and obviously we cannot have that.

We then come to a wonderful thing—and you, Mr President, should listen to this because you may be able to incorporate it in Standing Orders. There are things such as restricted expressions and prohibited expressions. The second reading speech states—

> Certain expressions which contain words such as "king", "giant", "jumbo", are "restricted expressions"—

To me, it is ridiculous to have a list of expressions which cannot be used. In the matter of prohibited expressions, I am wondering whether I will get only 38 beans in my cup of coffee instead of 40.

The Hon. R. Thompson: Forty-three.

The Hon. A. A. LEWIS: Any advance on 43? It seems to me the Minister has used dehydrated potatoes as an example, and I think we will have some fairly dull advertising in the future if this Bill is passed.

The Hon. Neil McNeill: Dehydrated advertising.

The Hon. A. A. LEWIS: Yes. What has gone wrong with our community that the housewife cannot go to the grocer or supermarket and say, "This doesn't feel right"? The grocer throws it on the scales and says, "I am sorry, it is 249 grams. Here, take another packet."

The Hon. W. M. Piesse: He never says that.

The Hon. A. A. LEWIS: I wonder what the consumer does when he gets 252 grams. I bet he does not go back to the storekeeper then.

All these recommendations will increase the costs of businesses and manufacturers and they have to be passed on to the consumer, because there is no person upstairs who picks up all the costs we blithely put onto the consumer. It fascinates me that we should continue to put additional costs onto the consumers. I wonder why members of the Labor Party, realising these costs are being put onto the consumers, do not get up and talk about it.

The Hon. R. Thompson: Possibly they are hoping that more people will be employed and relieve the shocking unemployment this State Government has inflicted on the people of Western Australia.

The Hon. A. A. LEWIS: Frankly, I think the Hon. Ron Thompson is wrong, because the kind of people we could normally employ in a job like this would be semi-skilled, but with all these requirements in relation to marking the prices on packages one will need a mathematics degree to ensure one's calculations are correct and to ensure one is not fined. The job opportunities for the work force will therefore be limited rather than increased.

I could mention the fact that if the Government were bringing in a Bill at all it might have tidied up the whole legislation. This Bill seems to me to be fiddling with the legislation.

To come back to the interjection by the Hon. Gordon Masters, in lines 32 to 40 on page 4 of the Bill he will find out who can be fined $400, and I am sure he, too, will be shocked. All those persons can be fined jointly or severally.

The Attorney General might want to comment on proposed subsection (6a) of section 27G, which reads—

> (6a) For the purposes of subsection (6) of this section a statement of the price of a pre-packed article marked or otherwise indicated on or immediately adjacent to the receptacle in or on which the package containing the article sold is or was displayed shall be deemed to be a statement of the price of the article sold marked on the package containing the article.

In other words, if there is a bin containing margarine at 69c next to a bin containing butter at $1, and a 69c package of margarine falls into the bin containing butter, according to the proposed subsection which I have just read the proprietor of the store will be guilty of overcharging and may be fined.

The Hon. D. W. Cooley: Not if it is the same weight.

The Hon. A. A. LEWIS: It is the same weight but a different price. If that happens and the inspector picks up the margarine from the $1 bin, the proprietor can be fined.

The Hon. D. K. Dans: You do not really think that would happen.

The Hon. D. W. Cooley: There is no price control. You can charge what you like.

The Hon. A. A. LEWIS: Obviously Mr. Cooley has not read the Bill.

The Hon. D. W. Cooley: I have read that part of it.

The Hon. A. A. LEWIS: I do not think so. His local storekeeper would want to have words with him if he thought that was all right.

The Hon. R. F. Claughton: Do you say it is a price-fixing Bill?

The Hon. A. A. LEWIS: It is not a price-fixing Bill; it is a price-upping Bill. One of the nice portions of the Bill is that dealing with restricted expressions and the size of lettering. We have moved a step further. We find this in clause 9—

> (c) each of the letters and figures included in the statement of weight or measure—
>
> (i) complies with the requirements as to the mandatory marking having regard to the dimension of the package on which the restricted expression appears;
>
> (ii) is of a height not less than the tallest letter included in the restricted expression, where the height of that letter is greater

than the minimum height of print referred to in subparagraph (i) of this paragraph;

Instead of that rubbish, why could the provision not say the letters must be three millimetres or a centimetre high?

The Hon. R. Thompson: You should be saying this to the Minister.

The Hon. A. A. LEWIS: The Minister will not listen, but he will listen when we come to the Committee stage.

The Hon. G. C. MacKinnon: Surely you would not want me to interject.

The Hon. A. A. LEWIS: No. I just want the answers to the queries I am raising. The Bill goes on to explain what a prohibited expression is, and "king size", "jumbo size", and "giant size" are either restricted or prohibited expressions. I wonder where advertising will go and how anything can be advertised. I do not know whether even tooth paste can be advertised—they might want to count one's teeth.

The Hon. W. M. Piesse: You do not put your teeth in the tooth paste.

The Hon. A. A. LEWIS: No, but one brushes one's teeth with it.

The Hon. G. C. MacKinnon: You brush your teeth with a brush.

The Hon. D. K. Dans: With or without tooth paste.

The Hon. A. A. LEWIS: I think this Bill is a king-sized nonsense and it should be withdrawn by the Government. The standard packaging committee should be told the public of Western Australia want something which is reasonable, not something which will be costly to the consumer and certainly not something which is so prohibitive as far as manufacturers and storekeepers are concerned.

The Minister might refer to section 46 of the Act, which some people think overcomes the problems about who will be fined. I do not believe it does. It is about time the Government brought into this House a Bill which tidies up the legislation instead of one which makes it a greater mess than it is now.

THE HON. G. E. MASTERS (West) [5.14 p.m.]: I did not intend to make any comments on this Bill but after listening to the honourable member who has just spoken I think it is necessary for me to make some remarks. It is unfortunate that he has treated the Bill in a rather frivolous manner. It should be treated according to what it is; that is, a very serious Bill. We have listened to his rendition of the second reading speech, which was interesting, but we have heard it before.

The Bill is necessary—

The Hon. A. A. Lewis: Why?

The Hon. G. E. MASTERS: —because of metrication and to tidy things up.

The Hon. A. A. Lewis: Do you support metrication?

The Hon. G. E. MASTERS: I think it is necessary and certainly not any more costly to the public. The metrication system will, of course, simplify our way of life in the future. Sure, it is very difficult for some of us to get the hang of it, and perhaps Mr Lewis is a little late in life to change.

The Hon. A. A. Lewis: Don't use too many "joules" in your argument!

The Hon. G. E. MASTERS: I believe it is something to which we will all have to become accustomed. As I said before, it will simplify our way of life once we get the hang of it. Of course, school children and those who have started to learn metrication at an early age will find it simple and easy to absorb.

Mr Lewis referred to the area of responsibility in the Bill which refers to action to be taken against persons responsible for incorrectly marking a package. It is necessary to include the person who marked the price on the package, the person who permitted the package to be so marked, and the person who sells the package so marked. Sure, the provision is not absolutely specific, but a common-sense attitude must be adopted towards it.

The Hon. A. A. Lewis: It is half-hearted.

The Hon. G. E. MASTERS: As Mr Lewis and I know, and as every member of this Chamber knows, there must be an area of responsibility and the opportunity to select the person who is responsible; because someone must be responsible somewhere along the line. The Bill must leave the matter sufficiently open so that we can get at the person who is responsible.

The Hon. A. A. Lewis: That is a lovely attitude coming from a legislator.

The Hon. G. E. MASTERS: Mr Lewis has chosen to widen the provision in the Bill and to suggest that all the people involved should be fined. I do not believe that is the case; it is not indicated in the Bill, nor is it intended to be the case.

The Hon. A. A. Lewis: Of course it is; read clause 6.

The Hon. G. E. MASTERS: I think Mr Lewis has used a misleading argument and has tended to exaggerate many of the provisions of the Bill. In my opinion it is a good Bill, a necessary Bill, and something which will prove to be absolutely correct as time goes by. I support the Bill.

THE HON. G. W. BERRY (Lower North) [5.17 p.m.]: I rise to support the Bill, and I wish to make a few comments in respect of it. First and foremost, I refer to that part of the Minister's speech in which he mentioned that where the word "weight" is required to be included in an expression marked on a packaged article, provision is made for the word "mass" to be substituted and to comply with the requirement. That is quite a simple explanation, and I thought it was reasonable. Then I read the Bill and I found the provision which is necessary to put those few words into effect reads as follows—

> 3. Section 4 of the principal Act is amended by adding after subsection (8) the following subsection—
>
> (9) Where the use of an expression that includes the term "weight" is required, permitted, prohibited or regulated by any provision of this Act that use of the same expression subject only to the substitution of the term "mass" for the term "weight" shall be taken, in the case of a requirement to be sufficient compliance with the requirement and, in any other case referred to in this subsection, to be within the intendment and application of the provision, and the provision shall be construed accordingly.

I think that is a massive way of saying something, in terms of people being able to understand it. I am glad the Minister told us what it actually means in his second reading speech. Surely there should be some simpler method of expressing the provision in the Bill. It seems to me that if it is necessary to include the provision in the Bill in such terms then there is no question that we certainly need legal people to interpret it. I am sure it is beyond the comprehension of normal people.

The Hon. D. K. Dans: Are you suggesting that legal people are not normal?

The Hon. G. W. BERRY: I refer now to the term "mass". The following interesting information is found at page 18 of the publication, "Metric conversion for Australia"—

> MASS AND WEIGHT. The mass of an object is the quantity of matter it contains and is constant. Its weight is the force due to gravity on that mass and may vary greatly, as is evidenced by 'weightlessness' in outer space. In the imperial system the term *'pound'* has come to mean a mass of one pound or a weight of one pound-force. This has tended to create a situation in which the terms *mass* and *weight* are used synonymously.
>
> The International System does not use units of force based on the weight of a unit of mass (e.g. the kilogram-force). The SI unit is the newton and a weight, when the word is used correctly to signify a force, should be expressed in newtons.
>
> However, there will doubtless continue to be many cases in which the term *'weight'* is used loosely to mean mass. This duality of meaning has already been recognized in the Commonwealth Weights and Measures (National Standards) Regulations. Regulation 14 states that the units of measurement of weight have the same names and may be referred to by the same abbreviations and symbols as the units of measurement of mass and provides that the weight of an object is numerically the same as the mass of that object expressed in the unit of the same name. This means that when the term *weight* is used loosely to mean *mass* the numerical value is the same.

That is a simple explanation of "weight". The article continues—

> The International System by its nature will obviate much of the confusion which has hitherto existed. It is hoped that as conversion progresses the misuse of the term *'weight'* will ultimately cease.

Of course, I probably will not live to see that day, but no doubt it will come.

The Hon. A. A. Lewis: Do you still support the Bill?

The Hon. G. W. BERRY: Yes, because it is a simple system when one understands it. I think some people will never understand it and probably I will never understand its full implications. However, I am satisfied that the system itself works well and is simple to learn from the start; and in that regard we will reap the benefit of it at some future time—when, I am not sure.

Provision is made in the Bill regarding how packages shall be marked so that people will not be misled or confused. The packages shall be marked fairly and concisely regarding their contents, and if the contents of the package do not agree with the marking on the package

then action may be taken against those responsible. However, as Mr Lewis mentioned, proposed section 27G(6) on page 4 of the Bill reads as follows—

> (6) Where a pre-packed article is sold at a stated price per unit of weight or measure and the statement of the price of the article marked on the package containing the article is inconsistent with the price correctly computed from the stated weight or measure of the article and the stated price per unit of weight of measure each of the following persons is guilty of an offence against this Act namely—
>
> (a) the person who marked the package with the statement of price that is inconsistent;
>
> (b) any person who caused, permitted or suffered the package to be so marked;
>
> (c) the person who sells the article contained in a package so marked.

As I read the Bill, each of the persons mentioned in paragraphs (a), (b), and (c) may be prosecuted for the same offence. I feel some clarification should be given in respect of that, because it is not fair and reasonable to prosecute each of those persons if a package is incorrectly marked. With regard to the term "taken at random", apparently the definition of "random" has not been able to be explained properly in a court of law and therefore it is necessary to make the provision more explicit by saying, "selected by an inspector without prior measurement thereof". That simply means he will select a package at random.

I think this has been brought about mainly by the fact that markings on packages are being expressed more and more in grams and other units which are foreign to many of us—and probably will remain foreign to many of us. Therefore, it is necessary to ensure the markings are explicit so that people will know exactly what they are buying. When we dealt in pounds and ounces we knew exactly what we were getting but now it is often difficult to ascertain what is in the package. Therefore, it is as well that the marking on the package spells out the contents clearly.

I cite one example of this. I bought a package of margarine which was marked, "500 grams." Then it had the passage "10 per cent more," but there was nothing to indicate what that referred to. It could have referred to money, mass, or something else. The explanation was that it referred to the fact that the package contained 10 per cent more margarine; because the old package contained 1 lb. which is 454 grams, and 500 grams is 10 per cent more than that. That is just one illustration of what can happen, and I have no doubt we will see many more instances in the future.

With regard to the term "mass" being substituted for the term "weight", I have no doubt we will see a spate of amendments to Acts in which he word "weight" is used. I foresee that possibly every page of an Act may have to be altered in this regard, and that will be a massive operation.

I support the Bill.

THE HON. W. M. PIESSE (Lower Central) [5.26 p.m.]: I support what I believe to be the intention of this Bill. I do so because as a housewife I have shopped for many of the articles mentioned here today; and it is obvious that many members do not do the shopping for their homes. I, too, regret very much that we have moved from the sale of articles in "plain language"; in other words, buying bananas by the dozen, fish by the number or by the pound, and all the other units involved. Formerly most things were sold by the pound and now their weight is expressed in grams. It is very confusing for people when we are working between two systems as we are at the moment.

There are some things in the Bill that I am very pleased to note. One is the restriction in respect of the marking of packages, because it has been well known for a long time that housewives have been bedevilled by the terms "jumbo size" and "giant size" on packages which are half empty. I am hopeful that under this legislation restrictions on that sort of advertising on packages will be made to stick. Indeed, it has often occurred in the past that the commodity inside the package has been worth only the equivalent of or even less than the package itself, and it is high time something was done about that.

With regard to the wording referred to by Mr Berry, it seems to me his quarrel is largely with the legal department rather than with the intention of the Bill. I agree with him that the provision is a little difficult to read.

On the matter of the number of people who may be fined under proposed new section 27G(6), I have no quarrel with the provision, because we live in a community in which people tend to shift the blame. Everyone says, "It was not me; it was the other fellow because he said I should do it, so I did it even though I knew it was not right." Such people know it is not right, but they still let the customer buy the article. I think this new provision will make such people a little

more conscious of the job they are supposed to be doing, and it will make them take a little more care with their jobs.

On the matter of taking a little more care, recently I visited some overseas countries, and I noted that in England there is preserved the device which used to be applied for correcting people caught selling articles marked with false weights. If we still used that system, those who have spoken against these penalties might change their minds. I am pleased to see the amount of the fine has been increased; but at the same time, perhaps the dunking apparatus used in earlier times was more effective. In those days, the worst offenders seemed to be bakers and the sellers of grain, and if they were known to be selling their wares with a light weight they were put inside a little cage at the end of a long pole and dunked in the stream a certain number of times according to the degree of their offence. I am not suggesting that we do that now, but perhaps if we did go back to that kind of punishment we would not have to alter our legislation continually.

The Hon. D. K. Dans: We are short of poles now!

The Hon. R. J. L. Williams: They used them for nagging wives also!

The Hon. W. M. PIESSE: Yes, and that shows how effective it was, because we now have no nagging wives. We would have to stop short of dunking people, but nevertheless perhaps it could be arranged if it were really necessary. In relation to costing so much to the small businessman, I do not think this Bill is going to add any cost to the small businessman. There may be need for care in large supermarkets on the matter of the pound of butter falling into the margarine receptacle, as Mr Lewis has suggested. This is a matter for the exercise of care by the people who are employed in these places—care by the management and care by the employees. I think it is only fair to request this.

Mr President, I do support the intention of this Bill.

THE HON. G. C. MacKINNON (South-West—Leader of the House) [5.31 p.m.]: I thank members for their interest in this piece of legislation. It is well known that uniform legislation relating to packaging was introduced in 1967. It is considered desirable that it should continue for the reason that multiple methods of packaging would add to costs. The basic idea always is to keep prices—

The Hon. A. A. Lewis: Do you not think the standard methods have added to the cost?

The Hon. G. C. MacKINNON: —down. This is not the case. A lot of packaging may have added to the cost, and yet when I inquired I was surprised to learn why small articles were frequently affixed to large cards.

The Hon. A. A. Lewis: What have pickpockets to do with it?

The Hon. G. C. MacKINNON: I was told the reason was simply to prevent shoplifting. Shoplifting is a tremendously costly item for storekeepers, particularly in the chain stores. It is harder to take a small article affixed to a big package than it is if the article is in a small container, when it is possible to put a handful of articles into one's pocket.

At lunch time today I learned the reason many restaurants have large pepper mills is that the customers cannot put the pepper mills into their pockets.

The Hon. D. K. Dans: Do you remember who asks for the pepper pots in the dining room?

The Hon. G. C. MacKINNON: Yes, I remember.

Strangely enough, all of the surveys on advertising indicate that advertising in the main is accurate and honest. Even the slogan of "Brighter than Bright" on soap powders is accurate and honest, because the chemicals that are added do reflect light to a greater extent than if the article is just washed in soap and water. I have not done a scientific test, but the people who have done tests report that this is true.

The Hon. A. A. Lewis: What about "charged with lemons"?

The Hon. G. C. MacKINNON: I would be terrified of that. I would hate to be in a lift and have to come out swimming in lemons! I have always made sure I do not buy packets of that product when I do the shopping for my wife. I would hate to get home and find my motorcar full of lemons.

The Hon. Grace Vaughan: It has not stopped you going into lifts yet?

The Hon. G. C. MacKINNON: No. It has not stopped me from buying other sorts of soap powders.

I think the price we pay for accuracy in commodity weights is well worth it. All members would know people who have been to countries where accuracy in weights does not apply. If a person goes into a shop and asks for a catty of sugar, he is likely to get any measure that looks about the right size. He bargains. There are many countries where, if the person

went in and asked for a pound of tea, he would get a packet which would contain tea and it would be his guess as to how much it contained. He would bargain and beat down the price. That is corruption of a sort.

Our laws and the checking that goes on are the safeguards the community has against corruption. This is the reason that, to a remarkable extent, the community is free of corruption. I believe this is well worth the cost.

People in our community can walk into a store and invariably know that if they ask for a pound of tea they are getting 16 ounces of tea; and if they ask for a pound of butter, they are getting 16 ounces of butter, not 15 ounces or 14½ ounces. They get the weight for which they pay. That is accuracy and honesty in merchandising.

Accuracy and honesty in merchandising costs something, but it is not anything like the cost of dishonesty and corruption in merchandising. That is the bane of a considerable number of countries. It is stated that Singapore is far and away the most honest and corruption-free country in Asia. Some people have said it is the only corruption-free country. That could well be the case.

There are differences of opinion with regard to packaging. There are problems with littering. I was made aware of one of the solutions to littering. In some countries, people doing the shopping strip the articles of their outer packaging after they have paid for them, and they deposit the packaging materials in a bin near the pay-out counter. That seems a sensible idea to me. The packaging is disposed of by the store, and not taken home by the purchaser.

In relation to the points that were raised by the Hon. A. A. Lewis, I would like time to answer him, because I think he has raised matters which ought to be dealt with as the individual clauses are dealt with.

In general, I believe that the advantages of uniform legislation outweigh the disadvantages. I know there are disadvantages. I believe the House should not accept uniformity for its own sake, but in this particular case I believe uniformity is an advantage. Therefore I am grateful that the majority of members of the House who have spoken have indicated that they are prepared to support the measure.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (the Hon. R. J. L. Williams) in the Chair; the Hon. G. C. MacKinnon (Leader of the House) in charge of the Bill.

Clauses 1 to 5 put and passed.

Clause 6: Section 27G amended—

The Hon. A. A. LEWIS: I had asked the Minister for some answers. I received none. That is a fairly rude attitude for him to take. I suppose the Minister can get away with that when he has the overwelming numbers that he has in this case.

In relation to proposed new subsection (6), I ask him whether I was right in my belief that all the people named in paragraphs (a), (b), and (c) can be fined. The Hon. Gordon Masters seemed to imply that they all could not be fined. I believe that proposed new subsection (6) paragraphs (a), (b) and (c) indicates that every one of those persons may be fined for the same offence, the penalty being $400.

Mrs Piesse said that the Bill would not increase prices. With those types of penalties, I believe that somebody will have to pay, and I believe it will be the consumer.

Could the Leader of the House indicate whether I am correct in saying that if the inspector takes a sample selected without prior measurement thereof out of one of the bins in a supermarket, and a customer in the supermarket has placed that article in the wrong bin, the proprietor is protected. Does he have to have a member of his staff standing over the bins, putting the articles back into the right bins? I would think that would create an additional cost.

The Hon. G. C. MacKINNON: No rudeness on my part was intended. I did explain that I was speaking generally, and that I intended to deal with those queries in the Committee stage of the Bill.

In this proposed new subsection, paragraph (a) clarifies the situation in respect of the marking of the weight or measure of a prepacked article regardless of what unit is used; that is, Imperial, metric, or any other form. I know there was some discussion in the second reading debate to which I did not refer. It seems to me we have officially embarked on the course of introducing metric measurements. If members want to oppose that and turn the clock back, as some of them have indicated a desire to do, there will be opportunities when that could be done.

I think I ought to go through proposed new subsection (6) as a whole, because there is a number of comments on it.

Paragraph (b) of proposed new subsection (6) clarifies the intention of the Act to allow inspectors to select articles for checking of the

true weight or measure. The existing wording in the Act has shown that prosecutions cannot be sustained. Mr Berry raised a point. Everybody's desire is that legislation should be drafted so that ordinary mortals can understand it. It also has to be drafted in order that lawyers can argue it in a court. The verbiage used comes from experience before a court.

Paragraph (c) of proposed new subsection (6) seeks to make it an offence by any person who marks, or allows to be marked, or sells a prepacked article where there is any inconsistency between the stated price per unit of weight or measure and the correctly computed price. I would say the answer to the Hon. A. A. Lewis is, "No." The person proved to be responsible can be fined. Nevertheless, the employer is finally responsible; and it seems to me that that ought to be so. If it can be proved that the employee has marked it despite the instruction of the employer, the employee can be held responsible. However, the employer is responsible in any case.

The Bill further provides by the inclusion of proposed new subsection (6a) that if the price is marked on a shelf or other receptacle immediately adjacent to the article then an offence is also committed if the price is incorrect.

The inclusion of proposed new subsection (6b) also makes it an offence to show an incorrect price where a minimum weight or a range of weights between a minimum and maximum is stated.

I hope this explanation clarifies matters for the honourable member.

The Hon. A. A. LEWIS: It does not explain it at all. I suggest the Minister should read the Bill. By this measure, each of the following persons is guilty of an offence against this Act; namely, those enumerated in paragraphs (a), (b), and (c). The Bill does not say they are all guilty. I think he should take legal advice.

I would love to be a lawyer fighting a case in a situation where the Act says, ". . . each of the following persons is guilty of an offence against this Act; namely . . .". It might be better if we reported progress so that the Leader of the House may find out the true situation from the Minister who introduced the Bill. The explanation of the Leader of the House in relation to proposed new subsection 6(a) did not cover the subject. He simply read part of his second reading speech.

The Hon. G. C. MacKINNON: It is obvious, and I repeat it again, that if, either separately or collectively, they all knew about it—that is the packer, the overseer, and the proprietor—they would be guilty. Surely if the person who caused, permitted, or suffered the package to be so marked —that is, the overseer—could prove he did not in fact cause, permit, or suffer it to be so marked, despite the fact that it was marked by the marker, he would not be guilty. Therefore, the answer is: in some cases "Yes" and in some cases "No". It would be determined by the court.

The Hon. A. A. LEWIS: So the Minister admits they are all liable to be charged?

The Hon. G. C. MacKinnon: I do not think there is any doubt about that, if they are all guilty.

The Hon. A. A. LEWIS: A moment ago the Leader of the House said if the overseer could prove he did not know the person who marked it he could opt out. The whole responsibility is being placed on a poor little salesgirl.

In other words, the manager can get out of it, the overseer can get out of it, and the sales person on the floor who has had the job of marking the article is responsible. Does the Leader of the House mean to tell me I belong to a Government which calls such a situation right and equitable, because I certainly do not?

The Hon. G. C. MacKinnon: The Act is written as it is specifically so that cannot occur, as I have explained with absolute clarity.

The Hon. A. A. LEWIS: In his first explanation, the Leader of the House said if the overseer could get out of it, because he had not instructed or did not know this was going on, the salesgirl would take the rap. Obviously any decent manager would take the rap himself and let off his staff. I realise some people do not do that. In Government circles it happens occasionally that Ministers disclaim knowledge of the actions of the departmental officers.

The Hon. G. C. MacKinnon: I have never heard of that.

The Hon. A. A. LEWIS: Therefore, the rap is passed further down the line. If a manager wants to opt out and can prove he had nothing to do with it, the salesgirl takes the rap.

The Hon. G. C. MacKinnon: No, that is not correct.

The Hon. A. A. LEWIS: The Leader of the House should prove to me it is not and he should then answer my question relating to proposed subsection 6(a).

Clause put and passed.

Clauses 7 to 9 put and passed.

Clause 10: Section 27R amended—

The Hon. A. A. LEWIS: I propose to move an amendment at page 8, line 10 to insert (ga) in front of (ga). My reason for moving the amendment is that the Bill shall be understood by everybody.

The DEPUTY CHAIRMAN (The Hon. R. J. L. Williams): As there is no printing error, that cannot be done.

Clause put and passed.

Clause 11 put and passed.

Schedule put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

STATE ENERGY COMMISSION ACT AMENDMENT BILL

Second Reading

Debate resumed from the 7th September.

THE HON. D. W. COOLEY (North-East Metropolitan) [5.52 p.m.]: The Opposition has considered this Bill, and under normal circumstances it would agree with one of the principles contained in it. However, the Opposition has read the Bill as a whole and we have agreed to oppose it.

The purpose of the Bill is twofold. Firstly, it seeks to give the SEC power to raise loans from overseas and, secondly, it seeks to give the commission power to raise charges and, in a sense, to legalise charges it has already raised.

We believe, in some circumstances, it is necessary for a Government to raise funds from overseas, particularly when insufficient money is available in this country to meet the capital cost of expansion of a State enterprise. That is good business, and it is fair and equitable to develop such capital works by using borrowed money. In that case, the repayments are spread over a long period of time and the people who receive the advantages from the capital works pay for them.

Another advantage in borrowing funds overseas is the department concerned can be more selective with respect to the people from whom it borrows. Of course, if the competition is greater, interest rates are lower and the charges are not as great on the party borrowing the funds. But we raise a very serious question particularly with regard to borrowing when the funds are borrowed by a Government which has the policy of the present Government. This Government believes in the private ownership of Government enterprises. It has proved, during the time it has been in office, that it will sell out State enterprises for the benefit of private enterprise. It is on those grounds that we oppose overseas borrowing in this case, because we feel it would be a leg-in for this Government to allow private industry to take over the operations of the SEC, a move which, from the Opposition's point of view, would be a tragedy.

The Hon. H. W. Gayfer: How would you finance it within Australia?

The Hon. D. W. COOLEY: Initially I would look for funds within Australia and ascertain whether or not they were available. Of course, it depends on the permission obtained from the Loan Council. I do not know the magnitude of the amount involved in this case. Approximately 12 months ago it was suggested seriously that the Government was considering handing over the Muja power project to private enterprise. That would be a tragedy in the eyes of the Labor Party. It may not be such a tragedy in the eyes of the conservatives, because they are committed to the free enterprise system.

The Hon. R. F. Claughton: I think it is "private" rather than "free".

The Hon. D. W. COOLEY: If such a situation occurred and a State enterprise was taken over by private enterprise, the first objective would not be the provision of a service to the people. The principal objective and motive of private enterprise is, of course, the profit which can be obtained. In our view, this would add to the already heavy charges imposed on the people by this Government in respect of energy requirements.

We have decided to oppose this Bill also on the grounds of the track record of this Government as it relates to the sale of Government enterprises. I refer to the Wundowie project and, more particularly, to the State Sawmills which were given away to a company which made an absolute hash of the operation. The people of this State were deprived of a very valuable asset.

The Hon. T. Knight: The mills could not compete with private enterprise and the taxpayers were paying for it. That is why they were sold.

The Hon. D. W. COOLEY: For the information of the member opposite, the State Sawmills made a profit of approximately $300 000 in the year they were sold. They were not running at a loss.

Several members interjected.

The PRESIDENT: Order!

The Hon. D. W. COOLEY: It is passing strange to the Labor Party also that it is all right for a conservative Government to seek massive funds overseas and it is all wrong for a Labor Government to canvass for large overseas loans. We can all remember the outcry that took place in the last year of the term of office of the Whitlam Government. It all depends from whom the money is being borrowed. As long as the money is obtained at the right price, members opposite do not care about its origin. As long as a profit is made out of the borrowed money, members opposite are happy.

The Hon. J. C. Tozer: Mr Keating is recommending we invest our money overseas.

The Hon. D. W. COOLEY: Well, why do we not? We were once told in this House that we should borrow overseas.

The Hon. D. K. Dans: What a situation we would be in with the little States competing for funds with the big States. Even the Federal Government would not agree with that.

The Hon. D. W. COOLEY: It is passing strange that this situation should prevail. The principal reason we oppose this part of the Bill is that we have an inherent distrust of this Government with respect to its involvement with private enterprise and valuable State asseets. If private enterprise were to come to this State and take over our energy requirements and exploit them, we could find that the charges to the people of our State would be excessive indeed.

The Hon. O. N. B. Oliver: How do you justify that?

The Hon. D. W. COOLEY: I am always very suspicious of this sort of situation when I see the philosophy of the present Federal Government which allows Utah to make something like $1 million profit a day, and send two-thirds of it overseas.

The Hon. O. N. B. Oliver: If you are suspicious, why do you not work out the percentage which remains?

The Hon. D. W. COOLEY: We can visualise people coming to this State to take over our power houses and the valuable assets we have to produce our energy. They will exploit our State; we do not have any confidence in private enterprise running Government undertakings.

The Hon. O. N. B. Oliver: You want Australia in isolation.

The Hon. D. W. COOLEY: No, we do not.

The Hon. O. N. B. Oliver: That appears to be the case.

The Hon. D. W. COOLEY: We want the nation to be run on its own initiative, not by people from overseas.

Sitting suspended from 6.02 to 7.30 p.m.

The Hon. D. W. COOLEY: During his second reading speech the Attorney General said—

> The provisions of this part of the legislation will allow the commission to take advantage of the new overseas borrowing rules approved by the Loan Council and enable it to compete within the complexities of the money market on equal terms with other utilities and, to some extent, with private corporations.

If the legislation only went that far it would be quite good; it would give us an advantage. We would be able to obtain cheap money, and this could be applied to our benefit. However, if we look at what was said in another place by the Minister for Fuel and Energy, the Minister in charge of the Bill, there is little wonder that the Labor Party, with its views about the use of Government enterprises, is opposed to it. On that occasion the Minister for Fuel and Energy said—

> There should be little basic difference between the Commission as a public instrumentality and private enterprise either in efficiency, forward thinking or borrowing powers.

In our opinion these are ominous signs. We do not want the people of this State subjected to the high imposts levied by private enterprise; we do not want private enterprise involved in the distribution of energy in Western Australia.

We are aware of the possibility of the development of the North-West Shelf, and if money is obtained on reasonable terms from overseas for this venture, that is all right. However, private enterprise should not be allowed to enter this field in any circumstances. Members may be sure that after the next election no imprimatur will be given in this respect to private enterprise when the Labor Party becomes the Government.

The Hon. R. G. Pike: No imprimatur to private enterprise?

The Hon. D. W. COOLEY: No imprimatur in respect of the subject we are talking about. The honourable member knows what this is all about. There is no place for private enterprise in the supply of electricity. On those grounds we oppose that section of the Bill.

Our second objection to the Bill is that it proposes to validate charges which were levied by the commission some time ago in regard to an

account establishing fee, the fixed quarterly charge, and other charges. When I was first married and had electricity connected to my house, I believe the account establishment fee was $2. Even in those days, that money accrued interest during the time it was held by the commission, and if, at a subsequent date, the service was disconnected, the person who had paid the fee was entitled to a refund of his $2 plus interest.

This establishment fee was brought in some time ago, quite illegally apparently, and this Bill proposes to legalise the situation. Over the years the establishment fee has been increased from $2 to $5, then to $10, and now it costs $15 to have electricity connected to a house. But that is not all; the fee will now be non-refundable. A person who has to change premises four times in a year will have to pay this establishment fee four times. In other words, he will now have to pay $60 whereas previously the fee was refundable each time a service was disconnected. Why is there the necessity for this provision at this time?

During his speech the Attorney General gave us some excuses for this impost. We were told that establishment services must be provided to customers, so why should other sections of the community have to pay? Why did other sections of the community pay for this over the past 60 years or more, perhaps since electricity was first introduced? This fee has been increased by about 525 per cent, and now it will be non-refundable. Member opposite may smile and say that is all right. It is all right for them to sit back and smile on their $500 to $550 a week, and even more in respect of Ministers. They can afford to pay a fee of $15, but some pensioners receive $45 or $50 a week, and $15 is a lot to them.

Let us take the case of a working man on $120 a week. Certainly he would feel that $15 is a pretty heavy slug. There are many people in jobs which make it necessary for them to transfer from suburb to suburb or from country town to country town. These people will now have to pay $15 each time they shift, and it is not as funny as some members may think it is. I do not know where we are going with these charges.

I have some figures here which indicate the way charges have got out of hand. Since the Court Government came to office, electricity charges have been increased four times. In 1974 the charges went up 14 per cent, and then another 25 per cent four months later in 1975. Six months later they went up another 12.5 per cent, then 11 per cent in 1977, and 7.5 per cent in July of this year. Now we have the introduction of this miserable establishment fee, plus the fact that it is to be non-refundable. From all accounts this fee has been taken off the customers of the SEC quite illegally in the past; the commission had no legal right to impose the fee, increase it, or do anything at all about it.

A halt must be called to these increases somewhere. Is it any wonder that we on this side of the House oppose legislation such as this? We realise that some increases are necessary, but the principle behind this particular provision is questionable. I would like the Attorney General to tell us why this fee should now be non-refundable when it has been refundable for almost six decades and, in fact, it was refunded to the consumer plus interest charges when a service was disconnected.

Perhaps we could find these increases tolerable if our charges for electricity in Western Australia were in line with those charged in the Eastern States. Whenever we are hit with another increase we are told that it is justified because people in New South Wales, Victoria, or South Australia are paying the same. However, that is not the case in regard to electricity. We are paying almost twice as much for the average amount of 1 200 units a year of electricity as the people in Canberra are paying. This figure of 1 200 units is regarded as the average usage for a family of four.

The figures below show a comparison of the cost of 1 200 units in the various capital cities—

Perth	$243
Sydney	$163
Melbourne	$206
Brisbane	$193
Hobart	$183
Canberra	$128

The national average of electricity charges on this 1 200 unit basis is $183.11. Our charge for the same number of units is $243, and yet our charges keep going up and up. There is a difference of something like $60 per annum. I am sorry I misinformed the House on one matter; the figures are based on an average consumption of 1 200 kilowatt-hours per quarter; that is, 4 800 kilowatt-hours per annum. Apparently a kilowatt-hour is a unit.

The Hon. T. Knight: Are you aware of the extension services the SEC is up for, and the high costs of providing a service over an area like Western Australia?

The Hon. D. K. Dans: Do you not think some services are supplied over long distances in the Eastern States?

The Hon. D. W. COOLEY: Perhaps Mr Knight's comments would apply with respect to Canberra, but why would the position be any different in New South Wales?

The Hon. T. Knight: Because we are paying a contribution to the extension costs in country areas.

The Hon. D. W. COOLEY: Country charges are based on metropolitan figures, although I think they are slightly higher.

The Hon. T. Knight: No they are not; they are equalised.

The Hon. D. W. COOLEY: We are already paying in excess of the people in the other States, so why is it necessary to increase our fees in this way? It is outrageous to say that a fee which has been levied quite illegally in the beginning should be increased from $10 to $15. There was no mucking about with this increase—a 50 per cent rise. It does not matter to this Government whether one is a pensioner, Alan Bond, or Lang Hancock—one is still hit with a 50 per cent increase. It takes just as much electricity to keep a pensioner warm as it does to keep Alan Bond warm.

The Government should have a good look at the way it applies these charges. The people are being ripped off, right, left, and centre, in respect of taxes and charges.

The other night we were discussing how relief is given by this Government to people in higher places. We believe when legislation such as this comes forward the same sort of consideration should be given to those poorer people of our community, who just do not have the same advantages enjoyed by others.

I know that public utilities must be run on correct accounting lines, but why change things? That is the whole point of my argument. Mr Knight says that it costs more in Western Australia to construct a line than it does in New South Wales; that may be so; perhaps Mr Knight knows more about the matter than I do, and perhaps there is a case for increasing the establishment fee to $15. But why change the principle behind this establishment fee, and make it non-refundable to subscribers?

The Opposition has no alternative but to oppose this legislation, firstly on the grounds that we believe there is an ulterior motive in respect of obtaining loans from overseas, and we fear that private enterprise may get its nose into our State Energy Commission; and, secondly, because Western Australia already has the highest SEC charges of all the States.

We can understand that if something has been done illegally in the past, legislation must be introduced to correct the situation. At the same time, however, I think the Government should have regard for the excesses in which it is indulging with respect to electricity charges.

THE HON. O. N. B. OLIVER (West) [7.46 p.m.]: Mr President, I listened with great interest to Mr Cooley discuss State Energy Commission charges. It appeared to me he was somewhat confused, in that he confused the State Energy Commission (Validation) Bill with the Bill now before the House, the State Energy Commission Act Amendment Bill. With due respect to Mr Cooley, he was quite incorrect to refer to validations and connection fees because they are relevant only to the following Bill.

The Hon. D. K. Dans: They are also contained in this Bill.

The Hon. O. N. B. OLIVER: I was rather concerned with Mr Cooley's use of the terminology "we". I did not know in what respect he used that term. Perhaps he was talking about the Trades and Labor Council, with which he was once associated; perhaps "we" referred to the Opposition, or perhaps it meant the whole Council. I am somewhat confused.

The Hon. D. W. Cooley: That would not be unusual.

The Hon. O. N. B. OLIVER: My confusion certainly would be understandable. Mr Cooley does not seem capable of understanding the fact that if a public utility incurs a cost, that cost must be borne by the consumer. He seemed to think there may be an opportunity whereby some people could pay more than other people.

I return to the point at which I became confused—his use of the term "we". In March of this year I discussed the expansion of public utilities. A few moments ago, I was rather concerned at Mr Cooley's use of the term "we" when I knew that various members of the Labor Party held the view I put forward during that debate in March. Yet Mr Cooley takes exception to any suggestion that Western Australia should borrow money overseas. May I point out to him that the current Federal Leader of the Opposition recently has expounded that very proposition. It would appear Mr Cooley is in conflict with the views of his Federal leader.

The Hon. D. W. Cooley: There is something wrong with your hearing.

The Hon. O. N. B. OLIVER: Obviously there is something wrong with Mr Cooley's hearing, or else he does not bother to read his party's policy, which is to expand public utilities. The message does not seem to have reached Mr Cooley; I do not know whether his party arranges for a Press release to be delivered to his office outlining its various policy proposals, but it seems obvious he does not understand his own party's policy.

The Hon. D. K. Dans: You are not even talking about the Bill before the House.

The Hon. O. N. B. OLIVER: Mr Cooley used the term "we", but I know there are members of the various political parties here this evening who do not agree with his statement regarding overseas borrowings. I know there are members here of the same political persuasion as Mr Cooley who do not agree with his statement, and would not wish to be included in his term "we".

I understand that the Australian Labor Party and its leader in another place accept the principle of borrowing money on the international market; in fact, I understand this to be part of Labor Party policy.

The Hon. D. W. Cooley: I did not say it was not; I agreed with the principle of borrowing overseas.

The Hon. O. N. B. OLIVER: Mr President, I am sure you are just as surprised as I at the interjection we have just heard from Mr Cooley, when only a few months ago he opposed the principle of overseas borrowing. If members of the Labor Party concurred with the views I put forward regarding this matter in March of this year, how is it that Mr Cooley now can say that "we" disagree with that principle?

The next matter I draw to your attention, Mr President, is the fact that the State Energy Commission loan recently raised $60 million, which makes it the largest and most successful loan ever floated by a State instrumentality in Australia.

Mr Cooley referred to establishment fees. I have already pointed out that, obviously, he got his wires crossed—or his SEC lines crossed—because the matter of establishment fees is dealt with in the State Energy Commission (Validation) Bill. At any rate, those deposits are interchangeable with the next consumer. Therefore, Mr Cooley obviously does not understand the system and he has confused the two Bills.

The other point I wish to make is that all of these charges to which Mr Cooley referred are based on the cost to provide a service to the consumer. Mr Cooley suggested the price paid by pensioners for their electricity should be adjusted; I completely agree with that proposition.

The Hon. D. W. Cooley: I wish you would do something about it.

The Hon. O. N. B. OLIVER: I agree that pensioners have problems. However, Mr Cooley must take into account the balancing effect of such a proposal. When we put so much into a barrel, we can get only so much out of that barrel. Therefore, to balance the lower proportion paid by the pensioner, a higher proportion must be paid by another person. The only conclusion I can draw is that Mr Cooley is putting forward to this House another form of subsidy. Apparently, Mr Cooley does not seem to be able to read balance sheets, whether they are upside down, sideways, or whatever; he should realise that these matters must be balanced out. I am surprised—in fact, I am amazed—that the Opposition should be opposed to this Bill.

The Hon. R. Hetherington: I am surprised that you are surprised.

The Hon. O. N. B. OLIVER: I know that Mr Cooley led for the Opposition in this debate; but how could he—or "we"—oppose the Bill when at the same time his Labor Party colleagues in another Parliament agree with this form of funding? When one considers the approaches made for overseas money by the late Mr Rex Connor, one wonders how Mr Cooley can oppose this legislation. Obviously, we have two sets of values, two methods of processing.

The Hon. Lyla Elliott: There is a difference between the Federal Government borrowing money and the State Government borrowing.

The Hon. O. N. B. OLIVER: I cannot agree that there is a difference. Surely we are seeing two different standards being applied.

The Hon. Lyla Elliott: We could say the same thing about electoral laws, but you do not agree with that.

The Hon. O. N. B. OLIVER: Do not get away on another tack. I would be delighted to debate that one with Miss Elliott; however, it must be on another occasion.

The Hon. D. K. Dans: I would be delighted if you started to debate the Bill.

The Hon. O. N. B. OLIVER: Mr President, would you believe there was once an occasion when that very question arose, and the Opposition said it could not debate it because it did not have decent candidates?

The PRESIDENT: Order! I ask the honourable member to return to the Bill, and to ignore the interjections altogether.

The Hon. O. N. B. OLIVER: The point I wish to make is that there seems to be two sets of values being adopted by Mr Cooley and his colleagues. First, there is the value put forward by Mr Cooley, who says "we" when I believe he should be saying "I"; then there is the other set of values, which is the Labor Party policy—which, I presume, is "they" or "we". In addition to that, we have the Federal Labor Opposition policy which, I presume, Mr Cooley calls "they". What a disarray!

I cannot support the manner in which Mr Cooley put forward his argument to this House tonight; I could find nothing of any substance to justify his case. Therefore, I oppose his views and I support the Bill.

THE HON. D. K. DANS (South Metropolitan —Leader of the Opposition) [8.00 p.m.]: The Opposition does not support this Bill. I hope when the Government is sending someone overseas to seek private funds for the extension of the State Electricity Commission it does not send the Hon. Neil Oliver.

The Hon. O. N. B. Oliver: Why?

The Hon. D. K. DANS: Because quite frankly the member cannot see the difference between the SEC and the Federal Government borrowing overseas, which it has done since its inception. The Federal Government borrows on account of Australia and the States and I remind the Chamber that the States of Australia exist only as a result of a Federal Constitution; they have no other relevant value in the scheme of things except within the Federal Constitution.

It is quite in order for the Commonwealth to borrow, and in fact Governments of all complexions have borrowed since the establishment of our Federation. No country could be governed unless its Government had borrowing powers.

In opposing this Bill which deals with borrowing overseas and connection fees I want to correct Mr Oliver and indicate to him that the comments made by Mr Cooley were not wrong. The next Bill simply moves to validate charges already imposed and to clearly outline the legal position of the commission.

The Hon. O. N. B. Oliver: My apologies.

The Hon. D. K. DANS: The member should be sure about what he is speaking. One of the things that has worried me ever since I first learnt of it is the idea I have heard from people of different political persuasions that the States should be given power to borrow money overseas.

Mr President, I think you would agree that the present Prime Minister has laid down some very stringent guidelines and given very firm instructions to the Loan Council on this matter. I have seen no permission forthcoming to any State. I am fully aware that not only this State, which has a Liberal-National Country Party coalition Government, but also the New South Wales State Government, is seeking very large loans from overseas. However, that does not alter the fact that it is a very dangerous precedent to set in having the States on their own behalf borrowing money overseas.

The Hon. O. N. B. Oliver: Subject to Federal approval.

The Hon. D. K. DANS: I have already outlined that there are very stringent guidelines. It would appear to me that before any of those loans are approved and before any money is provided from overseas the financial lending institutions both in and out of the International Monetary Fund block would require strict guarantees from the country of origin for the loan on behalf of the States.

The Hon. O. N. B. Oliver: That is normal.

The Hon. D. K. DANS: I am not denying that. Of course, if the Commonwealth underwrites the loan I do not know where we would end up. It is a dangerous precedent to allow a State Energy Commission to go overseas seeking funds. Let me remind the House that when we borrow money from a lending institution we are required to pay it back.

The Hon. O. N. B. Oliver: Have you told Mr Wran?

The Hon. D. K. DANS: I understand the situation but I am making this contribution, not Mr Wran or his Minister for Fuel and Energy. I am pointing out in this Chamber why I am opposing this Bill and I have a perfect right to do so, irrespective of what Mr Wran does or what Mr Bjelke Petersen in Queensland or Mr Dunstan in South Australia does. I repeat: This is an extremely dangerous precedent to set. It should be borne in mind that up to date we have not borrowed any money and we are only thinking about it. Having thought about it myself

I do not know what will happen. I trust that when the Minister gets to his feet he will give all the necessary assurances.

It is true that from time to time the State can give guarantees of its own to allow private institutions to borrow money overseas. Mr Gayfer and other people are aware that some people have gone overseas to borrow large sums of money to get projects under way in this State. Every member of my party understands that. However, when one gets into a situation where certain guarantees have to be given it is an extremely dangerous situation. Energy is the lifeblood of our nation of which the States are a part.

Members often rise in this Chamber and shoot from the hip. Sometimes Mr Cooley and myself are accused of picking on BHP. Let us consider the BP company which is one of the biggest oil companies in the world. For many years the majority shareholding of BP has been held by the British Government, whether it be Liberal, Conservative or Labour.

The Hon. I. G. Medcalf: Not Liberal.

The Hon. D. K. DANS: Perhaps not Liberal for a long time. However, I am talking about Liberal Governments in terms of the British parliamentary system. It is obvious why no Government would change that situation, because it is essential that the United Kingdom keeps a very firm control on all its energy supplies, not only for industry but indeed for the defence of the realm in times of war.

The Hon. R. Thompson: The Labour Government sold 30 per cent of its holdings.

The Hon. D. K. DANS: That is not correct. Although I do not wish to get into a debate on this topic what did happen was that a previous Conservative Government reduced its holdings to 49 per cent. The Burma Oil Company got into difficulties because of an over buying of tankers, and that is why our Burmah-Woodside project got into trouble; it is part of the BP group. The British Government had to bail the company out of its troubles and so the percentage that was sold off came back through the back door.

Mr Cooley has outlined our apprehension on this matter and indicated that it is not a good thing to allow people from outside this country to get a commanding hold, in terms of finance, of our energy supplies. It has been said by many people in this country who would not be Labor supporters that there is finance available within the country. At a meeting with representatives of Woodside I was told that if they could get sufficient support they would have no trouble getting money from within Australia—not all, but a lot.

Unfortunately, Australian investors are something like people who go to the races. They like to invest their money in a company today and if its shares go up over the weekend they move in and make their profit; just as people go to the TAB to back a horse and if it wins they move in and collect their dividend.

At the risk of being called a backslider, many overseas financial institutions are quite prepared to put money into long-term projects before any return is made on their capital. I am reminded of Mt. Isa Mines where investors had to wait 13 years before a dividend was returned.

The Labor Party recognises the fact that we must get capital to support industrial development. However, I am apprehensive about the State going outside the normal channels of raising loans.

In many parts of the world where private operators have control of power supplies people have found themselves in difficult situations. The charge for power would be much dearer if private operators were to have control of our power supplies. It was mooted at one stage that private industry would be offered the opportunity to invest in the Muja power station and one particular company was named. I was very apprehensive about such an idea and I certainly hope the plan has been dropped.

We would like a lot more information in respect of this Bill. Along with other people I believe there is an urgent necessity to extend the electrification of Western Australia as far as is economically viable. I would like to see this done by the provision of our own funds. We are short of power and short of the means of producing power.

The Hon. H. W. Gayfer interjected.

The Hon. D. K. DANS: It is the method of financing that the Opposition is opposing. We would like more information, because as time goes by the people are going to pay much more for their power. The people want to be assured that power generation in this State and all sources of energy are held in trust for them, and not held by some financial entrepreneur from outside.

The facts related by Mr Cooley on refundable deposits are intriguing. These deposits have been increased over the years but I cannot understand why the system is to be suddenly changed so that the deposit will not be paid back. This may be all very well for people with their own homes but the large part of our population is mobile.

Unfortunately, the great majority of these people are those on the lower socio-economic scale. If they shift four or five times a year in search of employment and their power is disconnected each time, the money involved will become a heavy burden for them. They could be faced with fees of $60, $70, or $100 in a year, coupled with the increasing cost of living and the drop in living standards now taking place.

The Opposition would like to know, firstly, why the SEC must go outside Australia for funds. Secondly, we would like to know under what conditions are the loans to be made and what safeguards would be provided for the people of Western Australia. Thirdly, we would like to know why it is necessary to change the long-standing system of refundable deposits. This money should not be used as a means of raising revenue. Under this system it is like the dog chasing its tail.

The Hon. O. N. B. Oliver: If we cannot fund it from Australia are you prepared to fund it from other sources?

The Hon. D. K. DANS: I would not have thought there would be difficulty for the Commonwealth borrowing on behalf of the States.

The Hon. I. G. Medcalf: They won't do that.

The Hon. D. K. DANS: That is the purpose of my opposition; to explain our apprehension and have the Minister answer our arguments. I know the Minister agrees. It is a change to what we have been used to. It is the Opposition's role to find out these things and get assurances from the Government to ensure the future is safeguarded.

It is all very well people saying we can get money from anywhere. Even on the domestic scene finance is far too easy for some people to obtain and this leads to problems which detrimentally affect the finance industry.

The Hon. O. N. B. Oliver: How irrelevant, as public utilities in every Government, irrespective of their political persuasion, have always borrowed in this manner.

The Hon. D. K. DANS: That is one aspect the honourable member can debate. All I am saying is that this is a new departure. Until we can get the necessary assurances, I must oppose the Bill for the very good reason I have outlined. Mr Cooley raised the question of costs to the consumer, particularly in relation to connection fees.

The Hon. G. E. Masters: Do I understand that if you get satisfactory answers, you will support it?

The Hon. D. K. DANS: We are opposing it, but we are trying to get the assurances we need, because the burden will fall on the people of this State, who are least able to afford it. It will all depend on the rate at which we borrow the money. If the rate is not good or the terms are not good, there will be further increases in the cost of domestic power. At present there are some good interest rates overseas. Mr Young has given assurances as to how we will get the money. That is all very well. We will not know the true position until we try to get it. I am very much aware of the fact that whilst there are guidelines, no permission has been given.

I think I have adequately outlined our opposition to the Bill.

THE HON. H. W. GAYFER (Central) [8.17 p.m.]: I did not intend to speak in this debate but I decided to do so after having listened with interest to the comments made by Mr Cooley and Mr Dans (the Leader of the Opposition).

I am intrigued by the reluctance of the Opposition to enter into the field of overseas borrowing, because I must remind the House that at one stage a Government of the same political colour as the party to which Mr Dans belongs did, in fact, organise the largest loan to come from overseas.

The Hon. D. K. Dans: I said that in my speech.

The Hon. H. W. GAYFER: I know, but I am reminding the House of this. It was done with the full knowledge of the Labor Government of the day and on the advice of its departmental officers.

The Hon. D. W. Cooley interjected.

The Hon. H. W. GAYFER: It was for a semi-Government type of operation, the money for which possibly should have been supplied by the Government itself. The Western Australian Labor Government of the day authorised the particular company to borrow this huge amount of money with its blessing and with the full knowledge of all Ministers, because they knew the money was not obtainable in Australia.

The Hon. O. N. B. Oliver: Quite true!

The Hon. H. W. GAYFER: Money of that magnitude was not available here.

The Hon. R. Thompson: Can't you remember a speech you made on that occasion?

The Hon. H. W. GAYFER: I might add that when that money was obtained the Government of the day was pleased. It created jobs and work for the building industry which was then in a state of recession. The company was lauded for its achievement.

The Hon. D. K. Dans: If it was in a state of recession then, it is devastated now.

The Hon. H. W. GAYFER: It revitalised the industry.

The Hon. D. K. Dans: Build another one.

The Hon. H. W. GAYFER: Mr Tonkin, Mr Graham, and everyone else remarked on it, but this money was not obtainable in Australia. If that particular company does not or is not able to pay its interest bills or anything else, then the State is guarantor. This guarantee was undertaken by the Labor Government of the day.

The Hon. D. K. Dans: That was the point I was making.

The Hon. O. N. B. Oliver: You did not make that point.

The Hon. H. W. GAYFER: That particular loan was the biggest to come into Australia—not Western Australia, but Australia.

The Hon. D. K. Dans: We know that.

The Hon. H. W. GAYFER: The strings attached to it were such that it took a great deal of persuasion to get the Reserve Bank and the Federal Government to agree to its coming in. That is history, and Mr Dans has admitted this fact. I have complimented the Government—

The Hon. D. K. Dans: Who will underwrite the energy loans?

The Hon. H. W. GAYFER: I do not see much difference in what was done for that particular organisation and what the Government is trying to do for the organisation under discussion.

The Hon. D. K. Dans: You are a competent business group. You did not look like going broke.

The Hon. H. W. GAYFER: As I interjected when Mr Dans was speaking, it is much better to get this project off the ground today than wait until tomorrow. It would have been better to do it yesterday. It must get under way soon or the costs will be disproportionately higher than on other commitments.

The Hon. D. W. Cooley: Your Government wasted $40 million by oil-firing the Kwinana power station.

The Hon. H. W. GAYFER: The honourable member is digressing from the subject which concerns the borrowing of money overseas. I am not worried about whether it is oil-fired, coal-fired, or dung-fired.

The Hon. D. K. Dans: That is unparliamentary.

Several members interjected.

The PRESIDENT: Order!

The Hon. H. W. GAYFER: In some parts of the country energy is generated in that way. What the fear is about overseas capital, I do not know. I can never quite understand it. I know hazards are involved, but while those hazards may be expected, on the good advice of those who have gone before they can be averted to a degree. Certainly one does not borrow from anyone who might be sticking his head around the side of a lamp post, which is the popular thing some people tend to do, especially if they have breakfast or something with the other party.

The Hon. D. W. Cooley: You will borrow from anyone if there is a profit to be made.

The Hon. H. W. GAYFER: I have seen a great many, but I doubt whether Mr Cooley has had anything to do with overseas borrowing at any time. The Government has precedents on which it can work and can foresee the pitfalls which could be expected when borrowing overseas. There is nothing from which we should run away. We have the Rural and Industries Bank here which is now accepted world wide as a bank, purely and simply because of the arrangements into which it entered in a particular overseas loan.

I do not quite understand why it is that on the one hand a Labor Government really broke ice by bringing into Western Australia a huge sum of money to get the whole building industry moving, and on the other hand the Labor Opposition now opposes the same action to get something else off the ground.

I see Mr Medcalf is looking at me. He is a better lawyer than I am, so perhaps he thinks I am on the wrong track.

The Hon. I. G. Medcalf: I cannot understand either, because I was thinking that it was a Labor Government which established the Rural and Industries Bank which you used in that exercise.

The Hon. H. W. GAYFER: That is right. That exercise helped to put the Rural and Industries Bank on the map. I do not know what the worries are.

The Hon. D. W. Cooley: Did it not guarantee the loan only?

The Hon. H. W. GAYFER: No. The State Government guaranteed the loan and made arrangements through the Treasury in regard to certain directions offered to the State if it wanted overseas money. There is nothing secret about that, because any Government knows there are avenues open at times if it is interested in borrowing. The companies involved are very reliable

lenders. They do not rush around handing dollars out from a bogus address in Paris. There is nothing like that. These people, banks, and Governments deal with reputable people, I hope, and, if possible, consortiums.

Having listened to the debate, I realise that there is nothing about which we should worry. The only concern arises when State Governments give a guarantee on enterprises which will not get off the ground. However, things like electricity and water are no longer luxuries, but are basic necessities, and these are the things for which a Government should borrow in order to get the projects off the ground and make the services available to the people. In doing this today instead of tomorrow the people will obtain the service a great deal cheaper than they would if they had to wait until finally, in dribs and drabs, and possibly at the same rate in Australia over a number of years, the service was provided. The money would not be available in Australia in one year.

THE HON. V. J. FERRY (South-West) [8.27 p.m.]: Speakers in opposition to the Bill seem to be doing a soft-shoe shuffle. They are opposing the Bill for the wrong reasons and, in fact, in their opposition they are supporting it. I am sure that when they read their speeches they will realise that they were going round in circles.

The Hon. D. K. Dans: That is doubtful, not after I have corrected it, anyway.

The Hon. V. J. FERRY: In the course of the debate so far, it has been mentioned that the charges for electricity and power in this State are higher than those in some of the Eastern States, if not in all of them. Those of us who have studied this matter realise that jolly good reasons exist for this. We are not happy with the situation, but it is a fact of life that Western Australia is dependent on oil and coal and, to a lesser extent, on natural gas; whereas the Eastern States have far more coal available at the right price and at the right places and, therefore, can supply the power cheaper to a bigger market. There are reasons for the charges in Western Australia, unfortunately, being higher than those in the Eastern States.

The Hon. D. K. Dans: You were a long time getting off the ground with extensions to Muja, when you referred to the coal site.

The Hon. V. J. FERRY: Be that as it may. We are very happy to have the Collie coalfields. Thank goodness they are there. However, the coal deposits will not last forever if we keep using them.

The Hon. D. W. Cooley: There is enough for 100 years.

The Hon. V. J. FERRY: There is enough for some time, but not forever. Future generations will not thank us for using all the fossil fuel and not providing other alternatives for the future. If we act in this way, we do not deserve to be in this place.

Electric energy is the lifeblood of the community. Without it we could not function as we do today. In fact we could not even maintain our existing standard without our present power supplies. We certainly cannot improve our lot or that of future generations if we do not provide sufficient power.

That is what the charter of the SEC is all about. It is to provide energy—electric energy in the main—for the people of the State. I am very proud of the record of the SEC in this regard. I suggest that it has contributed as much as, if not more than, any other instrumentality to the development of this State.

As one who represents a country area, I am very conscious of the network of power lines which now provide electricity for the population in so many remote areas. This has been the prime factor in promoting decentralisation—a hackneyed expression. Without electric power we would not have industry, farms, dairies, and orchards serviced. It is not possible for other service industries to operate, and without power we do not have adequate communications. It is to the credit of the State Energy Commission that that is the case today.

The Hon. D. W. Cooley: Would you like to see control by private enterprise?

The Hon. V. J. FERRY: I wish to continue with the theme I was developing relating to the value to the people of Western Australia, particularly the country people, of the service given by the SEC.

Not many months ago I made a Press statement in the *South Western Times* in which I pointed out that since the introduction of the contributory scheme in country areas the SEC had connected 15 139 rural consumers, representing 85 per cent of potential rural customers in Western Australia, and that during the last 17 years electricity had been made available to about 75 per cent of the South-West Land Division from the SEC's interconnected system. Since those figures were published electricity supplies have been made available to other customers.

It is interesting to note that the SEC's contributory extension scheme creates work for some 400 men with an average salary and wages bill

of $1.6 million. This is the kind of work we want to see continued in Western Australia by providing the SEC with the funds to finance its operations; and that is what this Bill is all about.

The SEC is probably one of the main factors in decentralisation, in which everyone seems to be interested. We hear people advancing policies for limiting the population in the metropolitan area and encouraging people to live outside the metropolitan region; but that cannot be done without power. This Bill is therefore very important.

A great deal of research is being carried out into fuels for energy production. Western Australia has limitations in regard to supplies of coal, oil, and gas. Hopefully the North-West Shelf will produce a new source of fuel for Western Australia, and it will be one of the biggest projects, if not the biggest, ever undertaken in Australia. I am reasonably confident it will proceed.

The position in regard to liquid fuels in Australia is critical. Our own crude oil will meet only 30 per cent of requirements in 1985, and it has been estimated that by the year 2000 our resources will meet only 5 per cent of requirements. By that time we will have problems in regard to the cost of fuel. In the 1990s the cost of fuel for transportation will be prohibitive. This is also a factor in the supply of power. We have a growing energy demand; therefore our own oil resources will diminish.

Research is being conducted into solar, tidal, wave, wind, and other sources of energy, and the SEC is extremely active in these areas. Whether nuclear power will in fact be established in Western Australia is more than I can say at this time, but I believe it may well be proved that in the long term nuclear power is the best proposition and is absolutely necessary for progress in this State. I make no apology for that statement.

I deplore the scare tactics which have been adopted by some people. They may well consider their opinions are justified, as I consider mine are, but I deplore the scare tactics in relation to the production of nuclear power. If we are to maintain and improve our standards of living in all respects, both industrial and personal, we will need more and more energy in the years ahead. Therefore the SEC must have the machinery, under legislation, to provide for those requirements.

I am not suggesting that nuclear power or any other type of power be produced willy-nilly and at great risk. I think any sensible person would understand that. During my lifetime I have taken a number of calculated risks, as I am sure we all have in various ways. It is the same with the production of energy, whether it be from oil, coal, or nuclear power. They are calculated risks which are in fact very minimal. We can have confidence in the expertise of the body charged with that responsibility, and in Western Australia it is the State Energy Commission.

The Bill makes provision to allow the SEC to do a number of things, one of which is to enter into contracts with various people from time to time. One of the interesting clauses in the Bill —and it is not uncommon in legislation that comes before this House—gives the SEC power to give proper consideration and preference to Western Australian suppliers, manufacturers, and contractors when letting contracts or placing orders for works, materials, plant, equipment, and supplies, having regard for the quality, delivery, and service obtainable. That is a commendable feature of the legislation. Guidelines are written into the legislation in relation to preference to Western Australian manufacturers and materials where possible.

In relation to the borrowing of moneys for works, the Bill stipulates that any moneys borrowed or financial accommodation entered into by the SEC must be approved by the Treasurer in writing. In other words, the Treasurer of this State, who is a very responsible person in a very responsible office, must give approval for the borrowing of money and must be satisfied that it will be used under a correct and proper charter.

Moneys borrowed from either within Australia or, in the future, overseas will be backed up by a guarantee by the State Treasurer, and it is specifically stated that no guarantee to support borrowings shall be given unless certain things happen. The Treasurer in giving a guarantee must be satisfied that the terms and conditions of the loan are reasonable. The SEC must give the Treasurer such security as may be required for that purpose, and the security must be given in a form that is acceptable. All the documents relating to that obligation must be approved by the Treasurer.

In respect of raising loans, the SEC must obtain the approval of the Minister for the time being to the proposed guarantee, and as an additional safeguard the proposed guarantee from the Government has to be approved by the Governor. So safeguards are built into the legislation. Those who have spoken in opposition to the measure seem to have treated these provisions very flippantly by suggesting the SEC could pick up some stray money lying around overseas and use it to finance its works. That is complete nonsense.

The Hon. H. W. Gayfer: The Reserve Bank would have something to say about that.

The Hon. V. J. FERRY: Naturally, the Reserve Bank, as the national bank of Australia, has a very big say. There are very stringent guidelines for borrowing funds from overseas, and I am amazed that the Opposition speakers seem to want to stultify the development of Western Australia by denying to the SEC the power to borrow money.

The community has two essential requirements, the first being the provision of water supplies and the second the provision of energy. It seems to me the Opposition does not want Western Australia to progress. Future borrowings might be more expensive, and it is necessary that the SEC has the power to borrow when and where it can from time to time. The best way to slow down a nation and make the people miserable is to lower their standard of living. There would be a tremendous outcry from the populace if we did not have sufficient electric power to meet the needs of industry and hospitals, as well as domestic requirements.

I remember power failures in days gone by when difficulties were experienced in servicing sections of the community with electric power. Lack of electricity is very inconvenient and there is nothing which makes the community more miserable and inoperative. One wonders whether the opposition to this Bill is designed to bring everyone down to the same miserable level, with insufficient power for refrigeration and heating purposes.

The Hon. R. Hetherington: That is a pretty poor kind of argument. I do not think you believe it.

The Hon. V. J. FERRY: I have pleasure in supporting the Bill for the reasons I have mentioned. It is a tool for the SEC to use for the benefit of the people of Western Australia, and I am at a loss to understand the opposition which has been expressed tonight.

THE HON. N. E. BAXTER (Central) [8.43 p.m.]: As I read the Bill, it makes provision for the SEC to enter into contracts. It deals with the SEC's financial powers. It refers to fees and charges to be imposed by the SEC, and to deposits and guarantees to secure accounts.

I welcome the opposition to the Bill by members of the Opposition because I believe the Bill is important enough to stimulate considerable debate, and I am rather staggered that a Bill which means so much to Western Australia is of such interest to the Press that there is not one Press representative in the Gallery. The Bill is very important for the future and for posterity and has very far-reaching effects, particularly from the point of view of country people.

Perhaps the opposition to the Bill relates mainly to the fact that in the city electricity is automatically made available to every householder, whereas country people have to enter into contributory schemes for electricity extensions in many places.

The Hon. R. Thompson: Many people in the metropolitan area have to do that, too.

The Hon. N. E. BAXTER: To a lesser degree than in the country, and to a much smaller figure than is the case in the country.

The Hon. D. W. Cooley interjected.

The Hon. N. E. BAXTER: I am talking about the commitment of the individual. I doubt that the commitment of the individual in the metropolitan area is anywhere near the commitment of country people who have to enter the State Energy Commission contributory extension scheme. As I said, it is very important that this should be so.

Mr Ferry has dealt very effectively with the Bill and most of the provisions therein. However, I would take issue with him in respect of one part of the Bill. I refer to his reference to proposed section 22 (6) on page 4 of the Bill. Mr Ferry said similar provisions exist in other legislation. I do not know whether my memory is failing, but I cannot recall seeing this provision in any other legislation. I know the principle has been applied within Government departments and that Ministers, particularly since the first term of the present Government in 1974, have applied the principle of giving proper consideration and, where possible, preference to Western Australian suppliers, manufacturers, and contractors when letting contracts or placing orders for works, materials, plant, equipment and supplies, having regard to the quality, delivery and service obtainable.

I do not disagree with that principle, but if we stipulate it in legislation we will make Western Australia look very parochial indeed. We are saying on one hand that we want to go overseas to borrow money, and then on the other hand we are saying wherever possible we will not spend that money without giving absolute preference to Western Australian suppliers. I am not aware that such a provision exists in the Public Works Act.

The Hon. V. J. Ferry: It is subject to the quality, delivery, and service obtainable.

The Hon. N. E. BAXTER: I am aware of that, but I cannot see any necessity to include it in legislation. I think it will make us a laughing

stock if we retain it in this Bill. Therefore, if I am here during the Committee stages it is my intention to move for the deletion of the proposed subsection. As I have explained, there is good reason for the application of the principle and there is no reason that the State Energy Commission cannot be told the principle should be followed wherever possible. The present Ministers and those members in this House who have been Ministers know it has been the policy of the Government to give preference to Western Australian manufacturers, suppliers, and contractors wherever possible.

The Hon. H. W. Gayfer: What is the preference worth; is it 10 per cent on a contract?

The Hon. N. E. BAXTER: About 10 per cent on contracts; that percentage is normally used. I do not know from where Mr Ferry got the idea that this principle is applied in other legislation. I cannot recall a similar provision being included in any other measure.

With regard to the borrowing provisions, in my opinion they are absolutely secure so far as the State is concerned because they are subject to Treasury approval. Whilst the borrowing powers are subject to the approval of the Treasury, the Treasurer may keep control of the amounts borrowed and retain them within reasonable bounds. Therefore, the commission has not a wide open field in which to borrow.

Most of the other aspects of the Bill have been covered by other speakers. I support the measure with the exception of the proposed subsection to which I have referred.

THE HON. R. THOMPSON (South Metropolitan) [8.49 p.m.]: I cannot see anything wrong with the Bill as it is printed so far as the borrowing powers are concerned. The only thing that I can see wrong with the Bill is that the States are unlikely to receive the approval of the Federal Government to borrow money overseas and, therefore, the measure might be pie in the sky. We have read in the Press the argument that has occurred between the Prime Minister and the Federal Treasurer about whether or not the States will be permitted to borrow money. Irrespective of their political colour, the Governments of the several States of Australia all want to borrow money overseas.

The Hon. O. N. B. Oliver: That is quite true.

The Hon. R. THOMPSON: I am most interested in seeing our unemployment reduced, because by relieving unemployment we would be relieving the State and the Commonwealth of the necessity to pay a great deal of unemployment benefits, which are borne by the taxpayer.

This morning I received in my office copies of two Press releases of the Federal Treasurer and I was amazed at the amounts of loans that have been made in Germany at 8.25 per cent over a 15-year period, and in Holland at 6 per cent over a 10-year period.

The Hon. H. W. Gayfer: At FIBOR or LIBOR rates?

The Hon. R. THOMPSON: I am not conversant with the technical terms applicable to such borrowings. When we consider that the loans that the State Energy Commission has raised at interest rates of 9 and 10 per cent in Western Australia have been oversubscribed, then if we can obtain overseas money at comparable interest rates I can see no reason that we should not do so. In that situation the money that is normally raised by the SEC could go into fractionally higher interest rate loans to building societies, etc., to stimulate our building industry. That is the type of thing we must take into consideration.

I trust the Federal Government will make available to the States borrowing powers for such purposes. I am concerned for people, and especially people who are out of work. Nothing is too costly in terms of humanity when we are considering such people. Posterity must pay for the loans we raise; we leave something for posterity all the time. We have to supply the service, and we must ensure that the people of Western Australia are able to live decently with employment and with dignity. To oppose for the sake of opposing is not in my book, and I trust the Bill will be passed. I am sure it will.

I would take issue with Mr Baxter over proposed subsection 22(6) on page 4 of the Bill which requires the commission to give proper consideration and, where possible, preference to Western Australian suppliers, manufacturers, and contractors when letting contracts or placing orders for works, materials, plant, equipment and supplies, having regard to the quality, delivery, and service obtainable. On one hand we are saying we want to borrow money overseas; and I think overseas lending companies are interested in lending money to Government instrumentalities in a stable climate from which they are sure of getting their money back.

As a result of our experience in the development of the iron ore industry and with power transmission projects in Western Australia we now have resident companies in the the State which are able to undertake the work we require. EPT and Transfield are two such companies. They were foreign companies which have set up here and would now be classified as local companies,

The Hon. D. K. Dans: Transfield is an Australian company.

The Hon. R. THOMPSON: Initially it was not an Australian company.

The Hon. D. K. Dans: It was set up by an Italian businessman in Sydney.

The Hon. R. THOMPSON: It was an Italian company initially, as was EPT. They both came here in the late 1950s and initially they both had Italian managers.

The Hon. D. K. Dans: They have an Italian owner who lives in Sydney; he owns both companies.

The Hon. R. THOMPSON: The companies have now been here for a long time and could be regarded as resident Australian companies. Would any Government let contracts to companies other than the ones I have mentioned, which are capable and have a proven work record in Western Australia in respect of fulfilling contracts, and are competitive with other companies throughout the world? If we deleted this provision we would find ourselves in the position we are in in respect of many of the contracts let for the Mitchell Freeway. In that situation we find Western Australian companies entering into contracts with overseas companies and getting a rake-off of 10 per cent for serving no useful purpose. That is the case with many Western Australian companies.

The Hon. H. W. Gayfer: The parent company of Transfield, Sabemo, and EPT—which were one company—was brought here to build the Midland Junction granary. Had it not been for that, the companies would not be here.

The Hon. R. THOMPSON: That is right.

The Hon. H. W. Gayfer: We have sometimes let contracts to Eastern States companies to bring them to Western Australia.

The Hon. R. THOMPSON: Now those companies are residents of Western Australia, and that is what the Bill requires. It is not necessary for the Bill to spell out the principle in any more detail than it does at the moment. I want to see Australian companies employing residents of Australia getting the contracts wherever possible. I am sure every member of this Chamber wants to see that. I do not think it is necessary to argue and split straws about the matter. I think the provision in the Bill does not really mean much.

The Hon. N. E. Baxter: That is what I was saying.

The Hon. H. W. Gayfer: I agree that it does not mean anything.

The Hon. R. THOMPSON: It does not matter whether or not it is left in the Bill.

The Hon. D. K. Dans: Let's all agree on that.

The Hon. R. THOMPSON: I can recall that only a few years ago many questions were asked in this House because there was a down-turn in the building industry and when the State Housing Commission wanted to renovate and update its houses in Collie the contracts were given to a contractor from Brunswick Junction. A great hullabaloo ensued in the House about the contract not being let to local contractors. This is where I think Mr Baxter is splitting straws, because in the situation to which I am referring Collie workers were employed to renovate the houses. Therefore, to remove the provision from the Bill would not mean a thing. Competitive prices will determine which contractor gets the work.

The Hon. N. E. Baxter: I agree with that.

The Hon. R. THOMPSON: I support the Bill. I trust that the loans will be available to the State; or, better still, that they will be raised by the Commonwealth and made available to the State at a favourable rate of interest because I want to see the people I represent back in the work force.

THE HON. F. E. McKENZIE (East Metropolitan) [8.59 p.m.]: I rise to oppose the Bill, and really I want to speak on only one section of it which relates to the account establishment fee. I notice that the Minister in his speech said that the account establishment fee was introduced last year in line with this Bill. The policy relates to the charge which the honourable member said was becoming almost universal in the service utilities of the world.

In relation to the account establishment fee, it replaced the previous deposit fee which was refundable. I think the Hon. D. W. Cooley made reference to that. At the time of its replacement last year, the deposit fee was $10. It had risen progressively from $2 to $10. The important thing is that the consumer was refunded the $10 deposit fee, whereas the account establishment fee is non-refundable.

A little later on the Minister said in his second reading speech that the fee included the additional administrative costs of preparing and processing information to update the customer files, and the cost of various field operations such as additional meter readings and reconnecting the supply. It is not reasonable that these costs be subsidised by other customers. I cannot follow the logic in that

particular passage, because if one looks at the 18th August issue of *The Western Teacher*, one finds it reads—

> Approaches have been made to the Director-General, the Minister for Education and the Premier regarding the application of an account establishment fee by the State Energy Commission for teachers who occupy GEHA housing.
>
> The imposition of the new non-refundable fee of $15 replaces the previous refundable charge of $10.

I think this is important when one considers what the Minister said in his second reading speech, that it is not reasonable that these costs be subsidised by other customers. I think this reply will be of particular interest to those members who represent country electorates. I support what the commission said, but I really comment on the inconsistency of that particular statement. The commission said this in its reply—

> The Commission, or more correctly the metropolitan customer, is already subsidising country customers to the extent of $10 000 000 per annum through the application of State Wide uniform tariffs and it is quite unrealistic to suggest that the State Energy Commission can further subsidise one section of the community no matter how deserving their cause or function.
>
> It is regretted therefore that the state Government is unable to accede to your request.

That was the reply to the teachers in respect of their submission in relation to the $15 non-refundable establishment fee charge.

The Hon. R. G. Pike: $15—what was it?

The Hon. F. E. McKENZIE: The $15 non-refundable account establishment fee charge. The first I knew that this amount would be charged was when a constituent came to me complaining about the fact that it would cost her $15 to change the name of her account from that of her mother, who had passed away, to herself. There was nothing involved in that. It was simply a change in name. She had been living in the residence with her mother, and the mother passed on. This lady, who was an invalid pensioner, had been to the commission and had endeavoured to have the account changed into her name. The commission told her it would cost her $15 to do that. There was nothing involved in that particular exercise. There were no meter readings. It was simply a change in name.

I took the matter up with the parliamentary liaison officer in the SEC, and my advice to the lady was to leave the account in her mother's name. This lady had told me it would be a burden on her; she simply could not pay the $15. One was put into a situation where one was encouraging that particular lady to be dishonest, by still continuing to receive the account in her mother's name. Incidentally, that had been going on for quite some time. I see no justification whatever for the charge in a case similar to the one I have just quoted where all that was necessary was a change of the name on the computer. How the SEC can justify $15 for that type of exercise, I do not know.

I do not recollect that the SEC came before the Parliament with any justification when it struck the fee. It was put upon us. One day there was the $10 refundable deposit, and the next day the people were faced with a $15 account establishment fee charge, which was a new charge completely, with no refund applicable to it. As far as I am aware, there was no authorisation as such by this Parliament. No doubt the SEC can introduce these kinds of charges in accordance with the Act. The Act gives the SEC the power to determine these fixed charges from time to time as the commission so determines.

I am wondering if this is going to lead to other things. Perhaps the next thing we will face is an account establishment fee to be imposed on the consumers of water. The same thing would apply. We would then have to pay $15, and we would never see it again.

The unfair aspect of this account establishment fee occurs in Government departments where it is necessary for people to be transferred from one town to another because of their employment. This happens regularly in departments such as the railways and with teachers. These people are forced, because of the work they are engaged in and the promotional opportunities they seek, to transfer from one town to another. They have not the privilege of being stable in one area all the time. This is a harsh measure so far as those people are concerned. If some other method of raising these charges was introduced, there may be some justification for them.

As I pointed out, this is an average fee that has been introduced to cover the whole State. I have never seen it justified in respect of the actual costs that are involved. We have merely been told that the commission has determined this as an average cost, and there is no doubt that the commission's charging practices are justified.

I do not think the charges are justified. There is one area of this Bill with which I have had some practical experience. I feel very strongly

about it. I have disagreed with the SEC parliamentary liaison officer, who claims justification exists for these charges. When one considers that metropolitan customers are already subsidising their country cousins to the extent of $10 million per annum, I see no justification for the $15 charge. I do not say the subsidisation is a bad thing; I think it is a good thing; I make that perfectly clear, because I think it is necessary to assist the people in the country. However, when it comes to the commission raising extra revenue —and that is how I see it—the Minister says it is justified. I do not believe it is any more justified than saying, "We will subsidise the people in the country by the people in the metropolitan area to the extent of $10 million." I cannot see any parallel at all. If this is a good measure for one, then it ought to be applied to all.

There ought not to be any account establishment fee, just the same as it is necessary in this instance for metropolitan customers to subsidise the people in the country.

THE HON. R. HETHERINGTON (East Metropolitan) [9.11p.m.]: It had not been my intention to speak on this Bill; but after listening to Mr Ferry, who said many things with which I heartily agree, and to the Hon. Neil Oliver, I decided to make some contribution to the debate.

It seems to me an odd argument that because electricity is a good thing, and we need the State Electricity Commission, this Bill is a good thing, or that we need nuclear power. I agreed with almost everything that Mr Ferry said. It seemed to me that he was speaking about the virtues of the SEC and of the need for electricity in a modern community, with which we agree. But, this did not necessarily have a lot to do with the Bill.

I would like to point out to this House that we in the Labor Party—and I hope I can use "we"—do in fact wish to extend the benefits of electrical power to people in the country. We are an egalitarian party, and we want everybody to be brought up to the same standard of living. That is our policy and our intention.

Mr Oliver seemed to be arguing a false syllogism, that if one does not mind national Governments borrowing overseas, and if one wants public instrumentalities expanded, then it follows that one does not mind public instrumentalities borrowing overseas. That does not follow at all. It is a different argument entirely. I am concerned with the developments that are going on with regard to our attitude to borrowing. This Bill deals with some of my worries, and that is why I want to discuss it.

The Hon. O. N. B. Oliver: Would you expand the worries?

The Hon. R. HETHERINGTON: I am about to do so.

The Hon. O. N. B. Oliver: And the effects of those worries.

The Hon. R. HETHERINGTON: One of the things that happened after federation was that the States had the power to borrow. They borrowed on the overseas market. They have competed with one another. They have found it is very difficult, and often they have competed one against the other—particularly the smaller States against the larger States.

The Hon. O. N. B. Oliver: That is not the subject of this Bill. They have got to be in competition with one another.

The Hon. R. HETHERINGTON: I would be pleased if I am allowed to make my own speech in my own way.

The Hon. O. N. B. Oliver: But you are misconstruing the truth. They have to be in competition.

The Hon. R. HETHERINGTON: If the honourable member would wait until I finish, he may see the connection. It is no wonder he is confused, because he interrupts everybody.

The Hon. O. N. B. Oliver: You are misleading us.

The Hon. R. HETHERINGTON: The honourable member would not know that, because he has not heard me.

The Hon. O. N. B. Oliver: You are saying they will compete with one another.

The Hon. R. HETHERINGTON: What I was saying was that they did compete with one another. I was talking historically. I will make the connections later.

They did compete with one another. This is one of the matters that the Bruce-Page Nationalist-Country Party Government can take credit for. In 1927 it established the Loan Council, and validated it in 1928 at one of the few successful referendums held in this country. That established that overseas borrowing was placed in the hands of the Loan Council, and that is still the position.

With the advent of new federalism, there is a tendency to push matters back to the States and there has been a move whereby States and State instrumentalities should be allowed to borrow. I do not know where this will lead and how it will work. The Treasury in this State must decide first whether, for instance, the SEC can borrow:

then the Loan Council has to decide whether the Treasury's permission is to be carried on. In other words, we do not know how it will work.

We may find in fact that the States are competing with one another and the Loan Council may not like this. We may find if we devolve borrowing power too much we will have a proliferation which will cause endless confusion. We may find then that the SEC cannot use its powers, and after deciding to use them in a certain way, it may be knocked back and find itself in confusion.

I am inclined to think—and I use that form of wording very carefully; I am not too positive about it; it is just something which concerns me—

The Hon. O. N. B. Oliver: You never are.

The Hon. G. E. Masters: He is pretty positive about one or two things.

The Hon. R. HETHERINGTON: Yes; there are some matters on which I am positive. However, there are areas where we have to tread carefully and certainly in matters of finance I do not make very positive remarks about balancing budgets for countries, as do some people, because I have in fact got passed Adam Smith, not that I think Adam Smith would necessarily have said that, because he is brighter than a number of people think.

However, we are moving into a new situation where borrowing powers are proliferating and where perhaps State instrumentalities will be competing with each other and States will be competing with each other. It is a situation which may not work out to be in the best interests of the country. It would seem to me to be better that the State should have the power to borrow, rather than the power being guaranteed to the SEC. Loan funds could then be allocated amongst the various State instrumentalities. The SEC is not the only State instrumentality which will be in need of funds. As my colleague, the Hon. F. E. McKenzie, has pointed out—and I am surprised he did not do so tonight—there will be times when the railways will need funds also to rebuild after they have been whittled away by this Government.

In other words, there are a whole range of problems we have to look at. When Mr Dans said he was looking for guarantees from the Government he meant just that. It is not as cut and dried as some members opposite seem to think. Of course, we in the Labor Party—and I say "we" very deliberately, because I know our policies and Mr Cooley said "we" also because he was speaking on our behalf—do not want to disadvantage farmers; we do not want to disadvantage the under-privileged; we do not want to disadvantage the unemployed; we do not want to disadvantage people on low incomes; and we do not particularly want to advantage those on high incomes.

The Hon. O. N. B. Oliver: When you are referring to "we" you are referring to the Labor Party, is that correct? You are not referring to Mr Cooley, involving him with you. You are referring to "we" as being "we all together".

The Hon. R. HETHERINGTON: As a matter of fact we are the Labor Party and we usually are all together, not necessarily within the party room, but certainly outside it, and we are right usually. Therefore, we speak with some confidence except when we speak carefully as we do in this particular case, because there are problems, as I suggested to the Hon. Neil Oliver.

The Hon. O. N. B. Oliver: There are problems in the Labor Party that you do not agree.

The Hon. R. HETHERINGTON: There are problems such as the spread of the power to raise loans through State instrumentalities throughout this nation. I am not very happy about this Bill and I will listen with very great interest to the Attorney General's comments about it. I will certainly listen to him, because I hope he can give me reassurances.

One of the reasons, of course, we are perturbed is the very reason Mr Ferry suggested that perhaps we might not be perturbed, which is that the Treasurer is a responsible person. However, it is not very long ago that the Treasurer of this State was talking about private enterprise taking over our power stations and the people leasing electricity from private enterprise. This does not seem to be the statement of a responsible person. As a result, I want guarantees from the Government and from the Treasury to make sure we can trust them and to make sure this great public service will in fact remain a public service. That is all I want to say on that side of the matter.

The Hon. G. E. Masters: It will always be a service to the public.

The Hon. D. K. Dans: To all of the public.

The Hon. R. HETHERINGTON: Of course, it will be a service to the public. If it is not a service to the public it is not justifying itself.

I remember in 1947 in South Australia the Hon. Sir Thomas Playford nationalised the Adelaide Electric Supply Company in order to give a better service to the public and to carry electricity into rural areas. He did this very successfully. Let me pay him a tribute. I will pay him few tributes

while I am on my feet; but let me pay him a tribute in this particular case. He was far-sighted and wise. He nationalised Adelaide Electric Supply Company and turned it into the South Australian Electricity Trust in order to give a service to the public. That is the purpose of the SEC in this State. We want to make sure it does this and that it remains firmly in the control of the State Government so that it will continue to do this. The Government is here, or it should be, in a liberal society—I am using small "l" liberal, as members will understand, and I do not mean capital "L" Liberal Party—to make sure people are able to develop and are able to obtain services to enable them to do this.

The Hon. O. N. B. Oliver: Could you explain to me why it was nationalised in South Australia?

The Hon. R. HETHERINGTON: It was nationalised in South Australia, because the Adelaide Electric Supply Company could not supply services profitably outside the metropolitan area. Therefore, it was taken over, not so that it could balance its books, but so that Leigh Creek coal could be developed and fed into the South Australian Electricity Trust in order that electricity could be pushed out into the rural areas to help the farmers. It was carried out very successfully. That is the reason it was nationalised and it was done for very proper reasons. I think Sir Thomas Playford can be quite proud of his activity there.

I might add for the information of the Hon. Neil Oliver that the only way Sir Thomas Playford succeeded in getting the legislation through the Legislative Council was that the four Labor members of the Council voted with him against the conservatives in his own party in order to make sure this service was extended to the rural areas of South Australia in accordance with Labor Party policy.

The Hon. O. N. B. Oliver: I suppose it was done without additional costs, and it is quite an economical service now no doubt.

The Hon. R. HETHERINGTON: That is all I want to say about that side of the matter. I am looking for guarantees.

On the other side of the situation, I am a little perturbed by clause 35 of the Bill which, in my opinion, is dangerously close to what I once described in this House previously as being "prospective retrospective legislation". It amused the Leader of the House when I used that phrase; but I am not sure whether in fact it can be applied in this case. The legislation gives the power to the commission to take certain actions which the commission is not sure it had the power to take previously. It contains the power also that, when the SEC makes new regulations, they will be validated by the next Bill which is to come down. This is a very dubious type of retrospectivity.

I am particularly perturbed by this matter, because of the establishment fee which is imposed. The Attorney General assured me something like this would not occur when we were discussing another Bill in this House. I am glad to say it did not happen on that occasion. He assured me we would not have creeping taxation. We sometimes have this odd situation which, in fact, has become too familiar in this State. I am referring to the situation where a deposit is paid when one moves into a new house, I presume to ensure that cushioning is provided if people decamp.

The Hon. I. G. Medcalf: Section 35—are you referring to clause 6 or 7?

The Hon. R. HETHERINGTON: I am referring in fact to clause 6 at the bottom of page 8.

The Hon. H. W. Gayfer: Fancy a professor making a mistake.

The Hon. R. HETHERINGTON: It is very often that we do.

The Hon. A. A. Lewis: It is very seldom they admit them.

The Hon. R. HETHERINGTON: When I was practising my profession I did admit them, unlike a doctor who can bury them.

The Hon. O. N. B. Oliver: You have changed since then.

The Hon. R. HETHERINGTON: I had not noticed I had changed, but I will leave it to honourable members to decide. We get the situation where a deposit is turned into a fee. What will happen now? It has become now a way of raising revenue, because of the cost of electricity. Will we now find, having paid the fee, we need the deposit, and then when we have put on a new deposit, we turn it into a fee? Unfortunately this is the kind of situation that tends to occur every now and then.

In fact I remember some time ago when Ben Chifley introduced social services to this country. He had a special social service fee in our taxation and a special social service part of revenue for paying for social services and particularly for paying for his health scheme which he did not manage to get through because of the activities of that great trade union, the AMA. When the Menzies Government came into power, the then

Treasurer (Mr Fadden) put it all into the Consolidated Revenue Fund, and swallowed it up. It is an old story.

This situation is not as blatant as the one I have just mentioned, but it is a case of creeping taxation. It is a case of easing up gradually the Government's revenue raising and, as with all fixed charges, it hurts most the people who can least afford to pay. When I moved into my electorate in two bites, I had to pay fees; but it did not hurt me all that much. My salary was such that $10 or $15 did not make all that much difference. However, if I were on the average income, it would make a considerable difference. These deposits which then become fixed charges hurt most the people who can least afford to pay. For that reason I object to them.

As a matter of fact I think perhaps we should consider finding some other way of doing this. If we must have fixed charges, perhaps we should do what we used to do with water before the Government, in its wisdom, brought in the new system which will once again hit the poor people with large families the hardest.

I am perturbed by this clause and strongly oppose it. I am worried by the clause in relation to borrowing and I am looking for reassurances from the Minister in charge of the Bill.

THE HON. I. G. PRATT (Lower West) [9.28 p.m.]: We have spent a reasonable amount of time today debating this Bill which I support. One matter which has come out in most of the arguments put forward by members opposite as being against the Bill is the fact that statements were made a couple of years ago in relation to the capital cost of producing electricity. At that time, a suggestion was put forward that perhaps we may have to look at getting private enterprise to build generating facilities and that we should then buy back electricity.

The Opposition has said this is the reason it will not support this Bill; because it does not trust the Government. The Opposition claims the Government, once it borrows money overseas, will sell—or is liable to sell—the SEC to private enterprise. By raising that as an objection, the Opposition has demolished its own argument because if members opposite look back to the time when that suggestion was made, the reason was the difficulty which existed in the raising of financial capital necessary to expand the facilities of the SEC. It was, in fact, that this "may be" one of the things which would have to be done unless access could be gained to the sort of capital needed.

The provisions of the Bill now before us will provide the facility to obtain access to the required capital. I wonder whether members of the Opposition have thought about that. I repeat, just in case members opposite have not understood what I have said: The possibility of getting private enterprise to provide facilities for the generation of electricity, and then to buy that electricity back from private enterprise, was put as an option which could be used if access could not be obtained to the capital required by the SEC.

By means of this Bill we will actually provide the facility to acquire the capital that is required. In actual fact, we are ruling out the alternative at this particular stage which members opposite claim is the reason for opposing the Bill. So, in fact, members opposite have no reason for their opposition.

The Hon. O. N. B. Oliver: That is correct.

The Hon. I. G. PRATT: The opposition from members opposite is based on a false premise.

The Hon. D. K. Dans: I do not agree.

The Hon. I. G. PRATT: I support this Bill because, as has been said by the Hon. Ron Thompson, we need to provide employment opportunities in this State. By providing capital through overseas loans to extend the services of the SEC, we will provide employment opportunities. I support the Bill and for the very reasons I have outlined I think the Opposition should do likewise.

Debate adjourned, on motion by the Hon G. E. Masters.

INDUSTRIAL LANDS DEVELOPMENT AUTHORITY ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by the Hon. I. G. Medcalf (Attorney General), read a first time.

Second Reading

THE HON. I. G. MEDCALF (Metropolitan—Attorney General) [9.34 p.m.]: I move—

That the Bill be now read a second time.

This Bill seeks to make certain amendments to section 8 of the Industrial Lands Development Authority Act relating to the functions of the development authority.

The proposals are intended to implement that part of the Government's policy platform in respect of improved incentives for industry through the acquisition or lease of land or buildings for industry at reasonable cost.

Members will appreciate that industrial land is already available for sale or lease on attractive conditions in a number of metropolitan and country locations through the Industrial Lands Development Authority.

The authority was set up initially to promote the development of industry by ensuring a good supply of well designed and serviced industrial land being available on the market at all times and at reasonable prices. The record shows that the operations of the authority have been a great success, firstly in accelerating the rate of growth of industry and, secondly, in being able to maintain its operations on a relatively commercial basis, substantially funding its own way through the use of private borrowings and its domestic funds.

The Government wishes to see this commercial approach continue and does not see the authority as the vehicle through which any more generous incentives might be offered to attract industry, such as help with land purchases or with the construction of factories.

This is more correctly the role of the Department of Industrial Development, which already administers a range of incentives available to country based industry which is expected to be expanded in the future, subject to finance becoming available.

Any assistance with land purchase or leasing involving development authority land would therefore be on the basis of the department funding the authority to the extent of that assistance.

Although such arrangements regarding land do not have a direct bearing on this Bill, the funding basis applies in respect of assistance with factory accommodation.

It is emphasised that the Government is satisfied that its entry into the field of promoting industry through assistance with factory accommodation will benefit the economy in the same way as the provision of industrial land has done and on this basis it is justified.

Ways have been examined in which factory construction could best be handled and the conclusion reached that subject to adequate controls being available to ensure the protection of the private sector, the Industrial Lands Development Authority is the best vehicle through which factory construction should be implemented.

The authority is already well experienced in all aspects of land acquisition, development and sale, leasing, management, and so on, and it is well versed in the needs of industry in respect of factory accommodation. Factory construction is an activity which is a natural extension of its present responsibilities.

The Industrial Lands Development Authority is a body corporate handling its own administration and affairs under the terms of its Act. Because of its area of interest however, and in order to avoid costly duplication of services etc., the staff of the authority are attached administratively to the Department of Industrial Development. They handle for the department those industrial land matters which fall outside the terms of the Industrial Lands Development Authority Act, such as Kwinana land.

The Act does not at present enable the authority to enter the field of factory construction, nor to act as an agent in this field. Hence the terms of this Bill.

So far as factory construction is concerned, this can be broken into two areas of interest. The first is the situation where there is a need identified for general factory accommodation and the need is not being serviced by the private sector, a situation more common to country centres. The need is usually for rental space in small factory units.

On the same principle as it ensures that an adequate supply of industrial land is on the market, the Industrial Lands Development Authority will be enabled by this Bill to construct such factories. However, before doing so the authority will have to ensure, to the Minister's satisfaction, that the private sector has been given the opportunity to service the need.

The preferred way to test the private sector's willingness to meet the demand is to call tenders for development of specific lots on appropriate conditions.

The second area of interest in factory construction is where the Government sees it desirable to attract a specific industry to establish, perhaps, a pioneer industry in the metropolitan area or in a regional centre, or to encourage an existing industry to expand.

The industry in this case would require accommodation specifically designed for its needs, and construction might be taken on either by the Industrial Lands Development Authority alone, or on a basis of funding by the Department of Industrial Development or any one of a variety of arrangements which could be negotiated with the industry.

It would again be desirable for the private sector to be given the first opportunity to meet the accommodation needs of the industry, and the provision to which I referred earlier will also apply to this area of interest.

The Bill deals firstly with the amendment of subsection 8(1) of the Act by inserting the words "or develop" so that the authority may, in its formal role as an agent, carry on the activity of factory development on land which it might not own and therefore which it could not sell or lease. In other words, the present limitations of the subsection will be expanded to meet the variety of circumstances which might apply in offering industry an incentive to develop or expand.

The Bill goes on to deal with the more substantive amendments to the Act. It repeals the original subsection (2) which provided only for the subdivision and servicing of land and substitutes a new subsection which in addition to providing for the subdivision and servicing of land, gives power to grant easements and other interests in or rights over land owned by the authority and also enables the authority to provide, construct, adapt, alter and maintain buildings or structures and works ancillary thereto in or on the authority's land.

Provision is also included which enables the authority to exercise its powers, firstly as an agent and, secondly, in respect of any land whether acquired by the authority or not. The wording of the agency provision is such that the authority can act, for instance, on behalf of a body corporate in circumstances such as the joint funding of a construction project by a private company and the authority or a private company and the Department of Industrial Development.

Members will note that the Bill ensures that the private sector has the first chance to perform in the provision of factory accommodation under the conditions previously mentioned. Although this provision is something of a constraint on the Government in quickly providing assistance with factory accommodation, especially in respect of offering the assistance to attract specific industries to establish or expand, the Government believes it proper to offer private enterprise the first opportunity. It is understood that other States are operating in this field without such a constraint.

It is considered the proposals contained in this Bill will lead to the sensible implementation of a significant part of the Government's industrial development incentives programme, and I commend the Bill to the House.

Debate adjourned, on motion by the Hon. R. Hetherington.

House adjourned at 9.41 p.m.

QUESTIONS ON NOTICE

GOVERNMENT DEPARTMENTS AND INSTRUMENTALITIES

State Shipping Service: Utilisation

276. The Hon. J. C. TOZER, to the Minister for Lands representing the Minister for Transport:

(1) Where there is no marked financial disadvantage and the time factor is not critical, will the State Government instruct all its departments and instrumentalities to utilise the State Shipping Service vessels to transport their materials to Kimberley ports?

(2) If such an instruction cannot be given, will the Minister outline the policy directives given to departments and instrumentalities on this question?

(3) When contracts are awarded for State Government works and undertakings in the Kimberley, is any attempt made to encourage the contractor to utilise the service for the carriage of materials where there would be no disadvantage to so do?

(4) Bearing in mind the considerable financial losses incurred by the State Shipping Service in servicing Darwin, will the Minister specifically encourage the Commonwealth Government to utilise the service provided, for the transportation of materials for Commonwealth works and undertakings in the Kimberley and in the northern part of the Northern Territory?

The Hon. D. J. WORDSWORTH replied:

(1) This is the present general policy.

(2) Not applicable.

(3) Yes. Contractors are encouraged to contact the State Shipping Service for freight quotation during the tender stage.

(4) Yes.

EDUCATION

Teachers: Duties other than Teaching

280. The Hon. R. HETHERINGTON, to the Minister for Lands representing the Minister for Education:

What would be the estimated cost of giving primary school teachers 10 per cent of their time during school hours for duties other than teaching?

The Hon. D. J. WORDSWORTH replied:

Over $7 million.

RAILWAYS

Commission Paid to Travel Agents

281. The Hon. F. E. McKENZIE, to the Minister for Lands representing the Minister for Transport:

(1) What commission does Westrail pay to travel agents for ticket bookings?

(2) How much was paid in commission to travel agents for each of the financial years ending June 1977 and June 1978?

The Hon. D. J. WORDSWORTH replied:

(1) 7 per cent.

(2) 1976-77—$67 500.
1977-78—$65 000.

TRAFFIC

Accidents: Great Eastern Highway

282. The Hon. F. E. McKENZIE, to the Minister for Lands representing the Minister for Transport:

How many accidents have occurred where persons have been—

(a) fatally injured; or

(b) injured;

during each of the last three years at—

(i) intersection of Hardey Road and Great Eastern Highway, Belmont;

(ii) intersection of Grandstand Road and Great Eastern Highway, Belmont;

(iii) intersection of Belgravia Street and Great Eastern Highway, Belmont; and

(iv) intersection of Belmont Avenue and Great Eastern Highway, Belmont?

The Hon. D. J. WORDSWORTH replied:

(a) Nil.

(b)	1976	1977	1978 (to Sept.)
(i)	7	7	4
(ii)	2	1	4
(iii)	2	3	3
(iv)	0	4	0

DAIRYING

Milk: Licences and Quotas

283. The Hon. N. McNEILL, to the Minister for Lands representing the Minister for Agriculture:

(1) What was the total number of dairymen's licences issued at the 30th June, 1978, for—

(a) market milk (including manufacturing milk and cream); and

(b) manufacturing milk or cream only?

(2) How many market milk quotas have been surrendered since the 30th June, 1978, and what was the total quantity of—

(a) market milk; and

(b) manufacturing milk;

involved?

(3) How many market milk quotas have been, or will be allocated, in the year 1978/79?

The Hon. D. J. WORDSWORTH replied:

(1) (a) 607

(b) 79

(2) (a) Five totalling 2 790 litres daily.

(b) Manufacturing milk is not involved in the surrender of quotas.

(3) Seven new market milk quota holders commenced supplying in July and August, 1978.

Eleven dairymen have been granted new market milk quotas with approval to commence supplying during the remainder of the current financial year.

It is not known if further market milk quotas will be granted before the 30th June, 1979.

EDUCATION

Teachers: Holiday Pay

284. The Hon. R. HETHERINGTON, to the Minister for Lands representing the Minister for Education:

(1) In the past 10 years, how many teachers have forfeited holiday pay from the 1st January because they were not back at school on the first day of first term?

(2) How many days were each absent at the beginning of the first term in question?

The Hon. D. J. WORDSWORTH replied:

(1) Records of this nature are not kept.

(2) Not applicable.

RESEARCH STATION

Laurel Downs

285. The Hon. J. C. TOZER, to the Minister for Lands representing the Minister for Agriculture:

What factors influenced the decision taken by the Department of Agriculture to terminate its activities on the Laurel Downs Pastoral Research Station in the Fitzroy River valley?

The Hon. D. J. WORDSWORTH replied:

Three main factors influenced the decision—

(a) The recommendation of the Pastoralists and Graziers Association.

(b) The recommendation of an experienced consultant from the NSW Department of Agriculture, who carried out an independent assessment of the current and future beef cattle research needs in the Kimberleys.

(c) The need for economy and the rationalising of research effort by utilising the larger station-scale facilities at Ord River Station.

EDUCATION

Teachers: Holiday Pay

286. The Hon. R. HETHERINGTON, to the Minister for Lands representing the Minister for Education:

(1) Should a teacher fail to attend school on the first day of first term, is holiday pay from the 1st January forfeited automatically?

(2) If not, what procedures are followed before the holiday pay is forfeited?

The Hon. D. J. WORDSWORTH replied:

(1) Yes.

(2) Not applicable.

DAIRYING

Dairy Assistance Fund

287. The Hon. N. McNEILL, to the Minister for Lands representing the Minister for Agriculture:

(1) What is the amount currently held in the Dairy Assistance Fund?

(2) What is the estimated revenue to the fund from milk sales during the current financial year?

(3) What is the anticipated expenditure from the fund for the current financial year to assist—

(a) market milk purchases; and

(b) milk promotion?

The Hon. D. J. WORDSWORTH replied:

(1) $2 081 935 at June 30th, 1978.

(2) Based on an increase in milk sales equal to the average of the past three years, it would be approximately $1 692 000.

(3) (a) $560 000

(b) Nil.

It is proposed to spend approximately $960 000 from the fund during 1978-79 in the form of premium payments for manufacturing milk and for milk for special products.

RESEARCH STATION

Laurel Downs

288. The Hon. J. C. TOZER, to the Minister for Lands representing the Minister for Education:

(1) When the Department of Agriculture ceases to conduct the property in Fitzroy River valley as the Laurel Downs Pastoral Research Station on the 30th September, 1978, does the Education Department have any plans to utilise it as a training institution?

(2) If so, what form will such educational training take?

The Hon. D. J. WORDSWORTH replied:

(1) No. A proposal to develop the station for Aboriginal education purposes was closely considered but a decision has been made not to proceed.

(2) Answered by (1).

EDUCATION

Schools: Library Resource Centres

289. The Hon. R. HETHERINGTON, to the Minister for Lands representing the Minister for Education:

How many Class 1A primary schools have a library resource centre built for that specific purpose, and how many are using a vacant classroom for the purpose?

The Hon. D. J. WORDSWORTH replied:

Seventy six have a library resource centre purpose built or in specially converted classrooms or built under subsidy by a Parents and Citizens' Association. One is using a classroom which has been furnished as a library resource centre until a library resource centre can be provided.

EDUCATION

"Library Facility" and "Primary School Resource Centre": Definition

290. The Hon. R. HETHERINGTON, to the Minister for Lands representing the Minister for Education:

(1) Do the terms "library facility" and "primary school resource centre" indicate a difference in the nature of the facility available?

(2) If so, will the Minister state what that difference is?

The Hon. D. J. WORDSWORTH replied:

(1) and (2) "Library facility" and "library resource centre" are terms similar in meaning. The former tends to be used more as a general term to cover a wide range of buildings in which library resource centres operate.

Some schools use the term "resource centre" to describe a room in which aids, reading sets and materials not appropriate to the library may be stored.