

Legislative Council

Thursday, 5 July 1990

THE PRESIDENT (Hon Clive Griffiths) took the Chair at 2.30 pm, and read prayers.

COAL MINES REGULATION AMENDMENT BILL

Assent

Message from the Governor received and read notifying assent to the Bill.

MOTION - STANDING COMMITTEE ON GOVERNMENT AGENCIES

"Review of Operations for 1989" - Report

HON N.F. MOORE (Mining and Pastoral) [2.33 pm]: I am directed to present the twenty-fifth report of the Standing Committee on Government Agencies entitled "Review of Operations for 1989".

The report outlines the activities of the committee during 1989, and is part of the committee's policy of reporting annually to the House. The delay in its presentation has resulted from a number of factors, including a problem associated with the report's financial statement.

I draw to the attention of the House a reference in the report to one of the major recommendations made by the committee in 1989. This recommendation was contained in the fourth edition of report 2, and reads -

Recommendations

That the Government establish formal machinery for compiling information on government agencies and that it publish, on a regular basis, details of the agencies in operation including the names and terms of appointment of board members.

That all agencies should be the subject of an Act of Parliament rather than subordinate legislation and that where a number of agencies are to be established under the same provision they should be listed in a Schedule to the Act which could be amended as and when necessary.

That a Directory of Government Agencies and other governmental organisations should be produced and regularly revised. The Directory should include details of the services provided, the availability of grants, facilities for hearing appeals, procedures for instituting complaints and so on. There are numerous examples of such documents at both the Commonwealth and State level in Australia which might serve as a guide.

It is the committee's view that some action needs to be taken on this recommendation. Although the House agreed this week to amend Standing Orders to require a response from the Government to appropriate committee recommendations within four months, it does not retrospectively cover this recommendation from the fourth edition of the second report, which was tabled in December 1989. However, it is hoped that the Government will apply the new Standing Orders to this recommendation, as the task of maintaining an up to date directory of Government agencies in Western Australia is becoming increasingly difficult for the committee in view of its limited resources.

I move, without notice -

That the report do lie upon the Table and be printed.

Question put and passed.

[See paper No 363.]

On motion by Hon N.F. Moore, resolved -

That consideration of the committee's report be made an Order of the Day for the next sitting.

SELECT COMMITTEE ON COMMITTEE ON BILL*Extension of Reporting Time*

HON D.J. WORDSWORTH (Agricultural) [2.38 pm]: I am directed to report that the Select Committee on Committee on Bill has yet to complete its consideration of the reference relating to the repeal of certain Acts. Accordingly, the committee recommends that the House extend the time within which the committee should report to 6 September 1990. I move, without notice -

That the report do lie upon the Table and be adopted and agreed to.

Question put and passed.

[See paper No 364.]

MOTION - STANDING COMMITTEE ON GOVERNMENT AGENCIES*State Government Insurance Commission - Final Report*

HON N.F. MOORE (Mining and Pastoral) [2.40 pm]: I am directed to present the twenty-sixth report of the Standing Committee on Government Agencies titled "The Financial Management and Accountability of the State Government Insurance Commission and Corporation - Final Report". Accordingly, I move -

That the report do lie upon the Table and be printed.

The House will be aware that the Standing Committee on Government Agencies was ordered by the House in November 1988 to conduct an inquiry into the financial management and accountability of the State Government Insurance Commission and the State Government Insurance Corporation. An interim report was presented to the House in December 1988. This report, the twenty-sixth, represents the final report of the committee's inquiries. It deals essentially with a problem which arose during the committee's deliberations and involves a conflict of views in relation to the power of the committee to order the Auditor General to provide papers and documents to the committee. The report goes into some detail in its explanation of the circumstances surrounding the problem, and I recommend that members take an interest in the issues raised. The report recommends as follows -

That the Committee recommend to the House that an amendment be made to s.91 of the Financial Administration and Audit Act 1985 to clarify the situation of access by Committees of the Parliament to papers held by the Auditor General.

The committee expects, in view of recent changes to the Standing Orders, to hear the Government's response to this recommendation within four months. The committee is of the view that no other action should be taken pending the Government's response. In view of the fact that a number of other parliamentary committees are inquiring into the SGIC, the committee has resolved to terminate its inquiry and, therefore, this is the final report of this inquiry.

Hon D.J. Wordsworth: Perhaps the inquiry should be extended to the R & I Bank.

Question put and passed.

[See paper No 365.]

On motion by Hon N.F. Moore, resolved -

That consideration of the committee's report be made an Order of the Day for the next sitting.

LEGAL PRACTITIONERS AMENDMENT BILL*Introduction and First Reading*

Bill introduced, on motion by Hon J.M. Berinson (Attorney General), and read a first time.

MOTION - FINANCIAL INSTITUTIONS*Federal Control - Former Deputy Premier Parker's Statements*

HON P.G. PENDAL (South Metropolitan) [2.43 pm]: I move -

That this House views with disdain the statements attributed to the former Deputy Premier, Mr David Parker, that the States should cede to the Commonwealth, legislative control over building societies and credit unions, noting that -

- (1) Mr Parker's views on financial affairs have already contributed to plunging WA into its worst ever position, at a cost of hundreds of millions of dollars to ordinary taxpayers.
- (2) The administration of building societies and credit union legislation within WA and past failures of financial institutions is an issue quite separate from the decisions of successive Labor Governments to become involved in bailing out such institutions.
- (3) Mr Parker should be encouraged to openly and freely disclose his part in the huge losses now to be borne by WA taxpayers, rather than comment on how Victorians can best avoid a recurrence of their present debacle;

and that this House rejects the notion that a transfer of powers to the Commonwealth is an option for the State of Western Australia to consider.

This motion seeks to take some of the humbug out of the debate on Government intervention in the marketplace. It also aims to challenge the attempts at self-justification which are being made by those who act first and think later. It is also a motion that will challenge the view that if something is not working satisfactorily in the State sphere, the easy and convenient way out is to flick-pass the problem to the Commonwealth. Finally, it is a motion that attempts to say to the Government that the Parliamentary Liberal Party and, I dare say, the Parliamentary National Party emphatically reject the call for further referral for more Commonwealth powers in Canberra. The call should be to put our own house in order and to act responsibly to rectify the deficiencies in State laws rather than walking away from them when trouble strikes.

I have deliberately used the word "disdain" to describe my feelings towards the former Deputy Premier, Mr Parker. To indicate one's disdain is another way of expressing scorn and contempt. That is what many thousands of Western Australians felt when they opened their morning newspaper yesterday to find that Mr Parker was giving gratuitous advice on how best Victoria might cope with the collapse of the Farrow Corporation. What audacity that was! What absolute cheek! Here we have a man personally responsible for plunging this State into financial disaster, yet having the hide to be giving the solution to Australia's problems. It is one thing to be offering advice, but it is another entirely to be misrepresenting the true position. Mr Parker, I submit, would be very selective in what he says. In *The West Australian* of 4 July, under the heading "Premier backs federal control" - I will deal with the Premier a little later - the article states -

The proposal was put forward yesterday by former Deputy Premier and Treasurer David Parker who said he did not believe the states had the financial skill or resources to monitor the activities of such institutions.

However, Mr Parker was not content to just say that; he went further and talked not just about building societies and credit unions, but about banks as well. The article stated -

He said it was crazy that one type of financial institution, the banks, were federally regulated but building societies were monitored by the states.

That comment was made yesterday before the bad news emerged about the R & I Bank. In the light of that occurrence, I ask whether Mr Parker believes, for example, that the R & I Bank should be regulated by Commonwealth authorities. As he is talking about all financial institutions - those were his words - does the R & I Bank need to come under Federal control? How can he have been until recently a part of the very Cabinet which approved the Gold Banking Corporation legislation which happened to arrive in this House yesterday? If Mr Parker was listening to his own advice, he would have opposed the creation of the Gold Banking Corporation when he was a senior Minister. Did he do that? I doubt it very much. His warnings and advice are about as hollow as the head from which they spring.

The second part of the motion relates to the fact that Mr Parker clearly blames all of these problems at the feet of two particular sources: Firstly, he said that the states do not have the financial skills to monitor financial institutes, and, secondly, more by way of implication, he

said that the kind of legislative framework under which they operate is deficient. If the state does not have that financial skill, why in heaven's name did he allow his Government to spend six full years creating those get-rich-quick schemes which Mr Burke called the "four on the floor" entrepreneurial activity? Mr Parker is saying that the financial skills are not in the states, but I remind members that it was Mr Parker, and his colleagues, including Hon Joe Berinson in this House, who for political purposes wanted to exercise those very skills with such disastrous results.

Mr Parker's second argument was that we had a less than perfect legislative framework. Whose fault is that? He was in charge for the better part of the last seven years and had the capacity to influence the introduction of better laws. Of course, in fairness to the Burke Government, the reality is that that Government addressed that problem, albeit a bit tardily.

In yesterday's issue of *The West Australian* John McGlue touched on some very relevant points. He said, in part -

... moves by the WA Government in the past three years to tighten legislation and regulations must make the possibility of another big collapse -

Of building societies and credit unions -

- here extremely unlikely.

One would think that Mr Parker might have remembered that and one would also think that if this State has, to that extent, put its house in order - as John McGlue clearly believes it has - the need for this old hardy stand-by of, "Let's hand pass control to the Canberra authorities" would not have been resorted to. Incidentally, John McGlue's article was a reminder that even the Canberra magic has its limitations.

Members might recall the somewhat rhetorical question John McGlue asked when he said -

... could another building society and credit union collapse happen in WA?

He answers his own question by saying -

Theoretically, the answer must be yes as there is no absolute guarantee backing either type of institution.

However, Mr McGlue then goes on to make what I regard as an even more pertinent remark about Commonwealth financial institutions when he said -

Even banks might not have such absolute guarantees. Reserve Bank Governor Bernie Fraser remarked in April that contrary to impressions "we do not guarantee the ongoing operations of banks".

I thought that that knowledge, to which Mr Parker would have had access, would have brought home the reality that there are limits even to Commonwealth powers or reserve bank powers in these matters of financial crisis.

Hon Mark Nevill: You have to distinguish between insolvency and liquidity problems in terms of Federal Government backing.

Hon P.G. PENDAL: Yes, but I am using Mr Parker's remarks as a yardstick for my contribution.

That leads me to the second part of part (2) of the motion, the issue of successive Labor Governments being involved in bailing out financial institutions. It seems that it keeps going on, both here and in Victoria. Sadly, I suggest that the reality is that it will continue to go on. Who for example will make good the R & I Bank's loss of the dividends announced last night? Everyone in this House knows the answer to that. It will be the taxpayer and to the tune of at least \$28 million that was received as a dividend last year and which is being replaced by the non-receipt of any such dividend this year.

Not for the Government's sake, but for the R & I Bank's sake, I acknowledge the point made yesterday by Warwick Kent, the new managing director of the bank, that the latest R & I Bank fiasco is not related to WA Inc matters. I accept that in the direct sense. It is reported in today's issue of *The Australian Financial Review* in which Mr Kent is quoted as follows -

... none of the provisions for doubtful debts in the year's accounts related to loans to

companies which played a role in the State Government's former business dealings headed under the banner of WA Inc.

On the face of it, I accept that. However, can anyone doubt that the people in the R & I Bank's commercial and corporate lending division were not caught up in the four-on-the-floor hype of the Burkes, the Parkers and the Dowdings, and that those people in that lending division were not puffed up by and led on by the sort of gung-ho activities of the Labor politicians in this Government? Can anyone tell me that these lenders in the corporate and commercial lending section were not even unconsciously influenced and fed on the free wheeling attitudes exuded by the Labor Government which said, "Fellers, the sky is the limit; let's go for broke"?

I do not envy the task of Warwick Kent. I have no doubt that he will succeed and that one day - hopefully sooner rather than later - the R & I Bank will have had its financial reputation restored. However, of one thing I believe we can be absolutely certain: The R & I Bank will long rue the day when it allowed itself to be hijacked by a bunch of financially illiterate Labor politicians. Decisions like those, for example, to appoint such people as Malcolm Bryce to the board of that bank go to the very heart of what I am saying in this motion. To use the words of the National Companies and Securities Commission in relation to another disaster in which this Government was involved, the R & I Bank's troubles were a tragedy waiting to happen.

Once again, John McGlue, in a different article today has put it fairly succinctly when he gives us the cause of the R & I Bank's troubles and shows us that, through no help of the Government, nevertheless there is light at the end of the tunnel before the R & I Bank. He said about the bank -

They have embarked on a process of commercialisation which should see the R & I move out of the clutches of the State Government and make it stand up and be counted on the same basis as its counterparts in the private sector.

He also made some of the most devastating comments that have ever been directed at any Government, semi-Government or Government guaranteed organisation when he said -

The R & I Bank will incorporate, will abide by the provisions of the Companies Code and will be better positioned to take advantage of merger or take over opportunities which present themselves.

It's what should have happened to the bank after the deregulation of Australia's financial markets.

Instead, the state bank was closeted by politicians and public servants who cynically used the R & I as an instrument of political will.

Its involvement in the Burswood resort and the R & I Tower are examples of past misuse and abuse of the bank's position.

He goes on to refer to Warwick Kent and others -

But the new regime gives cause for optimism.

There is no reference to the Government's actions giving cause for optimism. He continues -

Politicians permitting it should rescue the bank from the doldrums and move back to profitability next year.

The article ends on the following note -

Eventually, when the Government swallows its ideological pride, the board will implement a plan which will see the bank make the big leap away from Government and at least partially into the hands of the private sector.

Hon Mark Nevill: Do you have any judgment on the previous board and the previous management?

Hon P.G. PENDAL: I have already reflected on the decision to appoint people such as Malcolm Bryce, a person who has absolutely no qualifications, to the board of the R & I Bank. That sort of appointment headed the R & I Bank along the road it now finds itself on, and in a position where needs to be rescued by people such as Warwick Kent in the new management team.

Hon Mark Nevill: Whom do you approve of in the new board?

Hon P.G. PENDAL: I shall be interested to hear Hon Mark Nevill make his own remarks in this debate.

Finally, I refer to part (3) of the motion. I suggest that Mr Parker may well have been best served in remaining silent yesterday. I find it curious that this man, after leaving the Parliament, is ever so willing to tell Western Australians and, heaven forbid, Victorians what laws they should have in place. I suggest that Western Australians are more interested in a few answers - or perhaps a lot - about Mr Parker's involvement in the whole tragedy born out of his political interference in this State in so many forms.

Hon N.F. Moore: Why did he resign?

Hon P.G. PENDAL: I repeat Hon Norman Moore's question: Why did he resign? Three months after the event no explanation has been given. Three months after the event no explanation has been given as to why his friend, Hon Julian Grill, flitted the scene as quickly as he was able to.

I suggest that Mr Parker, perhaps unconsciously, is diverting attention from the real issues that confront this State. The real issue in this case is not whether we should flick pass the ball in the form of building society control to Canberra. It is to confront the issue at home and to make inadequate laws better. It is to avoid the temptation of interfering in matters where one has no competence. It is about ignoring the advice of the wrong people, and learning to listen to the right people. The Premier went down this track on that very issue only yesterday when she responded to Mr Parker's idea. An article on page 2 of *The West Australian* reported that the Premier had given conditional support to the hand over of these powers. She then said she had not had time to consider the idea properly. That is the same problem that has plunged this State into such financial chaos; these people commit themselves first and later think through the implications of what they have said and done. The Premier's guard has dropped even further. Having given that transfer of constitutional power her conditional support, she disputed the very basis of Mr Parker's argument that the States did not have the skills to do the job.

Finally, it is a lazy man's way out to handball a problem to Canberra because the game is too quick for him. It will not make the slightest difference. That is the mentality of a person who cannot cope with political or administrative responsibility. If the Commonwealth is so knowledgeable in these matters, one is entitled to ask why this country has such massive overseas debts and chronic economic problems within Australia. This House should reject Mr Parker's and the Premier's view on this matter. I ask the House to support my motion.

HON MAX EVANS (North Metropolitan) [3.07 pm]: I have a few words to say in support of the comments made by Hon Phillip Pendal. Having had a close interest in building societies and credit unions in 1986 at the time of the crash, I do not believe the transfer of the control of these institutions to a Federal body would improve the situation. It comes down to a question of the integrity of the boards who manage these building societies and credit unions. If they play by the normal rules followed by business there is nothing to fear.

The board of the Teachers Credit Society allowed the executive director to make single loans of \$5 million, when its total capital was only \$5 million. At one stage four people had borrowed \$150 million, most of which has been written off. That is where the TCS went wrong. All the controls and checks in the world are useless if one does not know what is going on and if regular checks are not made. If a Federal body were in charge of these institutions there would be less control of them rather than more control.

This is similar to the problem Hon Joe Berinson is facing with corporate affairs. When a Federal body is in control the people of this State will be regarded as second-class citizens. Western Australia will have less control rather than more control over the companies legislation. Every State in Australia has different rules and legislation relating to companies. It would be necessary to enact uniform legislation. For example, in Victoria one corporation can own a building society but in Western Australia the building societies operate under a cooperative system and they are not subject to tax. If the legislation were changed to allow ownership by corporate bodies, massive changes would occur in a number of areas with no benefit to this State. Such changes would do more to undermine the whole structure of these institutions at the end of the day.

It comes back to the registrar in charge of financial institutions - which area was the responsibility of Hon Joe Berinson in the past, but I am not sure which Minister has this portfolio now - and how he handles these matters. In 1987 the rules were in place in respect of the proportion of capital to assets; that is, the capital should be 2.5 per cent of the total assets. The situation got out of control and the registrar supervising building societies allowed five credit unions to remain out of control. Two or three of those credit unions have since merged with others. The signs were on the wall. If action had been taken earlier, the problem may not have occurred.

I was not surprised to learn of the R & I Bank's loss of \$98 million bearing in mind its write-offs last year. However most people were surprised. Two figures have been used regarding the capital of the R & I Bank. It has about \$300 million of floating notes issued on a five year basis, which are called tier one capital. There is no problem with those notes because they must be repaid at the end of the day; they are on a semi-fixed basis. The money in the R & I Bank represents \$330 million from the Government and the reserves built up, plus \$60 million capital stocks. That represents a total capital of \$400 million, of which \$100 million has been lost. That is not disastrous, but let us tell the truth.

In March last year a floating note for \$US250 million was bought at an advantageous rate of interest. That note is to be rolled over in 1994 for another five years. I have already referred to that as the raising of tier one capital by a banking institution, and this is an acceptable practice. The R & I Bank was, therefore, conforming with the prudential standards of the Reserve Bank in respect of its capital to assets ratio.

Last year the R & I Bank made a pre-tax profit of \$9 million. The bank had worked out that the amount of income tax it would have to pay was \$2 million, but it stated in its accounts that the dividend it had paid to the Government in lieu of taxation was \$28 million. There is no way that the bank should have paid such a large dividend when its pre-tax profit was only \$9 million. I believe the bank paid the same dividend to the Government during the previous financial year, and that payment amounted to nearly half its total profit for that year. So a very dangerous precedent was set last year when the Government wanted to raise additional revenue and just used the R & I Bank as a milch cow to obtain \$28 million for wages, etc. That money should have been retained by the bank to enhance its capital base.

A similar situation occurred last year when the State Government Insurance Commission paid to the State Government a huge dividend which bore no relationship to the amount of profit made by the SGIC.

The PRESIDENT: Order! I am wondering whether this is relevant to the motion.

Hon MAX EVANS: To return to the matter raised by Hon Phillip Pendal, I do not believe that to transfer control of building societies and credit unions to the Commonwealth will help those institutions. I note that in today's *The West Australian* the Premier is reported as saying that the R & I Bank is supported by the State Government and the Reserve Bank. The Leader of the House might have something to say about that.

I support the motion.

Debate adjourned, on motion by Hon Fred McKenzie.

STATE PLANNING COMMISSION (AMENDMENT AND VALIDATION) BILL

Third Reading

Bill read a third time, on motion by Hon J.M. Berinson (Leader of the House), and transmitted to the Assembly.

MINING AMENDMENT BILL

Report

Report of Committee adopted.

Third Reading

Bill read a third time, by leave, on motion by Hon J.M. Berinson (Leader of the House), and transmitted to the Assembly.

ACTS AMENDMENT (CONTRIBUTIONS TO LEGAL AID FUNDING) BILL

Report

Report of Committee adopted.

SPECIAL COMMISSION BILL

Second Reading

HON GEORGE CASH (North Metropolitan - Leader of the Opposition) [3.15 pm]: I move -

That the Bill be now read a second time.

Mr President, were this Government honouring its pledge to the people of Western Australia, this Bill would not be necessary. That pledge was to be open and accountable, but for reasons best known to itself the Government is reluctant to be accountable for the greatest financial disaster ever inflicted upon the people of Western Australia: The series of bungled business dealings we have all come to know as WA Inc. Were the Government to announce that, following the release of the McCusker report next month, there was to be an expanded inquiry into the full WA Inc debacle - with enough teeth to get to the truth - this Bill would not be necessary. So far all we have heard from the Government is polite noises, allegedly not ruling out some form of inquiry.

I make it absolutely clear from the outset that the people of Western Australia and the members of the Opposition are not interested in some Claytons inquiry. They and we do not want and will not accept a whitewash but rather demand an inquiry that will resolve four key issues -

- (1) It will identify where the money has gone and how much has been lost.
- (2) It will identify who is responsible.
- (3) It will identify whether any of the money can be recovered.
- (4) It will produce a formula that will guarantee that there can never again be a recurrence of this type in this State.

Mr President, this Government has been given plenty of opportunities to acknowledge that a far-ranging and far-reaching inquiry, beyond the terms of Mr McCusker's inquiry, is inevitable and will be instituted. On the evidence so far, the Government can hardly be described as enthusiastic. The Government has even been given the opportunity of debating a similar piece of legislation in another place; but its unwillingness to come to terms with both the public interest and the public demand leaves the Opposition with no option but to force the issue in this Chamber.

I give the leader of the Government due warning here and now that if the Government does not promote debate on this Bill, the Opposition will take whatever steps it can to ensure that the issue is fully aired. We will not allow this Bill to languish at the bottom of the Notice Paper so that the Government can continue to avoid answering the difficult questions. This Bill is being introduced into this House not only because of the obvious and overwhelming public demand but because of the Government's refusal to observe the proper standards of accountability for the expenditure of public funds.

It is now 11 months since the Opposition first began pressing this issue. During that time, public support has increased from more than 64 per cent of people supporting a Royal Commission to more than 80 per cent supporting a special Royal Commission; that is, a commission with enough powers to get to the bottom of this whole sorry mess.

The fundamental principle behind our seeking a Royal Commission is accountability. That principle is fundamental to the Westminster system of democratic government which we on this side of the House hold dear, even if the Government does not. In this context, the exact amount of the Government's losses through WA Inc is irrelevant; whether the losses amount to \$8.5 million, \$85 million, \$850 million, or more, does not change the principle of accountability one iota. Whatever the amount, the public have a right to know the whole truth, and the Opposition has an obligation to apply pressure at every turn to try to force the Government to reveal the whole truth. To do anything less would be an abrogation of its duty to the public.

Before someone makes a remark about Supply, the Opposition has already resolved that issue, and in doing so, was required to weigh one parliamentary convention against another. The decision by the combined Parliamentary Liberal Party to allow Supply through the Legislative Council should not be interpreted as a sign of weakness in its resolve to achieve a special Royal Commission. If the Government, or anyone else, were to think that they would be in for a rude shock. The Opposition will not let the Government off the hook on this matter. When all is said and done, this issue is not about Government money; it is about public money. It concerns every family in this State who will be up for at least \$1 800 - it could be a lot more when all the facts become known. That, of course, is one critical reason that we need a special Royal Commission.

At this stage, no-one can be positive about how much money has been lost. Yet the Government, which has been responsible for the losses, has the audacity to expect the taxpayers, who will have to foot the bill, one way or another, to accept the Government's word on trust. These losses will be passed on to taxpayers in the form of increased taxes and charges and reduced services. Anyone who knows anything about the current operations of the Government knows how tight money is. Under any other conditions, we would probably applaud the Government for good housekeeping. However, the present disastrous financial situation hardly fits that description, does it? One can hardly expect to be praised for good housekeeping when one may have squandered half the total taxation component of the annual State Budget.

No-one has been fooled by the Premier's crocodile tears about coming away from the recent Premiers' Conference \$31 million short of her target. If the Government were not already so far in the red as a result of WA Inc that \$31 million would not amount to a button off its shirt. In fact, the Government would still be comfortably in the black. The Opposition went to a considerable amount of trouble to compile a table of actual and potential liabilities under the broad banner of WA Inc. That table identifies \$882.8 million already lost, with another \$1 338.3 million at risk.

I seek leave to include in *Hansard* a table indicating those losses and potential losses.

[The material in appendix A was incorporated by leave of the House.]

[See p 3390.]

Hon GEORGE CASH: The black cloud of WA Inc cannot be allowed to hang over Western Australia indefinitely. It must be blown away, and a special Royal Commission is the only way to do it. This State must be able to hold its head high throughout the world and must no longer be known as the State for shonky deals. It is not enough for the Government to change leaders and then to try to pretend that the problem has been solved. It will not be solved until the whole sorry, sordid affair is in the open and cleaned up once and for all. That may not suit the Government, but it is the only action to take.

How can the Government expect the community to abide by the rules when it will not abide by them? Some people might suggest that the Liberal Party has been pursuing this issue for too long already and that it would be better off forgetting about it. I can assure the House that that is not the aim of the Liberal Party. The Opposition's opponents would love it to sweep the matter under the carpet and pretend it never happened. What is the reality? The reality is that time has proved the Liberal Party right at every crucial stage of the affair. Unfortunately, it was sometimes ahead of public opinion. What has happened to the Labor Party during the saga? One former Premier is now safely tucked away in Ireland; another was unceremoniously dumped by his colleagues in their desperate gamble for the Federal election earlier this year and has since resigned from the Parliament; two former Deputy Premiers have also resigned from the Parliament; and another Cabinet Minister at the time is now consigned to the backbench. That is not an impressive record by the Government. WA Inc will not disappear.

For as long as the public of Western Australia must dip into their pockets to pay for the damage this Government has inflicted upon the State and its people, WA Inc will haunt the Labor Party. For as long as the Government continues to ignore the call for a special Royal Commission to establish the truth, WA Inc will haunt the Labor Party. If the Government had nothing to hide it would have nothing to fear from a special Royal Commission in the terms the Opposition has already outlined publicly -

A Royal Commission that will examine every Government business deal dating back to its original election in 1983.

A Royal Commission with unfettered power to call any witness it wishes, with no exceptions.

A Royal Commission with the power to take evidence in private and to prohibit publication of evidence, if it believed that such action were in the public interest.

Any party to any litigation or prosecution, may, on the ground that the inquiry by the special commission might prejudice such litigation or prosecution, apply to the full court of the Supreme Court for directions as to the conduct by the special commission of its inquiries. Advice to the Opposition is that the matter is already covered under earlier legislation introduced into another place, but the inclusion of this clause removes the slightest possible doubt.

The Government has tried to argue that a Royal Commission will impinge on other inquiries already under way. That argument is demonstrably false, as is indicated in legal advice received by the Opposition from eminent legal counsel. Firstly, the Opposition would be happy to accept that the starting date of the proposed Royal Commission be the date on which the McCusker report is presented - a date we have been led to believe is early next month. Secondly, my colleague Hon Robert Pike has indicated that the day a special Royal Commission is appointed, he will recommend to the Legislative Council Select Committee on Rothwells, PICL and WAGH, of which he is chairman, that the committee be dissolved and that all evidence taken to date by that committee be handed over to the Royal Commissioner. Thirdly, the Bill specifically provides protection for any other inquiry - even though there are only two and I have already explained their situation - to ensure there is no impediment on any evidence whatsoever, at least on this particular score, to the Government's announcing a Royal Commission. Anyone on the Government side who suggests the contrary is deliberately misunderstanding the truth of the situation, or has a hidden motive for not wanting a Royal Commission to be pursued.

The Premier in another place has suggested that the Opposition should be specific as to the matters to be investigated. I suggest that the list which has been incorporated into *Hansard* offers a pretty specific start. It will not be the finish, because that is what the Royal Commission will produce. In addition to that list, we can add the Underwater World projects, both here and in Singapore, and about which I am currently awaiting answers from the Leader of the Government.

The Bill provides for the Royal Commissioner to grant immunity to any witness - not, as has been suggested, for any witness to claim immunity. That is a classic example of the misuse of the English language. A witness will gain immunity only if it is granted by the Royal Commission; in other words, claiming immunity and being granted immunity are two entirely different propositions.

When the Premier was first elected by Caucus to replace the man who had become such a WA Inc liability, she made much of her commitment to honesty, integrity and accountability in Government. This is her opportunity to practise what she preached, by appointing a special Royal Commission to start on the day the McCusker report is completed. Then, irrespective of the outcome of that Royal Commission, at least Dr Lawrence will be able to say she had been responsible for getting to the truth. She will be able to hold her head high, even if others in her party cannot. If she does not, she will deserve to stand condemned as the person who presided over the cover-up.

Mr President, this Bill is properly described as a Bill for -

An Act for the appointment of a Royal Commission to be a Special Commission into the conduct of the Government and others in the financial dealings of the State and its agencies and instrumentalities and in particular with respect to those matters which have come to be known as WA Inc and all matters relating thereto and to provide power to the Special Commission to override executive and legal privilege and other powers and to provide for an appropriation therefore and for related matters.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Fred McKenzie.

WADC LIQUIDATION BILL*Second Reading*

Debate resumed from 27 June.

HON MAX EVANS (North Metropolitan) [3.30 pm]: I rise with a great deal of delight to support the legislation to a certain degree. My support is limited and I will show that with amendments later on.

I was involved with the WADC legislation before it was conceived. I was with the then Premier talking about the legislation in 1983 as the President of the WA Chamber of Commerce and Industry in the Treasury building with Mr Brian Burke, Les McCarrey and Mike Naylor to find out how the Western Australian Development Corporation would function. It was to be an equity company to support small business. Mike Naylor had a concept which we debated long and hard. Another meeting was called to place limitations on the corporation by the Companies Code - those provisions were not contained in the first Bill. We later met with officers of the Crown Law Department and Treasury. I should mention that at the first meeting we lost one of the parents of the legislation - Brian Burke. He left the meeting because he did not like the direction we were taking with the legislation because some irregularities and deficiencies were showing up. We debated the matter for an hour and he left. The following day officers from the Confederation of WA Industry discussed the problems with Treasury. These meetings took place prior to conception. The legislation was conceived shortly after, put to bed, and the Parliament handled the Bill - so the legislation was born.

Hon Mark Nevill: Were you the midwife?

Hon MAX EVANS: No, I did not say that a midwife was present when it was born. I do not know how one refers to those people. I would know what they are called in the animal world.

Hon P.G. Pandal: He tried a bit of contraception but it did not work.

Hon MAX EVANS: So the Bill was born. The then Premier, Brian Burke, approached John Horgan who he had met on the football taskforce and asked him to help in the running of the State's assets. Together they thought of the idea of a corporate body. John was flattered by someone making such an offer, so he said it was a very good idea. Initially he used a business name but later decided he needed a company. Brian Burke suggested he use "Western Australian Development Corporation" and at Easter in 1984 a full page advertisement was placed in the newspaper outlining all the directors - who were all good Liberal Party voters, I am told.

Hon Mark Nevill: That was the problem.

Hon MAX EVANS: I do not know about that. Members opposite are the guys who are looking over their shoulders all the time.

One brave person on the board of the organisation was Mrs Edwards; she resigned after a few months because she did not like what was going on. All the board members did very well one way or another. That was how the WADC was conceived in 1984. I thought that today I would have two and one quarter hours to speak on this Bill - between 3.30 pm and 6.00 pm - but I could not do justice to this subject even if I continued to speak until 6 o'clock. In that time I could only cover half the problems created by the WADC. As I said to my colleagues, if I had the time I could outline the complete history of the WADC but I decided against that because we do not wish to sit until Friday next week. I will restrict my comments to simple matters.

The first deal undertaken by the WADC was to take over the Argyle Diamond shares from the Treasury; the shares were bought for \$42 million and sold to the Argyle Diamond Trust for \$45 million. The next deal was the purchase of the Perth Technical College site for \$20.5 million and the sale of it for \$33 million. Then FundsCorp was created. Everyone was urged to invest in FundsCorp. Fortunately, the State Government Insurance Commission and the Superannuation Board refused to do so, and over time FundsCorp was disbanded. It made about \$1.5 million or \$1.9 million each year while it lasted.

EventsCorp made some contribution to Western Australian sporting life but not quite in the

way imagined. People thought that organisation would be a great sponsor of sport like Rothmans, Winfield, Coca Cola and Pepsi. Large amounts of money would be invested, or that was the idea, to get the organisation off the ground. People thought that the WADC money was to be invested in EventsCorp; that is the profits from the WADC would be invested. A year later we discovered that each year EventsCorp was pumped up by \$1 million or more by Treasury. In other words, Treasury paid all the operating costs of EventsCorp. When the functions of that body are transferred to the Western Australian Tourism Commission in the near future the cost will be no greater than previously.

I will not go into the full history of LandCorp. This is the organisation formerly known as Landbank, which was transferred after David Hatt became acting director. All the assets and liabilities were transferred across to the WADC to set up LandCorp. Huge profits were generated within LandCorp for years, as a division of the WADC. That action saved the WADC in 1988-89. In 1988, half the profits of the WADC - that is \$5.4 million - came from LandCorp. The following year, \$17.4 million represented the profit generated from LandCorp. These were the sweetheart deals through cheap land transactions under a contract of sale by Landbank. If any member has a query, I can produce the accounts. At what price will the WADC transfer out those assets? Will it leave a large residual profit to create a nice warm feeling or will the land be passed on at a low cost to the next body? We find we have gone the full cycle because another body is to be set up. This is an absolute rort and a deception of the public because the profits were never made.

The figures relating to Landbank were fiddled, as were the stock values. The WADC board was very adept in these matters. The Western Australian Mint was taken over; it traded at a \$0.5 million loss each year. John Horgan told us that he did a great job by turning around the profits of the WA Mint. Brian Burke thanked him very much and paid him \$2.5 million over three years. How was this done? Gold was valued at \$50 an ounce, and when John Horgan took over he valued the gold at \$500 an ounce the following year. It is something like a person buying cattle at \$1 per head and revaluing the cattle the following year at \$300 per head. That is good business, and that is exactly what was done in the WADC case. They talked about big profits.

As mentioned in a speech yesterday, GoldCorp was created and Horgan and Burke travelled around the world. The then Premier and John Horgan were the first salesmen of the gold coins worldwide. People may wish to look into these matters as they relate to WADC. I will refer to those matters later on. We were told that GoldCorp experienced two years' profit and one year's loss. I am surprised at the admission about the loss. The annual report of that year stated that GoldCorp had trading results running at (\$1.4) million. One has to know that that meant loss although the word "loss" was not used. At least it is admitting now that it made a loss of \$1.4 million in one year.

Hon Fred McKenzie: Don't the brackets mean "debit"?

Hon MAX EVANS: It could be a debit on the credit side or a credit on the debit side or loss if one goes up and down. It is the opposite of what one thinks it is. If the member thought it was a profit but there were brackets, it would be a loss. There are no red figures in the accounts of this firm - it is all in the black.

All of those things were done with Government money. The licence fee from the IBJ Australia Bank Ltd was \$15 million. I saw the other day where IBJ has now gone from Western Australia and it is probably wishing that it never came here. The then Premier and John Horgan said to the bank, "Come to Western Australia with our support. You'll be the only foreign bank in Western Australia. We will guarantee you a licence." It got a licence - for \$15 million! It had to buy its shares back from the State Government Insurance Commission, the WADC, and the Town and Country Building Society at a profit to them and a loss to the bank.

Let us consider the projects. The annual report of the WADC cost a fortune. It should have cost a fortune because of the salaries the Government paid the people involved. John Horgan got \$1 million in salary for the last year of his service. At that time, Hon Joe Berinson criticised me for referring to it and said that it also included his retirement package. We have since found out that his retirement package of \$1 million was paid the next day, 1 July.

Hon P.G. Pandal: Nice work if you can get it.

Hon MAX EVANS: The WADC made a big investment in the Cable Beach Club. The annual report has a photograph of John Horgan and Lord McAlpine on the occasion of signing their 50-50 joint venture. The WADC put \$24.5 million into the project and got back \$24.5 million over the next three years, with no interest. That was a great deal! It only got back its outlay and did not make a profit. Good luck to Lord McAlpine; he now has \$50 million of assets at Broome on which I think he will find it very hard to make a profit.

Another WADC project was Underwater World. The corporation had a 40 per cent interest in the project. The brochure advises people to come to Underwater World and view the wide variety of fish, etc. It says that the project brings to Western Australia substantial revenue. It might have bought substantial revenue to Western Australia but it has been at a loss to the WA Government because the profits earned from that venture will be eroded by the losses incurred by Underwater World.

Not content with making losses here, the WADC obviously wondered whether it could double, treble or quadruple the losses and went to the Chinese in Singapore, and decided to invest in another Underwater World on Sentosa Island. It has not been finished; the WADC certainly has not finished paying for it.

Hon George Cash: There was a \$13 million loss.

Hon MAX EVANS: That is a lot of money. That is one of the projects included in this brochure with a big, coloured picture with children looking at the fish as they swim past. Really, the picture should show millions of dollars floating past because that is exactly what happened.

Hon E.J. Charlton: The only thing is that the fish come around again; the money does not.

Hon MAX EVANS: That is a very good analogy. It is like those blue water yachtsmen who like standing under a cold shower burning million dollar notes.

One of the first ventures the WADC talked about was the Australian International Insurance Exchange. Graham McDonald came out of nowhere from being an Aboriginal adviser to the former Premier and advised on this deal. It did not get off the ground. However, he went on to bigger and better things and became the Commissioner of Corporate Affairs. He did not have much experience, but he got that job and then moved on to be ombudsman for Australian banks.

The WADC then invested in a film "Boundaries of the Heart", starring Wendy Hughes and John Hargreaves. Perhaps the younger generation might be able to tell me whether that made any money; I do not know. Most of them do not. Most people invest in films only to gain tax concessions. However, the WADC was paying tax to the Government, therefore it did not matter. There was no point in investing in that venture. "Crocodile Dundee" made more profit than its investors counted on but then had to pay huge tax bills.

Hon P.G. Pental: Wendy Hughes is very nice, I have to say.

Hon MAX EVANS: Thank you.

The next investment was in East West Diamond Products. It was a small investment and has been and gone. It then invested in General Equity Ltd, which also has been and gone. The brochure did not even mention Port Kennedy at that stage. That was a deal south of Safety Bay in which the WADC got involved. It seems that the WADC put in all the money required to start the project while Fleuris Pty Ltd put in nothing but wanted to split the benefits 50-50.

Sitting suspended from 3.45 to 4.00 pm

[Questions without notice taken.]

Hon MAX EVANS: The WADC legislation under debate provides for the winding up of that organisation. We have been told that the capital of the organisation last year was \$47.7 million, of which \$15 million represented share capital and \$32.7 million represented unappropriated profits built up over the years after paying a dividend to the State Government. I believe the profits will be eaten up by the losses made on ventures still in operation such as Underwater World at Hillarys and the Sentosa project. It will be interesting to find out at the end of the day what will happen. We will then know whether the WADC has generated any real wealth using taxpayers' money. I am talking about

projects and investments which are supposed to generate real wealth for Western Australia. All the profits which have been outlined came from within the Government arena; that is, from organisations such as GoldCorp, the WA Mint, LandCorp, Landbank, FundsCorp - all bodies using Government funds. I refer also to the Argyle Diamond Trust shares and IBJ Bank - all ventures made possible by the grace of Brian Burke, a former Premier of Western Australia.

The amount of \$47.7 million is the net worth of the WADC. In two or three years we may be made aware of the true situation. On 1 April 1989 an announcement was made in relation to the liquidation of the WADC; that was at the same time when we considered the commission of accountability legislation.

Shortly, I will quote from an article written by Tim Treadgold, the associate editor for finance at *The West Australian*. It is a pity that some of these journalists did not take the trouble to write these stories earlier. They are doing so after the events have occurred, but in earlier days we had headlines with newspapers like *The Western Mail* claiming that the WADC had made a \$34 million profit. These stories appeared six months before the 1986 election, which was very fortunate for the Government. However, the article did not mention the \$15 million from the IBJ Bank or the \$15 million from the Perth Technical College site. It was one saga after another as the Press simply adopted the WADC Press releases. The article is headed -

WADC's last post but few will salute.

I hear a bugler on the other side.

Hon T.G. Butler: One of these days you will make a speech in this place which refers to Liberal Party policy.

Hon MAX EVANS: The article reads as follows -

Not many tears will be shed at the passing of the WA Development Corporation.

It was born a political wolf wrapped in the sheep's clothes of commercial convenience and has done very little of lasting good for the people of Western Australia.

Claims of having made profits of \$70 million are false and should be exposed for the nonsense they are. The biggest deals of the WADC simply involved transferring government assets from one hand (pure government like the Lands Department) to a fresh tier of government (the WADC itself) for sale to the private sector.

The first sale, it could be argued with considerable accuracy, was at artificially contrived and ridiculously low prices.

Such actions then set up the WADC to claim a profit.

Try doing that between related organisations in the private sector and see what your auditor (or the NCSC) has to say about it!

The author is stating that if companies moved assets from one company to another, this would create false paper profit to enhance the balance sheet. This was done to enhance the Government's electoral chances in 1986. If this were done in the private sector, the person involved would go to gaol. Stanley Cornhill from the Stanhill Corporation in Victoria went to gaol for doing exactly that. It happens where people move assets between three or four companies from Rome to the Cook Islands, or whatever, but the auditor will require that the profits are eliminated when they are transferred from one company to the other. The WADC was allowed to maintain the profits in the balance sheets as a lie. The article further states -

The burning question about the alleged \$70 million profit is why it has to be washed through an expensive and additional layer of government (the WADC) before being passed back to the Government?

Such deals involving St Georges Terrace land brought the WADC into contempt with the private sector and helped make WA an object of ridicule and suspicion in other states and overseas.

The article refers to some successes, and then states -

But, those small successes fade against the failures, none greater than the disgrace of the WA Diamond Trust.

Of all the schemes which came from the Burke years, that remains the worst and, it could be argued, the deal which conceived the infamous WA Incorporated.

The diamond trust is worth remembering because it bears similarities to the petrochemical deal in that the valuation applied to the deal (\$42 million paid by the State for 5 per cent of Argyle then valued at about \$15 million) involved familiar faces.

The Government's \$42 million purchase price was based on assumptions and guesses and was courtesy of Laurie Connell (with Brian Burke's late friend, Jack Walsh), the seller being a Bond Corp company, Northern Mining, a company now called WA Government Holdings.

It is history now that the trust never recovered from its overpricing.

That sums up the situation very well. I will place on the record how that \$70 million referred to by Tim Treadgold is comprised: Over one and a half years LandCorp contributed 29 per cent of the total with \$22.525 million; the IBJ Bank contributed 19.3 per cent with a profit of \$15 million; projects and investments over five years contributed 18 per cent with \$14.015 million; the Perth Technical College site contributed 16.7 per cent with \$13 million; FundsCorp over the four years contributed 9.8 per cent with \$7.654 million; the interest free loans made by the Government involving the sale of assets in the Argyle Mining venture represents 3.9 per cent and \$3.048 million; and GoldCorp in one year contributed 3.3 per cent of the profit with \$2.526 million. This makes a total of \$77.759 million. This list shows development projects over the five years involving a profit. It does not mention the losses on such projects as Cable Beach, and the losses on Underwater World at Sentosa will result in money being lost in terms of interest which could have been earned on the money. the WADC was established to generate real wealth, and it has been an absolute failure. I believe that I have contributed to bringing about the closing of the books of the Western Australian Development Corporation, which should never have been born in the first place. If I were still a registered liquidator, I would apply for the job of liquidating the company as it would give me pleasure to be the undertaker who puts it under the ground.

This Bill involves several amendments to the principal Act. After the Burt Commission on Accountability last year the Government rushed the accountability legislation through the Parliament during the short April session. Section 4 of the principal Act was amended to state that -

The Minister may give directions in writing to the Corporation with respect to its functions and powers, either generally or with respect to a particular matter, and the Corporation shall give effect to any such direction.

The second part of the section states -

The text of any direction received by the Corporation under subsection (4) shall be included in the annual report submitted by the accountability authority of the Corporation under section 66 of the *Financial Administration and Audit Act*.

That has brought about a change to the WADC although the accountability requirement was not in place between April 1984 and April 1989. Therefore, we did not know any answers to questions about the WADC during that period.

Since then the Opposition's questions have been answered by the Government. Even though the Opposition was entitled to those answers it did appreciate them. Those answers are the reason that the Opposition does not want the Western Australian Development Corporation Act repealed, which this Bill seeks to do. When this Bill is promulgated no-one will be able to question the deals which occurred during the period of the WADC's operation, but I will not go into that now. A number of deals still need to be investigated. In fact, a future Royal Commissioner may want to know what were these deals and whether any moneys changed hands on the Argyle diamond deal which Tim Treadgold, a highly respected journalist, said was one of the worst deals done by WA Inc. Questions should be asked about a certain bank and how it was able to obtain a licence to operate in this State. Numerous deals should be investigated, including the Cable Beach and Port Kennedy deals. All those deals will not be subject to appraisal by this House if this Bill is passed. The deal involving Port Kennedy only came to light a few months ago in the other place. Many inquiries will be made about the activities of the Perth Underwater World joint venture, and if the WADC Act were repealed the opportunity would not be available to ask those questions.

The Government made two very good amendments to the WADC Act in the form of the Acts Amendment (Accountability) Act. Section 13A of the Act states -

Liquidation of affairs of Corporation

13A. (1) Notwithstanding anything in this Act or any other written law, it is a function of the Corporation to liquidate the affairs of the Corporation if, and to the extent that, the Minister directs it to do so.

(2) Without limiting the generality of section 10, the Corporation has power to do all things necessary or convenient to be done for or in connection with the liquidation of the affairs of the Corporation.

My understanding is that a liquidator can be appointed by the Government to liquidate the corporation. We do not want this to be a charade; we do not want the people to be told by the Government that WADC no longer exists and everything is rosy. This Bill will really be the same as the WADC Act; an analogy would be taking one's personal effects from one car and putting them into a new car. It is a new car, but it has in it the same contents.

The Opposition proposes to delete clause 4(1) of the Bill, which states that the Western Australian Development Corporation Act is repealed. Clause 23 states -

Schedule 1 to the *Financial Administration and Audit Act 1985* is amended by deleting the item "Western Australian Development Corporation" and substituting the following -

"WADC Liquidator".

The Opposition proposes to amend that clause by deleting the word "Liquidator". Clause 25(2) states -

After section 69 of the *Financial Administration and Audit Act 1985* has been complied with in respect of the report of the Liquidator, this Act shall be repealed on such day as is fixed by proclamation.

If the Government's proposal is to keep the WADC operational, the Opposition intends to include in that clause something to the effect that the WADC Act shall be repealed when the liquidation is completed. It will probably be two or three years down the track, as stated in the Leader of the House's second reading speech, because of outstanding debts. If we were to take that course of action the liquidation would be speeded up considerably by assigning those debts to the Government. After all, the Government will reap the benefit in the end.

The second reading speech by the Leader of the House states -

WADC was previously structured into three broad divisions -

LandCorp, with Government property asset management responsibilities;
EventsCorp, with responsibility for events promotion; and
a projects and investments division.

LandCorp became operational after the WADC had been existence for at least four years. EventsCorp was operational as soon as the WADC came into existence and it played a minor role. The business involvements include the Perth Underwater World joint venture and Underwater World Sentosa Pty Ltd. Five other companies were listed in the other House and I hope the Minister will be able to tell us a little more about them and what the Government intends to do about them. I imagine instructions have been given to the Treasury officials who will be the liquidators of the WADC.

The second reading speech states that subject to the Financial Administration and Audit Act - it does not say it is only since April 1989 - the liquidator is to transfer the operation of EventsCorp and LandCorp to other public authorities. EventsCorp will go to the Tourism Commission and LandCorp will be set up as a new statutory authority. It will be interesting to see what profit it makes in the future. It should be very good, because land worth \$20 million was transferred to LandCorp and a large amount of it has not been developed. In recent debates it was revealed that the land was sold to LandCorp for the original price. The land originally belonged to the old State Housing Commission or the R & I Bank.

The second reading speech states -

It is expected that the liquidator may need to continue in existence for up to two or three years to collect vendor finance already extended by WADC in order to discharge liabilities without resource to the Consolidated Revenue Fund.

I do not believe that is the case and that those debts could be assigned to the Government. The Government is the only shareholder in the corporation and it receives the funds as they come to account.

The Leader of the House also said in his second reading speech that -

The WADC Liquidation Bill provides the vehicle for the orderly winding up of WADC's affairs. There is a clean break between WADC and the liquidator and the liquidator is provided with the powers necessary to wind up WADC's involvement in the variety of major and minor matters in which WADC has not yet been able to disengage itself.

That is most amazing. Company law has been operating in this State since the early 1890s. We have had nearly 100 years of corporations in this State and there were many liquidations in the tough days of the 1890s. Liquidations have been a standard procedure for a hundred years in this country and for hundreds of years overseas. The United States refers to liquidations as bankruptcies.

This Government has proved that it does not have a financial brain in its head and this has been illustrated in the deals in which it has been involved. For example, it agreed to the State Government Insurance Commission buying the Bell shares and to paying out the Rothwells guarantee without considering the commercial realities. The Government is now implementing a new method of liquidation; it is not following procedures previously implemented. It has come up with a new idea and has said, "There is a company and we will transfer all the assets and liabilities to another company and the original company will disappear." That cannot be done. Corporate law cannot operate in that way. A company which is to be liquidated must be liquidated and a new company cannot be set up and be called a liquidation company. It could be the liquidator - I understand there was a firm which had the same name.

If the Government had set up a WADC liquidator Bill and the liquidator became a corporate body to undertake the liquidation it would have been okay. We had a company, Primary Producers Trustee Company of Western Australia Pty Ltd, that had a licence to be a trustee in bankruptcy; we bought it from J.P. Stratton. It was the only corporate body licensed trustee in bankruptcy.

The Government could have gone down the path I have suggested but it has decided to transfer the assets from one company to another. The Opposition does not agree with that because the next day all the relevant material could be shredded. The Bill does state that all the records and minutes shall be owned by the liquidator. I do not know how he can be the owner of them - perhaps it should state he would be the trustee of them. The Opposition does not believe this is the normal way to undertake a liquidation. It is a complete cover-up on the part of the Government to hide the activities of the WADC.

This issue must be kept alive. I still have great confidence that the Premier of Western Australia will hold a Royal Commission. She will not want to miss the opportunity to investigate the deals made by Western Australian Development Corporation and WA Inc. She will want to see honesty and justice done and the actions of the WADC accounted for.

Hon T.G. Butler interjected.

Hon MAX EVANS: I had them lined up beforehand. I learnt from the Government, I lobby people; I see that they all agree with what I want to do. I want to know the Government's position in relation to the old board of the WADC. A great deal of money changed hands on 30 June or 1 July last year. In the form of salaries, one person received \$1 million, another person received \$180 000, another received \$150 000, and another, \$80 000. This was money paid out over the 12 months to June as a company with capital to the value of about \$40 million which is not very much capital. That happened last year when the WADC was to live on. We discovered that John Horgan was paid \$1 million the next day as a retirement package. We did not find out what David MacKinlay and the other board member received when they retired.

A new board, made up of public servants, was appointed to the WADC on July 1. I do not know who are the members yet, but I hope the Minister will tell us who they are. That information could not be announced in the Assembly prior to 1 July. Other questions have been asked in the other place which have not been answered. In the winding-up of the WADC, the public should be made aware of guarantees that must be honoured because that involves appropriation of Government money. The Bill gives approval for Treasury to make up any losses resulting from guarantees to be paid from the Consolidated Revenue Fund. This situation is synonymous with the winding up of Rothwells Ltd, Teachers Credit Society and Swan Building Society because it involves open-ended guarantees.

Before this Bill is passed we must be advised of the guarantees that the WADC has entered into and which of them must be covered by the Government. We know that in 1987 a \$3 million guarantee was on the books, which disappeared in 1988. Some super sleuthing revealed that it was for McLean Bros & Rigg, a company controlled by Roy Annear and other people. The WADC picked up the tab for \$3 million in return for nothing. It guaranteed the overdraft for McLean Bros & Rigg. A shelf company was picked up from John Horgan to be used for fishing operations in Fremantle. That guarantee cost the taxpayers of Western Australia \$3 million.

I want to know what other guarantees were made. Have we guaranteed Sentosa \$10 million or \$20 million? Have we guaranteed the Hillarys joint venture \$10 million? A lease agreement will be on that company's books. It is the liquidator's role to deal with these liabilities without a conscience. Part of his role is to ask a landlord to show proof of debt and advise that he will not be paid any more money. The landlord will provide proof of debt, showing that rent owed up to cessation of the contract - 12 months' rent in advance - might amount to anything from \$10 000 to \$1 million. I am sure a huge lease payment will be due to Hillarys and will be part of the Hillarys joint venture operation. Star Capital has gone broke and the New Zealand Underwater World has disappeared - pushed out by the WADC because it wanted to be among the big boys who made money overseas. The Opposition wants to know if guarantees were entered into with those companies; what the Government will do with Sentosa; and whether there are any performance guarantees for Port Kennedy. Several hundred thousand dollars have been invested in that venture so far. What guarantees has the Government given about the development of properties? It mentioned \$200 million or \$300 million tourist ventures which will incur a big loss at the end of the day. What guarantees will we face for Gold Banking Corporation? After all, that was conceived by the WADC.

These questions were asked in the other House and the Deputy Premier promised the answers, but time ran out. He should have sent them up to this House by now. However, I know the Leader of the House, being an honourable man, will make certain these answers are provided. The Opposition wants to know the banded salaries of those employees to 30 June 1990. The Deputy Premier agreed to provide the details of superannuation payments to these people. The amounts involved could erode profits from the disposal of the WADC. These payments could amount to millions of dollars and are called golden parachutes or golden handshakes. The Opposition wants to know what those handshakes were. Finally, in exercising the privilege of this House that is not given in the other House, we should be able to receive a draft balance sheet of the WADC as at 30 June.

Hon W.N. Stretch: Hear, hear!

Hon MAX EVANS: The difference between liquidation according to the Bill before the House and the orthodox manner of liquidation is that in a normal liquidation, directors are required to provide a statement showing all the assets and liabilities and what they expect to realise. Every asset and liability is listed including wages, holiday pay, etc. The Leader of the House will probably say that situation applies to a creditors' winding up, not to a voluntary winding up. I agree with that, but why should a Government company not provide the same amount of information? A liquidator must provide a statement of receipts and payments every six months which shows every dollar received and every dollar paid out and it is tabled with the Corporate Affairs Department.

We must not forget that the WADC began operations in accordance with the Companies (Western Australia) Code. That is why an ordinary liquidator should be appointed to wind up the WADC in an orthodox manner. It was a solvent company. If the liquidator believed

wrongdoings had taken place, he could instigate a public inquiry into those dealings. He would not be precluded from doing that, as he would be if creditors were involved, because it is a solvent company. After all, he is not there for the benefit of the creditors; he is there for the benefit of the shareholders and in this case the shareholders are the taxpayers of Western Australia. A liquidator should be appointed who will look after their interests; who will be tough on some of the creditors and say to them, "No, you will not receive any more money; I don't like the deal that took place." He should not soft soap them. He will have to be tough about selling assets also. The person appointed should be a tough person with commercial experience who knows how to opt out of some of the contracts entered into by the WADC such as Port Kennedy, Hillarys and Sentosa.

The Government should not appoint two senior public servants who have no hands-on commercial experience, with due respect, to handle liquidation of net assets worth about \$47 million. At the end of the day, if money is wasted, the taxpayers will pick up the tab. The taxpayers' money has been recycled; profits should be returned to them. Losses from winding down the WADC will reduce the amount returned to the taxpayers. They should not have to put up with the excuse that decisions were made in ignorance.

What independence does a senior public servant have from his Minister? The Minister can provide directions in writing which will be published under the Financial Administration and Audit Act umpteen months down the line. When undertaking a liquidation which involves selling assets and dealing with creditors one must make quick decisions. Decisions can often be wrong in hindsight, but one cannot do much about that. The liquidator should be a man with skill and judgment who has been involved in liquidation for many years. A considerable amount has yet to be resolved in this organisation. Much of the evidence revealing the problems within the WADC remains untouched and that is why the Government wants to get rid of it. It came up with the great idea on 1 April 1989 to wind down the WADC. Twelve months later it has not been put in the coffin; it is still running around. Twelve months after it was sold, hurrah hurrah, it is to be liquidated and the Government is trying to work out what to do. This Bill has now arrived; it is a great concept, but it will hide the evidence. The day this Bill is proclaimed, the evidence will all disappear and no more investigations will take place.

The Liberal Party will move amendments to this legislation. The Deputy Premier has said that if the Bill is not passed in this House, the WADC will continue to operate under the existing legislation and the Government will wind down its assets and pay its liabilities - checkmate. However, that will not be checkmate because under the provisions of the Financial Administration and Audit Act I will be asking every month for copies of receipts and payments, for details of every transaction and for a statement of affairs of the WADC, because we must get to the truth.

HON E.J. CHARLTON (Agricultural) [5.01 pm]: I remind the Government that the Western Australian Development Corporation was established to promote and assist the development of business enterprises in this State by reducing the amount of red tape that people in the private sector had to go through. We would not argue about the need to encourage businesses, which, if successful, would be of benefit to the State, either directly or indirectly. We were told that the WADC was to be structured into three divisions: LandCorp, which was to be responsible for the management of Government property assets; EventsCorp, which was to be responsible for events promotion; and a projects and investments division. We have now been told that the WADC has invested in the Underwater World joint venture at Hillarys, in Underwater World Sentosa Pty Ltd and in the Port Kennedy project.

The Bill provides for the appointment by the Minister for Finance and Economic Development of two Treasury officers to act as liquidator for the WADC. At its inception the WADC was to do wonderful things for the private sector, in conjunction with the Government. We have now reached the stage where it has run its race and is to be liquidated. It is all very well to wind up the WADC, but its liabilities will have to be met in full. The Bill provides that the Consolidated Revenue Fund is to be permanently appropriated to the extent necessary to discharge any remaining liabilities when the liquidator goes out of being. The Bill provides that the liquidator is to transfer the operations of EventsCorp and LandCorp to another public authority. The Bill provides also for the liquidator to continue in existence for up to two or three years to collect vendor finance

already extended by the WADC in order to discharge liabilities without recourse to the Consolidated Revenue Fund.

However, once bitten, twice shy, as the saying goes, and we in the National Party want to be assured that during the process of liquidation of the WADC the Government will continue to be fully accountable. The Government has placed a lot of importance on the need for accountability. The public need to know that the liquidation will take place in a proper manner and that all the questions that have been asked about how the losses incurred and who was responsible for them will be answered. Those answers should be provided automatically when a liquidation takes place.

The Opposition was told during the second reading debate on this Bill in the other place that all these things are covered by the provisions of the FAA Act and the provisions of this Bill and we do not have to worry about anything. However, the advice I have received from people in whom I have great faith and confidence is that it will not be in the best interests of all concerned to go down that path. The purpose of the FAA Act is to report on and audit what actually takes place. It does not provide a mechanism whereby the public or members of Parliament are able to find out all the answers to questions raised about specific issues. The FAA Act provides a safeguard to ensure that at the end of the day everything will be in order in a whole host of operations. The FAA Act alone will not ensure that the liquidators of the WADC carry out their responsibilities under the Companies (Western Australia) Code.

For that reason we have concerns, as has been stated in another place, and as a consequence of the information I sought and was given we have taken that stance. That is the background to the concern expressed by the Leader of the National Party in another place, Mr Hendy Cowan. It is on that basis that I intend, when I have put it into the terminology that is required, to move amendments at the Committee stage. I want to ensure that we are all satisfied that the way in which this liquidation takes place is in accordance with that of the liquidation of any other company in Western Australia. A great deal has been said recently about companies, and how they go out of business and leave people high and dry. We know that in this case no-one will be left in that situation because any liabilities will be guaranteed. That is all very well for the people who are directly concerned but it is a little different from the point of view of members of Parliament, who have the responsibility to ensure that the liquidation of the Western Australian Development Corporation takes place. However, at the same time we have the responsibility to ensure that the liquidation is carried out such that no unanswered questions remain hidden or unavailable to be pursued at some future date.

The National Party supports the liquidation of the WADC. We believe the WADC should have been a valuable corporation to the State. It should have been given the role of assisting people and contributing something very worthwhile to the State. That did not happen and it is another sad blemish on the Government that it has ended up this way. However, that is a fact of life and it is not the only one. As a consequence, the WADC has now come to its final days. It is critical also that the liquidation of the WADC is achieved in a creditable and accountable way, and with the assistance of members on this side of the House and the Government we will ensure as best we can that everyone realises that the process of the liquidation of the WADC must be both creditable and accountable.

HON PETER FOSS (East Metropolitan) [5.13 pm]: I do not know how many members have read the story by Enid Blyton about Noddy and Big Ears building a house, but it is quite an illustrative story.

Hon B.L. Jones: Isn't Noddy banned now?

Hon PETER FOSS: He could be, after I have made this speech. Noddy and Big Ears were building a house and while they were doing so it started to rain. Noddy had the brilliant idea that they should start by putting the roof up first so that if it rained they could continue building the walls of the house underneath; Big Ears pointed out that they had to put the walls up before they could put the roof on top.

This Bill is the equivalent of Noddy and Big Ears building a house, because clause 4 of the Bill provides that the first thing that happens is that the Western Australian Development Corporation Act is repealed, which is usually the last thing to be done in a liquidation. When the liquidator has finished everything and nothing more is to be done, and the affairs of the corporation have been dealt with, when it is extinguished from all possible views and all the

liabilities, assets and moneys have been disposed of, then, at the very last moment, the liquidator has liquidated it and it is struck off the register.

Hon Max Evans: The liquidator has to destroy all the records after six years. They must all be retained until then.

Hon PETER FOSS: Exactly. Only when the job is done does the liquidator take the final step of obliterating the corporation; but the first thing this Bill does is to obliterate the corporation. It is just as illogical as putting the roof on a house before putting the walls up. Why is the Government doing this in clause 4 and then, in clause 5, immediately creating another corporation which succeeds to everything that the WADC had, except that it is a new corporation with a new name? It is rather like saying, "The King is dead; long live the King!" because in clause 5 is the WADC wearing a different hat. What is more, it seems to go even further because the first thing clause 5 says is that the liquidator is a body corporate and is capable of acquiring, holding and disposing of real and personal property. Why on earth would the liquidator want to acquire property? He is supposed to be disposing of everything.

Another question arises: Why is this Bill here at all? As was pointed out by Hon Max Evans, there is already provision in the Acts Amendment (Accountability) Act for the Minister to require the corporation to wind itself up and to give it a scheme which will give it all the powers it needed. Why is the Government doing this at all? Why is it not using the current power? Why on earth was this not even referred to in the second reading speech? If the Government has a reason, why was it not mentioned there?

Hon Tom Helm: Let's ask Noddy and Big Ears.

Hon PETER FOSS: Exactly - I will get as good an answer from them as I am likely to get from this Government.

The PRESIDENT: Order!

Hon PETER FOSS: The answer to my question is that this Government is window dressing again. It wants to say to the people of Western Australia, "WADC is dead. We have wound it up and liquidated it." However, the Government has not done that at all. It has created a new corporation which has even greater powers than one would expect the liquidator in a normal liquidation to have. This Bill is window dressing and I suspect that the one clause this Government wants in this entire piece of legislation is clause 4, because that clause enables the Government to say something to the people of this State which is not in fact correct.

It seems to me extraordinary that we should have a Bill such as this, which provides in a very inadequate way for a liquidation, when in fact the Companies Code has numerous clauses dealing with all of the matters that are in this Bill, much better than they are dealt with in this Bill. Yet here we are, trying to do it with a partial Bill. The WADC should be wound up under the Companies Code.

Hon Tom Helm: Are you going to vote against it?

Hon PETER FOSS: I would like to. It is even more clear in clause 10(1)(b), which provides that the liquidator has powers under subsection (1) as if it were a function of the liquidator to retain and manage property vested in it. We are talking about liquidating the WADC, yet many of the provisions seem to say that it should be carried on even further; and the same applies to paragraph (c) of clause 10(1). It is alarming to note that clause 16 contains these wretched powers of the Treasurer to guarantee, and in subclause (4) of that clause again there is an appropriation. Why on earth is a man who is meant to be winding up a company getting guarantees from the Treasurer for which a standing appropriation is made? This whole Bill stinks. It is quite plainly window dressing and I am concerned to see in clause 22 that the liquidation is seen to be rather a long task. That clause says that at the expiration of three years it will be reviewed. Obviously the Government does not see the liquidation happening very quickly.

As far as I can see the Government, by this Bill, is doing absolutely nothing that it could not have done better under the Acts Amendment (Accountability) Act, and the worst aspect of it is clause 4, which should definitely be defeated.

HON FRED McKENZIE (East Metropolitan) [5.20 pm]: I am amazed at the way this

debate has gone. I thought that the Opposition would want to wind up the Western Australian Development Corporation without worrying about any amendments during the Committee stage. The Liberal Party was the catalyst for winding up the WADC; it did not like the concept from the start. I would have thought that rather than have a long debate about it we would be able to dispense with this Bill quickly. I have said this in order to make sure that members opposite are aware that the Government is keen to wind up the WADC through this Bill.

Several members interjected.

The PRESIDENT: Order! Would honourable members come to order; this is not a circus.

Debate adjourned, on motion by Hon Doug Wenn.

WORKERS' COMPENSATION AND ASSISTANCE AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon J.M. Berinson (Leader of the House), read a first time.

Second Reading

HON J.M. BERINSON (North Metropolitan - Leader of the House) [5.23 pm]: I move -

That the Bill be now read a second time.

Based on extensive consultation among the memberships of the bodies represented on the Tripartite Labour Consultative Council and responses from other interested parties, this Bill represents a major initiative by the Government to reduce both the suffering of injured workers and costs to employers. The Government will continue the process of consultation to ensure that the Workers' Compensation and Assistance Act, when amended, provides a responsive and responsible workers' compensation system best suited to the needs of the Western Australian community.

The need for reform:

Workers' compensation premiums in Western Australia currently cost employers \$323 million a year and constitute a major component of labour oncosts. Reforms which can control workers' compensation costs, while making the system more responsive to the needs of workers, will therefore improve productivity and profitability of Western Australian enterprises.

The tripartite council identified the following primary areas of concern regarding the current workers' compensation system -

- (1) The lack of reliable data on the operation and performance of the system.
- (2) The predominant emphasis on the payment of compensation rather than returning the injured worker to gainful employment.
- (3) The barriers to more active participation by employers in their insurance cover and claims management.
- (4) The prolonged delays in the resolution of disputed claims.
- (5) The lack of incentive to all parties to minimise the number and duration of claims.

These concerns, against a background of repeated piecemeal amendments to the Act, led to the implementation of the wide ranging review of the legislation and its operation. Government support for a general review of workers' compensation was based on an examination from first principles.

Overview of the Bill:

The review by the tripartite council was based on the following broad principles -

- (1) The maintenance of reasonable living standards for the injured worker, which involves both income replacement and covering medical and like expenses arising from the injury or disease.

- (2) Giving major emphasis to the return of the injured worker to gainful employment through coordinated rehabilitation programs.
- (3) Providing incentives and information support for prevention.
- (4) The efficient administration of the scheme to the benefit of employers, workers, insurers and service providers.

The reforms arising from the review cover the following major areas -

Claim and dispute procedures.

Information.

Rehabilitation.

System control and administration.

Claim and dispute procedures:

The Bill specifies a clearly defined procedure and time frame for the processing of claims and contains measures to expedite the resolution of disputed claims. The employer will be required to forward a claim to the insurer within three working days of the worker giving notice of a claim to the employer or as soon as practicable thereafter. Within 14 days of the insurer receiving the claim from the employer, the insurer is either to accept the claim or notify the Workers' Compensation Board that the claim has been rejected, or that more time is required to decide the claim. This requirement will counteract a significant area of delay and will provide for involvement of the board as soon as a dispute or possible delay arises.

The Bill proposes to confer on the existing non-legal members of the Workers' Compensation Board the status of commissioner with power to hear disputes pertaining to rehabilitation, health care expenses and travelling expenses. It is anticipated that this initiative will result in more expedient dispute settling in these areas.

Importantly, in determining appeals against an insurer or an employer who has served a notice of intention to discontinue or reduce weekly payments, the board will have the power to take account of the efforts of the employer and the worker to effect rehabilitation. This provision reflects the Government's concern that such notices at present can be issued in the absence of any rehabilitation effort by the worker, the employer or the insurer.

Information:

Comprehensive, reliable and timely information on the operation of the workers' compensation system is essential to its effective management and continuing improvement. The Government, therefore, has accepted the tripartite council's proposal that a database be established to register details of individual claims and individual policies. Work on this project has already been commenced by the Workers' Compensation and Rehabilitation Commission.

Provisions in the Bill will enhance the commission's ability to collect timely and accurate data from insurers and self-insurers. This is to be combined with the introduction of a new scheme for the approval of insurers which gives major emphasis to their responsibility to provide information to the commission.

Rehabilitation:

A range of reforms is to be introduced which will broaden the options for injured workers and reduce both the economic cost and human suffering associated with work related injury and disease. Each claim notification to the commission will require an estimate of whether the injured worker is likely to be off work for more than four weeks, with the intention that the employer will give immediate consideration to rehabilitation, if this is deemed appropriate. At present, there is no requirement for any action to be taken before 12 weeks of lost time. Earlier effective intervention with rehabilitation processes will significantly reduce unnecessary delays and costs associated with protracted claims. Powers are to be introduced to enable the commission to appoint a rehabilitation advisory committee to advise it on all rehabilitation matters. Among other duties, the committee will advise the commission on the formal accreditation of public and private sector rehabilitation service providers. The Bill requires all providers of vocational rehabilitation services to be approved, thus ensuring that costs and quality of service are closely monitored in the rehabilitation area.

To encourage increased use of approved rehabilitation services, new specific funding for vocational rehabilitation will be introduced. Payments under the Act for these services will be identified separately and will be subject to a maximum of seven per cent - which currently represents \$5 600 - of the prescribed amount, to help ensure that vocational rehabilitation is properly targeted and to avoid excessive cost blowouts, which are a feature of some of the Eastern States schemes.

The Workers' Compensation and Rehabilitation Commission has already established a high quality, multidisciplinary vocational rehabilitation service which will operate in open competition with the private sector. The injured worker will have complete freedom of choice of rehabilitation provider and may select either the commission or an approved rehabilitation provider.

To facilitate the development and implementation of vocational rehabilitation schemes, the commission will be empowered to assist in and promote the establishment of employer based and group rehabilitation services, the latter providing a means for small business to access appropriate forms of rehabilitation.

System control and administration:

The Government has consistently acknowledged that the key parties with an interest in workers' compensation are employers, workers and the Government. To this end the Government has decided that membership of the commission is to be enlarged by adding a further employer and a trade union representative. Further, the medical practitioner on the commission, who currently is required to be a public servant, may in future be drawn from either the public or the private sector. With these changes, it is considered the commission will more appropriately represent the interests of all the parties involved in workers' compensation.

Amendments to the procedure for recovery of avoided premiums, and greater flexibility for inspectors to conduct written and telephone inquiries, will help to reduce under-insurance by some employers. In addition, it is proposed that the Act will require self-insurers to demonstrate that they possess sufficient financial and material resources in the State. This will ensure consistency with the conditions for approved insurers and will enable the commission to implement new guidelines for self-insurers in the areas of prevention, rehabilitation and claims handling.

The Government further recognises that successful reform of the scheme is vitally dependent upon increasing the awareness of all the parties of their rights and responsibilities under the Act. This fundamental but important aspect has been addressed through the recent establishment of an advisory services branch in the Workers' Compensation and Rehabilitation Commission. This branch has responsibility for the more effective distribution of information to employers, workers, service providers and the community.

In conclusion, the reforms contained in this Bill have been developed on a consensus basis unlike the reform of workers' compensation undertaken in some other Australian States. In addition to amending the legislation, the Government will be working to ensure that the Workers' Compensation and Rehabilitation Commission improves the administration of the Act. Various recommendations by the Tripartite Labour Consultative Council on administrative matters, as indicated previously, have been referred to the commission for implementation.

The Government believes that the reforms set a new direction for workers' compensation in establishing rehabilitation as a primary focus and involving employers and workers more closely in the effective administration of the scheme.

I commend the Bill to the House.

Debate adjourned, on motion by Hon W.N. Stretch.

SENIORS (WATER SERVICE CHARGES REBATES) BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Kay Hallahan (Minister for Planning), read a first time.

Second Reading

HON KAY HALLAHAN (East Metropolitan - Minister for Planning) [5.32 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to make statutory provision for persons holding Seniors' Cards to be given rebates on certain water, sewerage and drainage annual charges. The rebates to be given are part of the comprehensive benefits plan for the elderly which was a component of the Government's policy at the last election. Concessions to seniors are already in place for State Energy Commission accounts, purchase of spectacles and driving licences. Enactment of this Bill will enable seniors to receive a rebate on water related charges from 1 July 1990.

The rebates will apply to annual charges for water supply, sewerage and drainage services provided by the Water Authority, as well as to water supply services provided by the Bunbury and Busselton Water Boards, and sewerage services provided by 20 local government authorities. The rebates will not apply to charges for actual volumes of water used. The general level of rebate will be 25 per cent of the charge, subject to a monetary limit - to be indexed - for each separate water service. These ceilings will affect only a minority of seniors whose properties have relatively high valuations.

The rebate will apply to residential property owned by a senior, and which is his or her principal place of residence. For the purposes of the Bill, jointly owned land will also be eligible if owned by two or more seniors, or by a senior and his or her spouse, whether or not the spouse is a senior. In other cases where a senior has a part interest in his or her residence, the senior will be eligible for a pro rata rebate.

The cost of rebates of Water Authority charges will be met by the Water Authority. The cost of rebates of water board and local government sewerage charges will be reimbursed by the Government. Although it would have been possible to establish these rebates for Water Authority charges by by-laws under the Water Authority Act, it would not then have been possible to extend them to water board or local government sewerage. It is preferable for a single Statute to prescribe identical provisions for all relevant citizens of this State.

I look forward to receiving the support of the House for this further move to recognise, in a tangible way, the contributions our senior citizens have made to the State of Western Australia. I commend the Bill to the House.

Debate adjourned, on motion by Hon W.N. Stretch.

STANDING COMMITTEE ON LEGISLATION

Criminal Law Amendment Bill - Report Tabling

HON GARRY KELLY (South Metropolitan) [5.35 pm]: I present the final report of the Standing Committee on Legislation on the Criminal Law Amendment Bill and move -

That the report do lie upon the Table and be printed.

Question put and passed.

[See paper No 365]

LOTTERIES COMMISSION BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Kay Hallahan (Minister for Planning), read a first time.

Second Reading

HON KAY HALLAHAN (East Metropolitan - Minister for Planning) [5.36 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to provide a legislative basis which addresses the scale and complexity of the Lotteries Commission's current operations and which enhances its capacity to fulfil its role in funding significant community initiatives. The Bill replaces the

Lotteries Control Act 1954 and the Lotto Act 1981. In recent years these Acts have proved inadequate in some respects, and were criticised in 1986 in the tenth report of the Standing Committee on Government Agencies. This Bill incorporates many of the changes foreshadowed by that report.

The Bill differs significantly from the legislation it replaces in four important areas. In the area of operating lotteries, instant lotteries and lotto, the Bill proposed to give the commission more flexibility in developing and marketing its products. The commission has been conducting soccer football pools in Western Australia since May 1989 under licence from the Gaming Commission. This Bill validates the conduct of football pools by the commission from the time the original licence was granted. Other changes include the capacity to offer a greater range of prizes, to reduce the time that the commission must hold unclaimed prizes, and to allow moneys held as unclaimed prizes to be returned to the prize pool as additional or increased prizes in line with the rest of Australia. The Bill also prohibits the operation of commercial lottery or lotto syndicates that charge fees for services.

The second area addressed by the Bill is the need to increase the number of commissioners to cope with the dramatic increase in the complexity and scale of the commission's activities. It has become apparent that four commissioners cannot be expected to provide the necessary range of expertise in finance, management, computer operations and marketing, as well as maintaining a balance of community interests. The Bill proposes an increase in the number of commissioners from four to six to enable the necessary balance to be achieved.

The third area of change in the Bill covers the important role of the Lotteries Commission in funding community activities. It has been apparent for some years that the provisions in the current Acts that relate to funding are inflexible, outdated and inequitable. The Bill provides that, from the gross sales of all Lotteries Commission products other than soccer pools, 16 per cent shall be paid to the hospital fund account; two per cent to the sports lottery account; two per cent to the arts lottery account; and five per cent shall be distributed by the commission to eligible organisations for approved purposes. All proceeds from soccer pools, after deductions for prizes and administration, are to be paid into the hospital fund account. Eligible organisations are defined as non-Government, non-profit bodies, and approved purposes are those of a charitable or benevolent nature. Local government authorities are eligible for funds in those areas of their activities that are consistent with the approved purposes. The effect of these provisions will be to ensure that current and future commissions are able to respond to changing priorities in the community. The fact that all the funds for all areas of activity supported by the commission will now be percentage based is far more equitable, and ensures that no area benefits to the detriment of another.

In recent years the increased turnover of the commission, together with prevailing interest rates, has created, for the first time, a significant investment income. Neither of the previous Acts contained specific provisions governing how this income should be treated. The Bill provides for any surplus income, after prizes, distributions and commissions have been paid, to be distributed to eligible organisations in the same manner as the five per cent distribution undertaken by the commission.

Finally, the Bill removes some anomalies that have existed since some of the commission's powers were transferred to the Gaming Commission. It also strengthens accountability requirements by clarifying the commission's relationship with the Minister. I am confident that this Bill will ensure that the Lotteries Commission is equipped to make an effective and significant contribution to the Western Australian community. I commend the Bill to the House.

Debate adjourned, on motion by Hon P.H. Lockyer.

UNCLAIMED MONEY BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon J.M. Berinson (Leader of the House), read a first time.

Second Reading

HON J.M. BERINSON (North Metropolitan - Leader of the House) [5.40 pm]: I move -

That the Bill be now read a second time.

The law relating to the general treatment and disposition of unclaimed moneys is presently governed by the Unclaimed Moneys Act 1912. In 1973 the Law Reform Commission was asked to review the Act and it found in December 1980 that the existing law was deficient in a number of respects. The Bill largely incorporates the recommendations of the Law Reform Commission, which was consulted during its drafting, and it achieves a significant reform of the law in relation to unclaimed moneys. Overall the Bill has been structured to provide equity while, at the same time, minimising the impact of red tape on the private sector. Equity is achieved by broadening the application of the Bill beyond the present Act's narrow focus on companies to embrace the full range of commercial activity and all State departments and statutory authorities. Equity for the "owners" of unclaimed money is enhanced by consolidated advertising provisions which are likely to be more effective in reaching the general community. The reductions in red tape and cost to the private sector are achieved by lifting the minimum compliance limit to \$100 per individual amount, compared with the present limit of \$10, and by Treasury's taking on the responsibility for advertising which is presently carried out by the firms holding unclaimed money.

The \$100 minimum for compulsory compliance will substantially reduce the impact on organisations bound by the Bill. While \$100 is the minimum for mandatory compliance, there is provision for holders of unclaimed money to pay in lesser amounts voluntarily if they wish. This will allow businesses to clear such moneys from their books and take advantage of the statutory protection which the Bill provides for all persons who pay unclaimed moneys into Treasury. The business community is further assisted by provisions for voluntary payment on an accelerated basis. While in normal circumstances the Bill applies only to moneys which have been held without claim for six years, voluntary payment is possible after six months where a person ceases to carry on business or dies or after two years in other cases. This provides an option to avoid the administrative cost of holding moneys for the full six years.

With regard to advertising, the Bill provides that the Treasurer will each year cause a full listing of unclaimed moneys identified by holders to be advertised in one or more special issues of the *Government Gazette* which will be made widely available in State and local government offices and police stations. Treasury will also publicise the availability of the *Gazette* by Press advertisement. This is a considerable improvement on the present position where advertisements are spread over several issues of the ordinary weekly *Gazette* without this being made widely known to the public. It is also notable that Treasury will bear the cost of advertising, in contrast with the existing Act which requires the holder to pay the cost and to deduct it from the unclaimed moneys held, to the ultimate disadvantage of the claimants.

The basic scheme of the Bill is -

- to define unclaimed moneys and persons - including organisations - to whom the Bill will apply;

- to require persons who, at 31 December in any year, have held such moneys without claim for specified periods to provide details to the Treasurer for public advertisement. Where the moneys remain unclaimed at 31 July, within 14 days they must be paid to the Treasurer for payment into consolidated revenue;

- to supplement, without overriding, specific unclaimed moneys provisions in various other Acts - such as the Companies (Western Australia) Code, Public Trustee Act and port authority Acts - so that, as far as possible, all such moneys are treated consistently;

- to make provision for claims and their payment, including a "Special Act"; that is, permanent appropriation of Consolidated Revenue Fund to ensure that money is always available to meet claims; and

- to provide flexibility to deal with new circumstances and unintended consequences by allowing the Treasurer, by regulation, to both provide exemptions and specify inclusions to the application of the Bill.

The Unclaimed Money Bill will remove anomalies and inconsistencies in the existing law and will provide both equity and efficiency in its operation. It incorporates almost all of the

Law Reform Commission's recommendations and is a significant and welcome reform to this area of the law. I commend the Bill to the House.

Debate adjourned, on motion by Hon Max Evans.

MEDICAL AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Kay Hallahan (Minister for Planning), read a first time.

Second Reading

HON KAY HALLAHAN (East Metropolitan - Minister for Planning) [5.45 pm]: I move -

That the Bill be now read a second time.

This Bill provides for three amendments to the Medical Act 1894. The amendments aim to rectify deficiencies in the current legislation.

The first amendment will enable the Medical Board to review the registration status of those medical practitioners affected by the Medical Amendment Act 1979 and, if the board is satisfied, grant full registration. The 1979 amendment to section 11 of the Medical Act provided that those doctors who held limited registration at the time of the amendment could obtain full registration without the need for any further qualifications or exams. This did not take into account an agreement between the Mental Health Department, as it was then known, and a practitioner who was given to understand that full registration would be granted once he or she had completed five years' practice under auxiliary registration which commenced shortly after the 1979 amendment. This amendment will give effect to this agreement by extending the period to within six months of the 1979 amendment's coming into operation.

The second amendment will enable a doctor appointed from overseas who otherwise would not be eligible to register in Western Australia, who is engaged in teaching and research, to be registered to undertake clinical practice associated with his or her appointment to a teaching or research institution. This amendment is required to alleviate the difficulties the faculty of medicine is experiencing in attracting distinguished personnel to teaching positions because the provisions of the current Act do not allow practitioners appointed or engaged in teaching and research to exercise a right of clinical practice unless they have registrable qualifications in Western Australia. Registration will be granted with the approval of the Minister given on the recommendation of the board.

The final amendment clarifies the extent of liability for bodies corporate. The current provisions provide that all members of a body corporate are jointly and severally liable legally if a member of the body corporate is sued. This amendment continues to extend legal liability for medical negligence beyond the body corporate but limits its extent to the body corporate and to medical practitioners who are members of the body corporate and who are registered as medical practitioners only.

The Government has consulted with representatives from the medical profession and involved them in the development of these amendments. There is support within the profession for these amendments. The Government in introducing these amendments has addressed some significant deficiencies in the current Medical Act which will alleviate difficulties for both the profession and individual practitioners.

Accordingly, I commend the Bill to the House.

Debate adjourned, on motion by Hon Barry House.

LAND TAX ASSESSMENT AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon J.M. Berinson (Leader of the House), read a first time.

Second Reading

HON J.M. BERINSON (North Metropolitan - Leader of the House) [5.48 pm]: I move -

That the Bill be now read a second time.

Recent Commonwealth Government amendments to the legislation controlling the operations of a number of Commonwealth statutory authorities, including Australia Post and Telecom, rendered these authorities liable for State taxes and duties. However, the present provisions of the Land Tax Assessment Act confer exemption on an agency of the Crown, an instrumentality of the Crown or a public statutory authority, whether created by State or Commonwealth legislation. Thus, the Commonwealth's intention of making these authorities liable to State taxes, etc, has been negated by the exemption provision in the Land Tax Assessment Act. This position was confirmed by Crown Law advice.

This Bill therefore provides for the exemption in the Land Tax Assessment Act to be confined to agencies, instrumentalities and authorities which are created by State legislation. The Bill will apply for the 1989-90 assessment year, which is consistent with the intention expressed in the Commonwealth legislation. It is anticipated that these Commonwealth authorities will make an annual contribution in the order of \$1 million to land tax revenue in 1989-90 and subsequent years. Unfortunately, 90 per cent of this revenue will be offset by a reduction in the Commonwealth's payments to the State as part of the arrangement for making these authorities liable to State taxation.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Max Evans.

OFFENDERS PROBATION AND PAROLE AMENDMENT BILL

Returned

Bill returned from the Assembly without amendment.

STAMP AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon J.M. Berinson (Leader of the House), read a first time.

Second Reading

HON J.M. BERINSON (North Metropolitan - Leader of the House) [5.52 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to allow a refund of stamp duty where the instrument on which the duty was assessed is subsequently cancelled, or not carried into effect, and where the person who paid or is liable to pay the duty did not or will not benefit from the cancelled instrument.

The Bill will be retrospective from 1 July 1988 to give refunds to a number of taxpayers who have been unfairly affected by the current Act and who have been promised their refunds for some time subject to these amendments being passed. Prior to 1 July 1988, it was understood that the legislation allowed a refund where a person liable for the duty did not receive a significant benefit. However, Crown Law advice made it clear that a refund should not be granted if any person received a significant benefit, whether it be the person liable or someone else. Accordingly, the practice was changed to allow a refund only where the instrument was cancelled and no person at all had obtained, or would obtain, a benefit as a result of the cancellation. This would mean, for example, that if a buyer did not proceed with a contract of sale and forfeited the deposit paid to the vendor, he or she would not be eligible for a refund of the duty paid. If the deposit had been returned to the purchaser, the duty would have been refunded.

It is quite inequitable for a person to be liable for duty on a cancelled dealing just because he or she is obliged to forgo a deposit to another person. That person would not only lose the deposit but must also pay the duty. This is the plight of those taxpayers awaiting a refund. This Bill redresses the inequity by making it clear that a refund will be made to the person

liable to pay the duty where that person does not benefit from the cancellation of the contract. It also allows a proportionate refund where the person liable to pay the duty receives a relatively small benefit from the cancelled contract. In such cases the amount of the refund is reduced by the amount of money or the value of any property, right or service received by the liable person. This means that only when this amount or value equals or exceeds the duty will no refund be made.

The Bill also recognises and takes into account the fact that it is possible for a single document to deal with two or more separate matters and for these matters to be separately and distinctly chargeable with duty under the Stamp Act. Accordingly, where any one of these matters is cancelled or not carried into effect, the procedures for refunding the duty applicable to that matter will be treated as if it were a separate instrument, and the provisions I have just outlined will apply to the cancelled matter. To ensure that these refund provisions are not exploited to avoid the proper payment of stamp duty, they will not apply to a contract of sale of property if the commissioner believes that the instrument is cancelled just to allow an on-sale of the same property to another person; that is, where the buyer arranges for the vendor to cancel their contract and draws up a fresh contract with a second buyer, thus disguising two sales as being one. The commissioner, in these circumstances, would refuse to refund any duty paid or payable on the first contract.

Provisions have been included in the Bill to enable the commissioner to rebate rather than refund the duty where the duty has not been paid. The commissioner may also endorse the details of a refund on an instrument, at the request of any party to the instrument. Any such endorsement would be prima facie evidence that the instrument had been duly stamped or that it was not chargeable with duty, and would be admissible in evidence in any court. I commend the Bill to the House.

Debate adjourned, on motion by Hon Max Evans.

ACTS AMENDMENT (PERTH MARKET AUTHORITY) BILL

Assembly's Message

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

ADJOURNMENT OF THE HOUSE - ORDINARY

HON J.M. BERINSON (North Metropolitan - Leader of the House) [5.55 pm]: I move -

That the House do now adjourn.

Adjournment Debate - Mr Owen Jones - Retirement

Hon J.M. BERINSON: This is something of a special occasion as today marks the last day of 13 years of service to the Parliament by Mr Owen Jones, an attendant of this Council over that period.

Mr Jones, if I may say so, has such a quiet and unassuming manner that one would not readily appreciate the interesting background he has and the fact that he is a man of many parts. In details of his background which have been provided I find the following: Owen Jones was born in Beverley, Western Australia on 25 May 1925. His family lived in Fremantle in the area that was redeveloped into the present day Fremantle Hospital until he was aged 14. His first job was with Mills and Ware and as a young man of 14 years he worked in their South Fremantle factory.

During the second World War, Owen enlisted in the AIF and saw service in Bougainville and New Britain. One of his platoon mates wounded him in both legs with an accidental discharge of a gun. I suppose after this length of time one can laugh about that, but I dread to think of the experience at the time. As it turned out, that probably saved his life as his section was ambushed and most of its men killed the following day.

Between 1947 and 1950 Owen Jones was in the merchant navy. He then worked in other fields until 1956 when he joined the regular Army, in which he served for 21 years, including 13 months in Vietnam. During his Army service he won the following medals and decorations: 1939/45 Star, the Pacific Star, the War Medal 1939/45, the Australia Service

Medal, the Vietnam Medal, the Defence for Service Medal, the Long Service and Good Conduct Medal and the Vietnamese Campaign Medal. That is, if I may say so, an enviable record and one which deserves the respect of us all.

When Owen's 21 years in the Army came to an end he was told there was a job in Parliament House in Perth, which he took. When I read that comment it put me in mind of a story which I am sure has no parallel in Mr Jones' case but I must say just came to my mind. It arose from one of those occasions when Cabinet members entertain visiting ambassadors. On one such occasion I hosted a lunch where the ambassador indicated that he had been the head of the general staff of the country he represented. It appears that heads of general staff in that country are retired at a fairly early age for reasons that I did not delve into. The ambassador found himself still a young man upon retirement and interested in something to do. He approached his Prime Minister and indicated he would like another job. The Prime Minister asked him, "What, in particular, would you like?" He said, "Any easy job will do", so they made him ambassador to Australia. I am not suggesting that Owen Jones' role in the service of this House was by way of an easy job; nonetheless, it was an opportunity which arose and which he took. I hope that it resulted in satisfaction in his work from his point of view. Certainly, from my observations over 10 years now, I can say that it has been to the entire satisfaction of all members of this House with whom he has been associated.

Members: Hear, hear!

HON J.M. BERINSON: Members often take the services of parliamentary staff for granted. I suspect that is largely because it is so regularly provided and with such quiet efficiency. That tends to make it all seem reasonably easy and certainly not stressful. If we think a little more closely about the situation we will realise that is not right at all. In fact we are indebted to the staff for their services to this House. In that context it is a pleasure to express on behalf not only of the members on this side but I am sure on behalf of all members the appreciation that we have for the services Owen Jones has rendered to us, but more than that, the constantly friendly way in which he has approached his duties in the Parliament. On behalf of the House I convey our very warm and best wishes on the occasion of his retirement.

HON GEORGE CASH (North Metropolitan - Leader of the Opposition) [6.00 pm]: On behalf of the Liberal Opposition I join with the Government and convey our best wishes to Owen Jones in his retirement. I trust that his retirement will be long, healthy and enjoyable. As was pointed out by the Leader of the House, Owen Jones has served his country in both peace and war. Indeed since 1977 until tomorrow, a period of 13 years, he will have served as a parliamentary officer and attendant in the Legislative Council. From 1956 to 1977 he served as a regular member of the Australian Army.

I was interested to learn a little of Owen's past, and some of that related to when he was a member of the merchant navy prior to 1956 and before joining the Australian Army. At the time Owen was a member of the merchant service he was a stoker. As some members are probably aware, Owen's nickname is Flash. I understand that nickname was derived not only from the fact that he is constantly on the move - members will be aware of how fit Owen is as a result of his interest in sport - but from his time as a stoker in the merchant navy when he was required to shovel coal into the boilers of those ships on which he served. Owen tells the story that when the ship left port the coal was stacked many metres high, and it was close and easy to throw into the boilers, but as the ship made its way further out to sea the coal got further and further back. Owen had the job of filling wheelbarrows with coal and seeing that they were brought to the boilers to keep the ship going. He did that with such aplomb and speed that he earned the nickname of Flash from his fellow crewmen.

It is interesting to learn of the Army service which Owen Jones performed for his country. I can tell the House that he was awarded these medals by the Australian Army: 1939/45 Star, the Pacific Star, the War Medal 1939/45, the Australia Service Medal, the Vietnam Medal, the Defence for Service Medal, the Long Service and Good Conduct Medal and the Vietnamese Campaign Medal. All members will agree that over a 21 year period that is a very proud record for any member of the Australian Army. Members will also recognise that not only is Owen very active at work here in Parliament House, where he can be seen darting from one side of the House to the other performing his parliamentary duties, but out of Parliament House and in civilian street, so to speak, Owen has a very proud record on the

sporting field. He has taken part in Army inter-service hockey over a number of years. He played for the Melville city team, and he has at times also played cricket for Parliament House as part of the parliamentary team.

At times I have seen Owen Jones walking up and down St George's Terrace making his way from Parliament House to the central business district. I often wondered whether the only vehicle provided to the Legislative Council administrative staff was engaged and Owen was required to hot foot it down the Terrace on various courier duties. On talking to the Clerk of the Parliament - and this was confirmed by the Deputy Clerk - irrespective of whether the vehicle was available Owen was such a fanatic about keeping fit that he was more than happy to jog all the way down to the Treasury buildings in the central business district and back to keep himself fit and deliver those documents which required to be distributed throughout the city.

On behalf of members of the Liberal Party I wish him well in his retirement. I am told that next year he will be going to Europe. Last time he was there he was shovelling coal as a stoker. I hope that next year's experience will be an enjoyable one. I understand he is going to Europe for a period of up to six months to visit some of his relations whom he did not know existed until recently. They were identified by some people who became aware of Owen's army record and he is now in touch with some relatives he has not seen before. I am sure it will be a worthwhile experience.

I thank Owen Jones for being the charming person he has always been when working in this House, and for the work he has done on behalf of our members. He has always had a smile for everyone, he has always been very efficient, and we look forward to his enjoying his retirement.

Adjournment Debate - Mr Ron Waddell - Retirement

Another person who is retiring tomorrow is the driver attached to the Leader of the Opposition in the Legislative Council; that is, my driver, Mr Ron Waddell. Ron has worked in the Government's motor vehicle pool for a period of 26 years, and he is the longest serving driver attached to that motor pool. During that period he has had the honour of driving every Premier since Bert Hawke. In fact I have had the opportunity over the last 18 months while Ron has been attached to me in my capacity as Leader of the Opposition to learn some of the history not only of the Legislative Council but of the Parliament as he has seen it over the 26 years he has served. I was interested to learn recently that he was the driver who had the honour of driving Premier John Tonkin to his wedding in Perth many years ago. Ron also had the opportunity of driving Premiers David Brand, John Tonkin, Sir Charles Court, Ray O'Connor, Brian Burke, and Peter Dowding. Of all the Premiers who have served this State since Ron joined the Government motor pool since 1964, the only Premier he has not had the honour of driving is the current Premier, Dr Carmen Lawrence.

In his 26 years as a parliamentary driver Ron has not had a motor vehicle accident, and that surprises me. Ron is a Claremont supporter and I am an East Perth supporter. From time to time we have had some very interesting discussions in the car, and the vigour of Ron's argument has often made me wonder whether we were about to experience his first accident.

On behalf of my own office and, indeed, the House, I convey to Ron Waddell and his wife, Jean, our best wishes for their retirement. We trust it will be long, healthy and happy and that Ron will now have an opportunity to spend more time with his four children and seven grandchildren.

Members: Hear, hear!

Adjournment Debate - Mr Owen Jones - Retirement

HON E.J. CHARLTON (Agricultural) [6.10 pm]: On behalf of National Party members I, too, want to convey my appreciation to Owen Jones. He is one of those people I would describe as "a real good bloke". He is always happy and smiling, pleasant and efficient, and because of that it is great to pass him in the corridor or on the street or see him in the Chamber and say, "G'day." It starts the day off well for me if I meet Owen in the morning - he is that sort of person.

I have just been for a walk; I was a little late getting back and was afraid I would miss this opportunity to pass my best wishes on to Owen. We skinny blokes like going for a walk and that is another reason for walking, other than not having a licence or a car.

I endorse all the comments that have been made about Owen and hope that he will spare half an hour some day to come back and see whether some of us are still here, and how we are progressing. We certainly hope he has a very happy and enjoyable retirement and that he has good memories of his time here, other than of late nights and irritable members of Parliament. On behalf of the National Party I wish Owen all the very best.

Members: Hear, hear!

HON GARRY KELLY (South Metropolitan) [6.11 pm]: I endorse the comments the Leader of the House and the Leader of the Opposition have made about Owen Jones. For the benefit of the House I will pass on the interesting piece of information that Owen lives in that great land which stretches to the south of the Swan River which I happen to represent, along with several other members of this House. Owen has shown the good judgment to live there too; in fact, he lives not far from where I do, in the South Metropolitan Region.

I was going to ask a question of Owen in a rhetorical sense, but my question was answered by the information that the Leader of the House and the Leader of the Opposition conveyed to the Chamber. I wondered how Owen could walk around this House without a coat on in this Antarctic weather the metropolitan area has been experiencing in the last three or four weeks, but it is clear that his dedication to fitness makes him a far tougher man than the mere members of this Chamber. I wish Owen all the best in his retirement and I thank him for the assistance he has given to me in the eight years I have been associated with him.

Members: Hear, hear!

Question put and passed.

House adjourned at 6.13 pm

FUNDS ACTUALLY LOST**ROTHWELLS**

Payment to the Liquidator of Rothwells to free the Government of its liability under the Rothwells Guarantee to the National Australia Bank of October 1987. (It was consistently maintained by the Dowding Government that the \$175 million paid for its shares in PICL had freed it of this liability) (Question on Notice No.79, Hansard p.103, 2/5/90)

\$22.5m

SGIC deposits with Rothwells (Total \$87.2m). \$26.0m written off in 1988 SGIC accounts (p.32). \$43.7m of the remaining \$61.2m is classed as unsecured. (SGIC Annual Report (1989) p.33). Latest estimate of return by Liquidator is 55c in the \$1. (West Australian 21/4/90)

\$31.4m

SGIC deposits with Spedley Securities Ltd as part of back-to-back arrangements with Rothwells. Total of \$31.1m with a maximum return estimated by the liquidator of 21c in the \$1. (Hansard p.3538, 19/10/89)

\$24.6m

SGIC Preferential payments of \$17.3m recalled by the liquidator of Rothwells. Recovery of 55c in the \$1 estimated (Australian Financial Review 8/2/89)

\$7.8m

Unrealized loss by SGIC on its holdings of Paragon shares (West Australian 13/5/89)

\$4.8m

R&I deposits with Rothwells of \$17.4m. Recovery of 55c in the \$1 estimated. (Statements by Liquidator of Rothwells 10/11/88 and 9/12/88, Australian Financial Review 8/2/89)

\$7.8m

GESB Shareholding in Rothwells - total loss. (Question on Notice No. 79, Hansard p.103, 2/5/90)

\$3.5m

Bell Group convertible Bonds with a face value of \$150m purchased from Robert Holmes-a-Court for \$140m. \$32m written off in 1989 SGIC accounts. (SGIC Annual Report (1989) p.26). Actual value will be much less than the \$108m estimated by the SGIC due to the collapse in the price of Bell Group shares. It had been estimated soon after purchase that the value of the Bonds would not exceed \$95m as identical Bonds were trading in Luxemburg for 63c in the \$1. (Australian 16/5/88)

\$45.0m

Legal costs incurred by the SGIC in relation to Rothwells (for advice by Whitlam-Turnbull Merchant Bank - paid out of Consolidated Revenue). (Question on Notice No.79, Hansard p.103, 2/5/90)

\$0.5m

SUB-TOTAL OF ROTHWELLS ITEMS

\$147.9m

PICL

Payments by Government to WA Government Holdings for interim financing. (Australian Financial Review 27/2/90)

\$83.2m

Remainder of interim financing to be paid out of 1989/90 Budget. (Australian Financial Review 27/2/90)

\$55.0m

Initial investment of \$175m plus interest, to be paid of over 5 years at a rate of \$50m per year. (Australian Financial Review 27/2/90)

\$250.0m

SGIC loan to PICL recalled by liquidator as a preferential payment. (SGIC Annual Report (1989) p.33).

\$5.1m

SUB-TOTAL OF PICL ITEMS

\$393.3m

SUPER BOARD

1988

Loss realised on revaluation of shares and debentures. (GESB Annual Report (1988) p.18)

\$28.5m

Decrease in value of shares and debentures from previous year (\$48.0m) Less realised loss (\$28.5m). (GESB Annual Report (1988) p.26)

\$19.5m

Decrease in value of units in the S.B. Investment Trust (1987 - \$79.3m; 1988 - \$64.6m). (GESB Annual Report (1988) p.26)

\$14.7m

1989

Loss realised on revaluation of shares and debentures (GESB Annual Report (1989) p.17)

\$1.9m

Decrease in value of shares and debentures from previous year (\$26.8m) Less realised (\$1.9m) and Rothwells share loss from 2.1 (\$3.5m). (GESB Annual Report (1989) p.24)

\$21.4m

Decrease in value of units in the S.B. Investment Trust (1988 - \$64.6m; 1989 - \$4.2m). (GESB Annual Report (1989) p.24)

\$60.4m

SUB-TOTAL OF SUPER BOARD ITEMS

\$146.4m

OTHER

Midland Abattoir - the difference between the sale price of \$450,000 and the independent valuation by Justin Seward & Co of \$915,000. (Burke's Shambles p.105)

\$0.5m

Perth Technical College site - the difference between the \$8.4m that Laurie Connell paid for his 25% stake to the WADC (West Australian 12/10/85) and half of the \$30m he received from the SGIC for his 25% stakes in that and the David Jones sites (West Australian 27/10/87)

\$6.6m

Teacher's Credit Society. (Budget Papers 1988,1989)

\$129.6m

Fremantle Gas and Coke - the difference between the \$23.9m paid by Yosse Goldberg's Western Continental in 1985 and the \$39.8m paid by SECWA in 1986, the difference in value being created by a bonus share issue approved by Minister David Parker. (West Australian 27/9/86)

\$15.9m

Silicon Smelter project - the payment to Barrack for relocation costs after the site chosen by the Government for by-election purposes was rejected by local residents. (Budget Papers 1989)

\$8.0m

Gold Corp - first 6 months result before it was transferred to its own statutory authority (WADC Annual Report (1988))

\$1.4m

WA Government Holdings Ltd - losses from 1/7/1983 to 30/6/1988 (Hansard 8/11/1988 p.4683)

\$4.3m

Swan Building Society. Question on Notice No.210, Hansard p.556, 9/5/90)

\$16.7m

Local Government Superannuation Board - losses 1987/88 (LGSB Annual Report 1988)

\$12.2m

SUB-TOTAL OF OTHER ITEMS

\$195.2m

TOTAL FUNDS LOST BY WA INC

\$882.8m

FUNDS AT RISK OF LOSS

Court action brought against the Government by Bond Corp. suing for damages for breach of agreement over the PICL collapse.

\$501.0m

Bell Share Indemnity - amount the SGIC stands to lose if Bond succeeds in putting aside the indemnity agreement. (Australian 1/5/90)

\$159.0m

Remainder of value of Bell Group Convertible Bonds should they prove in fact to have no value.

\$95.0m

Repayment of \$49.5m to the GESB by Rothwells which is in danger of being classed as a preferential payment and recalled. Return of 55c in the \$1 for unsecured creditors estimated (Question on Notice No.321, Hansard p.570, 9/5/90)

\$22.3m

Total capital which will be at risk in the Central Park property development by the GESB. (GESB Annual Report (1989) p.26)

\$320.0m

Total capital which will be at risk in the Westralia Square property development by the GESB and SGIC. (GESB Annual Report (1989) p.26)

\$241.0m

TOTAL OF FURTHER FUNDS AT RISK OF LOSS

\$1,338.3m

QUESTIONS ON NOTICE

LAND - SUBIACO RAILWAY LINE

Government Tenders

301. Hon BARRY HOUSE to the Leader of the House representing the Minister for Finance and Economic Development:

In reference to the Government's recent announcement that it will call for tenders to buy approximately 23 hectares of land on either side of the railway line in Subiaco to promote a residential development: Is special State Government approval being sought by the Subiaco City Council to borrow money in order to jointly finance the development of this land with a private developer?

Hon J.M. BERINSON replied:

The Minister for Finance and Economic Development has provided the following reply -

No.

ROYALTIES - SHARES

Government Business Ventures

417. Hon MURIEL PATTERSON to the Leader of the House representing the Minister for Finance and Economic Development:

- (1) Has the Western Australian Government received any royalties from shares in business ventures?
- (2) If so, how much and from whom have the royalties been received?

Hon J.M. BERINSON replied:

The Minister for Finance and Economic Development has provided the following reply -

This question is not understood. The member will need to clarify what is meant by "royalties" from shares. It would also be helpful if the member could be more specific with her question.

CONSUMER AFFAIRS DEPARTMENT - "THE FINE PRINT" PUBLICATION

457. Hon P.G. PENDAL to the Minister for Police representing the Minister for Consumer Affairs:

- (1) Is the Minister aware that the department's publication "The Fine Print" of May 1990 is indeed a departmental magazine?
- (2) Is the Minister also aware that it carries the rider that it is published by and under the authority of the Commissioner for Consumer Affairs?
- (3) Will the Minister explain why she has politicised this Public Service publication by discussing the blockage of the Government's legislation in Parliament and reducing the magazine to a political publication by discussing such topics as "short-term political gain" allegedly interfering with the "true responsibilities" of members of Parliament?
- (4) Will the Minister undertake not to repeat this act of politicising the Public Service which is offensive to those departmental officers who have referred the matter to me?

Hon GRAHAM EDWARDS replied:

The Minister for Consumer Affairs has provided the following reply -

(1)-(2)

Yes.

- (3) The Minister has not politicised the publication. The specific comments referred to were published in the magazine in the Minister's

column under the name of the Minister for Consumer Affairs, not the Commissioner for Consumer Affairs. The basis of the Minister's comments was that there was important consumer legislation to be brought before the Parliament which would benefit all Western Australians. This important legislation includes protection for elderly people moving into retirement villages and protection for people having homes built. The Minister's published comment was that any suggestion that these Bills and other legislation should be held up should be viewed with grave concern.

- (4) The Minister has advised me that she will continue to exercise her right to express her views in her column, particularly when those views reflect the opinions of most Western Australians and relate to matters which concern the protection of consumers and the interests of traders.

MOTOR VEHICLE (THIRD PARTY INSURANCE) ACT 1943 - AMENDMENTS
State Government Insurance Commission - Liability Reduction

463. Hon GEORGE CASH to the Leader of the House representing the Minister for Finance and Economic Development:

- (1) Is it intended to introduce legislation into the Parliament to amend the Motor Vehicle (Third Party Insurance) Act 1943, which would have the effect of reducing the liability of the State Government Insurance Commission?
- (2) If so, will the Minister advise the reasons for the need to restrict or limit the liability of the State Government Insurance Commission?

Hon J.M. BERINSON replied:

The Minister for Finance and Economic Development has provided the following reply -

- (1) No.
- (2) Not applicable.

MOTOR VEHICLE (THIRD PARTY INSURANCE) ACT 1943 - AMENDMENTS
State Government Insurance Commission - Liability Reduction

464. Hon GEORGE CASH to the Leader of the House representing the Minister for Finance and Economic Development:

- (1) Is it intended to amend the Motor Vehicle (Third Party Insurance) Act 1943 to restrict or limit the liability of the State Government Insurance Commission from paying damages in respect of death or bodily injury to any person arising from negligent driving in any part of the Commonwealth, to a situation where the liability of the commission is restricted to the owner of a vehicle set out in a current policy and whilst the vehicle is on the road as defined under the Road Traffic Act?
- (2) If the answer is yes, will the Minister advise of the reasons for such a proposal?

Hon J.M. BERINSON replied:

The Minister for Finance and Economic Development has provided the following reply -

- (1) No.
- (2) Not applicable.

RAILWAYS - ELECTRIFIED SERVICE
State Energy Commission - Power Tariffs

476. Hon GEORGE CASH to the Minister for Police representing the Minister for Transport:

- (1) Will the Minister advise the tariff/s at which SECWA will provide power to the electrified passenger rail system?

- (2) What will be the estimated annual cost for the supply of power to the rail system?
- (3) What is the estimated annual power consumption of the electrified system?
- (4) Has SECWA needed to increase its power generation capacity to meet this expected demand?
- (5) If the answer is yes, will the Minister give details?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

- (1) When fully operational the applicable tariff will be U1 which is a tariff based on a fixed charge, demand and energy consumption.
- (2) Approximately \$2.8 million for electrification of existing system.
- (3) 33 000 megawatt hours for electrification of existing system.
- (4) No.
- (5) Not applicable.

FERTILISER - TRANSPORT DEREGULATION

Westrail - Cartage Withdrawal

491. Hon MARGARET McALEER to the Minister for Police representing the Minister for Transport:

Would the Minister advise -

- (1) Whether the total deregulation of the cartage of fertilizer is under consideration?
- (2) Whether Westrail is considering withdrawing from the cartage of fertilizer throughout the State or to selected districts?
- (3) If the answer to (2) it yes, what would be the proposed timetable?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

- (1) Deregulation is one of the options in the Department of Transport's review of fertiliser transport policy. The review report has been released for public comment.
- (2) If fertiliser transport is deregulated, Westrail will, on a commercial basis, determine its price and service patterns in response to market demand and the cost of service provision.
- (3) In the event that fertiliser transport is deregulated, early advice will be provided of any proposed changes to rail's service pattern if deregulation is introduced.

PORTS AND HARBOURS - PAINTERS AND DOCKERS

Fremantle Work Force Review

496. Hon GEORGE CASH to the Minister for Police representing the Minister for Transport:

- (1) Did the Government give a commitment in 1988 in respect of the painters and dockers work force at Fremantle to conduct a review of the work force in 12 months?
- (2) If so, has that review been completed?
- (3) If not, why not?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

(1)-(2)

Yes.

(3) Not applicable.

PORTS AND HARBOURS - PEN AND MOORING FEES INCREASE

504. Hon GEORGE CASH to the Minister for Police representing the Minister for Transport:

(1) Will the Minister provide the criteria used to justify the increase in the 1989-90 pen and mooring fees?

(2) If not, why not?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

(1) The 1989-90 pen and mooring fees do not cover the operating costs of boat harbours. The increases applied attempted to narrow the gap between the operating costs and the fees users pay for the facilities enjoyed.

(2) Not applicable.

KWINANA INTEGRATED EMERGENCY MANAGEMENT SYSTEM - PERMIT SYSTEM REPORT

507. Hon GEORGE CASH to the Minister for Police representing the Minister for Transport:

When is the report into the permit system to be completed?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

The Department of Transport's review of the commercial goods vehicle system is scheduled for completion by the end of 1990.

PORTS AND HARBOURS - WATERFRONT

Reforms

508. Hon GEORGE CASH to the Minister for Police representing the Minister for Transport:

I refer to the Minister's pledged support for the reform of the Western Australian waterfront to increase the efficiency of WA ports and ask what action the Minister and/or the Government has taken to date to ensure this reform is instituted?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

The Government has established a working group on waterfront reform which reports to the Minister for Transport. Other Ministers are also involved in the process and Cabinet has approved a State position on waterfront reform at Western Australian ports. The State position accords with Federal policy in this area. This position forms the policy within which the State's ports can develop plans for reform. A mechanism has also been established to approve these port plans and to progress them, and to monitor the progress of reform at ports.

The Minister for Transport has communicated the State's position on waterfront reform to the Commonwealth Government. The Minister will shortly be meeting again with Hon Kim Beazley and Senator Bob Collins to discuss the State's position in respect of waterfront reform.

CONSUMER AFFAIRS, MINISTRY OF - WEIGHTS AND MEASURES SECTION
Computerised Weighing Equipment Checks

509. Hon GEORGE CASH to the Minister for Police representing the Minister for Consumer Affairs:

- (1) Does the weights and measures section of the Department of Consumer Affairs check the accuracy of computerised weighing equipment?
- (2) If not, why not?
- (3) Does the weights and measures section approve the use of mobile weighing scales for machines such as forklifts and loaders?
- (4) If not, why not?
- (5) Do the regulations in respect of computerised weighing equipment provide adequate scope for proper checks to be made of this type of equipment?
- (6) If not, what action is intended to rectify this situation?

Hon GRAHAM EDWARDS replied:

The Minister for Consumer Affairs has provided the following reply -

- (1) Yes.
- (2) Not applicable.
- (3) The National Standards Commission issues design standards for each type of instrument, and the weights and measures inspectors use these standards to check the instruments.
- (4) Not applicable.
- (5) Yes.
- (6) Not applicable.

CARAVAN PARKS - WOODMAN POINT CARAVAN PARK
Tourist or Permanent Park

514. Hon E.J. CHARLTON to the Minister for Police representing the Minister for Sport and Recreation:

Further to question 382 on 19 June 1990 -

- (1) Is the Woodman Point Caravan Park
 - (a) a tourist park;
 - (b) a permanent park; or
 - (c) both?
- (2) What is the annual fee for the current lease?
- (3) Is the fee or lease open to any negotiation or change during the 25 year term?

Hon GRAHAM EDWARDS replied:

The Minister for Sport and Recreation has provided the following reply -

- (1) A tourist park, but this is currently under review.
- (2) There is no annual fee. There is a quarterly rental payment based on quarterly receipts.
- (3) Yes.

QUESTIONS WITHOUT NOTICE

HOMESWEST - WILLAGEE
Redevelopment

394. Hon JOHN HALDEN to the Attorney General representing the Minister for Housing:

Will the Minister indicate the status of the Willagee redevelopment and the consultation process currently under way with Willagee residents?

Hon J.M. BERINSON replied:

I thank Hon John Halden for some notice of the question.

Members are probably aware that last year the Minister for Housing announced an exciting new proposal for the redevelopment of Willagee. The redevelopment proposal will offer Homeswest tenants the opportunity to move out of old, timber framed prefabricated dwellings dating back to the 1950s and into an attractive mix of new homes. The plan will cater for families, singles and the elderly, with generous plans for public open space and carefully designed roads and transport links.

The Minister for Housing is committed to a comprehensive information and consultation campaign to ensure Willagee residents are involved in the planning and to keep them informed.

Hon P.G. Pendal: Which seat is the Government trying to win?

Hon Kay Hallahan: You don't expect to hang on to Melville?

Hon P.G. Pendal: Not after your machinations.

The PRESIDENT: Order!

Hon J.M. BERINSON: Following a year of consultation with residents by way of newsletter, regular media releases, doorknocking and the provision of an information office in Milroy Street, Willagee, a concept plan for the western end of Willagee has been passed to the City of Melville for advertising and public comment. Plans are on display at the Melville City Council offices, the Willagee Library and Homeswest Willagee Information Office. The display will run until 31 July, during which time written comments can be sent to the council.

However, in order to ensure Homeswest's plans enjoy great success in Willagee, consultations with residents will not stop there and will be welcomed over the entire period of the development. The displayed plan is a concept only and both the Minister and Homeswest will be receptive to comments and constructive criticisms from the community as the development progresses. Changes to the concept can be made during this time.

The third "Willagee Update" newsletter bringing residents up to date with the development is scheduled for distribution next week. This newsletter will invite public comment on the plans and include a reduced size copy of the plan. In addition a Willagee coordinating group will meet for the first time on 9 July. The group will include representatives from local community organisations, residents - both private owners and public tenants - the Melville City Council and Homeswest. The Minister believes this group will provide a vital formal channel of communication and consultation to serve residents during the planning and development process.

A comprehensive doorknocking program will also be undertaken again as the redevelopment progresses to ensure personal contact is made with residents. Homeswest has also organised an eight seater bus to take interested residents to other similar Homeswest redevelopment sites to gain an appreciation of the quality and standard of housing proposed for Willagee. This service continues to be well patronised by residents.

Stage 1 of the development, which involves a small pocket of vacant Homeswest land, is currently being considered for re-subdivision. Public comment on this small part of the overall plan should be made to the Melville City Council by 18 July.

Once the first stage plan is approved and development begins I believe residents will see at first hand what an exciting project it is, and the high quality and standard of housing that will be provided.

AUSTRALIAN SECURITIES COMMISSION - LEGISLATION CHANGES

395. Hon MAX EVANS to the Attorney General:

Last week we discussed the Australian Securities Commission and since then I have had talks with representatives of the Perth Stock Exchange and the WA Chamber of Commerce and Industry who are very worried about what is happening in Western Australia. This is not from a political point of view; they want to know where Western Australia stands. Could the Attorney give an update to this House on the present position on legislative changes and what benefits were received from the meeting David Smith attended on the Attorney's behalf? Has Western Australia gone forwards or backwards?

Hon J.M. BERINSON replied:

As Hon Max Evans pointed out, I was unable to attend the last meeting of the Ministerial Council for obvious reasons. I was represented by Mr David Smith, Minister for Justice, and I have only today had an opportunity to receive a comprehensive briefing from Mr Smith and Mike O'Connor, the Commissioner of Corporate Affairs who was also at the meeting. I propose, on the basis of our discussions today, to make a ministerial statement next Tuesday; if not then, certainly no later than Wednesday. I will table the statement on the heads of agreement that were arrived at by the Ministers. Even with those heads of agreement some matters remain for redrafting and others for further action.

A joint Press statement by Mr Smith and myself, following the meeting last week, indicated that Western Australia continues to be concerned about the need to tie down, in some clear and definite fashion, the processes that will ensure that the level of services we have been arguing for are put in place and maintained. At the meeting last week the Commonwealth Government gave an assurance on the maintenance of services, and members will see next week that that is incorporated in the heads of agreement.

However, there is a difference between a generalised undertaking of that sort and the particular interest we have in ensuring that levels of service are maintained - at the risk of repetition, I mean the numbers of staff and the level of local decision making authority which will be located in the regional office. That remains a major concern and to that I would only add that a second important area requiring continuing work relates to the transfer and transitional arrangements for the current staff of the Corporate Affairs Department.

In large measure it has been agreed that this is really a question to be pursued directly between the Commonwealth and the various staff associations. No doubt the State will be involved to some extent. There is a limited amount of work that we can do in that area, but naturally we will attempt to facilitate the accommodation as far as possible.

AUSTRALIAN SECURITIES COMMISSION - LEGISLATION CHANGES *States' Funding - Maintenance of Services*

396. Hon MAX EVANS to the Leader of the House:

- (1) Has there been a satisfactory agreement about the maintenance of income to the State Government over and above the operating costs?
- (2) If there is no adequate maintenance of services, what redress does the Government have under the heads of agreement? If the community complains

it is not getting the services it had before, what happens? After all, we have a computer in Latrobe Valley, which will have all the records from today. We will be caught between the two.

- (3) Will there be a time differential between opening time there and closing time here? The important thing is, what redress do we have? Once the Government has sold us down the drain there -

The PRESIDENT: Order!

Hon J.M. BERINSON replied:

(1)-(3)

That colourful language is hard to match, but I shall try to deal with those questions as best I can. As to the funding, the position can only be described as a compromise, or even an arbitrary figure, which was set at \$102 million, being the total amount to be distributed between the States on an annual basis. That base figure was to be indexed annually.

Hon Max Evans: What is your share of that \$10 million?

Hon J.M. BERINSON: The Western Australian share will be between 10 per cent and 11 per cent; I shall be able to provide a more accurate figure in my statement next week. That represents generally the level of the State contribution to the scheme in past years. There is an arbitrary element to it, and a certain rule of thumb, but I do not believe that that is a major problem. It is plus or minus a percentage point.

The question of the maintenance of services is the crux of the problem we have always emphasised and which we continue to emphasise. I have already indicated that the heads of agreement include a specific reference to that, and there are also other references which I do not want to go into now, but they relate to setting up such things as performance indicators in specified areas of the officers' duties which would enable some sort of objective measure of the level of service to be tested. No matter what we do, it can always be said that at some future stage a Commonwealth office could be restructured so as to reduce services.

Our interest in getting down to detailed questions of the actual decisions and functions of officers in the new regional office is with a view to establishing the new office on a basis which we and the professional and commercial community regard as appropriate. Once that structure is in place, our prospects of being able to retain it are very much enhanced. If it is left on some woolly basis, to that extent our prospects are diminished.

I do not think that at the end of the day there can be absolute guarantees for the indefinite future, but we will continue our efforts to ensure that the initial establishment of this office is on a proper basis in all respects. That will give us as much certainty in regard to the future as can reasonably be achieved.

The PRESIDENT: Order! We have now reached a stage where there seems to be an understanding that we spend 30 minutes on questions without notice. Fifteen minutes have gone and only two members have asked questions. Standing Order No 140(c) says that replies must be concise. I am not blaming the Minister for the answer, but some of the questions are being asked in a conversational manner. The member goes on for five minutes in a broad, conversational manner, and the Minister responds in the same sort of conversational way.

Listening to some of these questions and answers, it seems to me that the matters ought to be pursued by correspondence, not by questions without notice in the House. Because the amount of time is limited, this business of one member jumping up and asking three questions in succession will cease. Having asked one question I shall give the member an opportunity to ask one supplementary question only, and then I shall go on to the next member. I do not intend to listen to long conversations.

BELL GROUP SHARES - STATE GOVERNMENT INSURANCE COMMISSION
Purchase Plans

397. Hon PETER FOSS to the Leader of the House:

- (1) What was the date, time and place of the meeting which the Leader of the House says he had with Mr Mitchell with regard to the purchase of the Bell shares?
- (2) On what date did he first learn of the SGIC's plan to purchase Bell Group shares?
- (3) On what date did he first learn of Bond's plan to purchase Bell Group shares?

Hon J.M. BERINSON replied:

I thank the member for some notice of this question. I shall not be conversational.

Several members interjected.

The PRESIDENT: Order! Somebody said I took four minutes. I did not.

Hon J.M. BERINSON: As I shall indicate in a moment, this is a question where some notice was particularly appropriate. The answer to the three questions is as follows -

- (1) The meeting was in my office, and because I recall it as being Anzac day I can place it on 25 April 1988. I cannot be held to the time of day, but I believe it was probably late morning. As I indicated in my reply to an earlier question, my discussion with Mr Mitchell was restricted solely to the question of the estimated value of the shares and was not "with regard to the purchase of the Bell shares", if Mr Foss' question in those terms is intended to convey anything beyond that.

(2)-(3)

Both on the previous day. In both cases I indicate that the phrase "plan to purchase" does not represent the position accurately, and that something like "interest in the possibility of purchasing" would be closer.

I trust it will not be thought that I am being pedantic about the terminology of Mr Foss' question. The fact is that there are major civil actions involving the State or its authorities and the Bond Corporation and the position in respect of the Bell Group shares. On the face of it I would not expect the matters raised in this question to be relevant, and I have responded on that basis. However, given the significance of the other issues to which I have referred, there is a need for both caution and accuracy in public comment.

SITTINGS OF THE HOUSE - LEGISLATIVE ASSEMBLY

398. Hon E.J. CHARLTON to the Leader of the House:

Would the Leader of the House advise whether the Legislative Assembly will sit next week or at any other subsequent time this session as a result of amendments which may apply to some legislation in this House? It is important for us to know because it will have a bearing on our debate.

Hon J.M. BERINSON replied:

So far as I am aware there are no firm plans for the Legislative Assembly to meet beyond tomorrow, perhaps. Whether the case for particular Bills might change the position in that respect is something which we can only wait on developments to test.

PLANNING - AGED

399. Hon T.G. BUTLER to the Minister for Planning:

Could the Minister outline to the House ways in which the Planning portfolio

is responding to the needs of a rapidly growing number of retired and elderly people in Western Australia?

Hon KAY HALLAHAN replied:

I am sure this is one of those questions the President referred to. A significant conference is going on in Perth on planning for the elderly in the 1990s. I addressed that body today and I was pleased when Hon Tom Butler raised some of the issues relating to retirement villages.

Hon P.G. Pendal: He has a vested interest.

Hon KAY HALLAHAN: We all have.

Hon P.G. Pendal: I agree; him more than most.

Hon KAY HALLAHAN: We are all ageing, and we are becoming a greater proportion of the population than we have ever been. With that in mind, the Department of Planning and Urban Development is beginning to turn its attention not only to the needs in a macro way of the planning for retirement villages and the provision of advice to people putting forward subdivisional plans, but also in a more detailed way looking at the whole question of policy for residential densities and housing mixes so that people have choices for their retirement accommodation.

I have asked the department to consider the whole question of planning for the needs of older Western Australians. No doubt, I have set myself up for questions in October, but I have asked the officers to do some initial work by the end of September so that we can get a handle on the needs of older Western Australians. We will consider what is happening in New South Wales with its SEPP 5 scheme. In terms of retirement villages, the whole question of whether 10 per cent of open space is applicable in those subdivisions will be addressed, and whether the retirement villages provide facilities which may be counted in that rather than having to place that on top of the 10 per cent.

Mr President, I did not want to miss that very good question raised by Hon Tom Butler; I hope my answer was not too conversational in its tone.

HOMESWEST - WILLAGEE
Flat Construction, West Perth

400. Hon MAX EVANS to the Leader of the House:

My question is supplementary to that of Hon John Halden. Is Homeswest building houses at Willagee for the same reasons that the Labor Government built the Herb Graham flats at West Perth and the Wandana flats at Subiaco?

Hon J.M. BERINSON replied:

Hon John Halden's question was one of which some notice had been given because I am not the Minister responsible for Homeswest.

Hon Max Evans: You are my age.

Hon J.M. BERINSON: I have every sympathy with Mr Evans in his advancing years. My interest in retirement villages does not carry me to the extent of taking an interest in every such development. I ask the member to place the question on notice to the responsible Minister.

Hon Max Evans: Rather than Hon John Halden putting a question on notice for the Leader of the House I will give him the answer: The reason was that West Perth was a Liberal Party seat when the flats were built.

ROADS - MITCHELL FREEWAY ALIGNMENT, LAKE MONGER AREA
Planning Options

401. Hon GEORGE CASH to the Minister for Planning:

(1) Is the Minister aware of the Premier's strong opposition to the preferred planning option for the Mitchell Freeway alignment in the vicinity of Lake Monger?

- (2) Given this stance, which of the other planning options proposed by the Main Roads Department does the Minister now support?

Hon KAY HALLAHAN replied:

(1)-(2)

This question deserves research so that the information can be produced on the planning options available, and the one which might be preferred or supported indicated.

The PRESIDENT: Are there any other questions?

I wish to make a few comments to members asking questions, but I also wish to say to the Ministers that provision is made under Standing Orders to seek leave to make ministerial statements. I suggest that some of the answers are so extensive that they are in fact ministerial statements. I believe it is proper and reasonable for a Minister at any time to make a statement. I do not think that question time ought to be that time.

However, members who want to ask questions without notice, in a period that is restricted, ought to take more care to write the questions out and be precise in what they ask. If members go on and on when asking a question, it is not unreasonable to assume that the Ministers will do the same. I make these comments in the interests of everybody's getting a fair chance to ask a question when we have only 15 minutes.

I am only administering operations; members will use time or waste time according to their own desires but it seems to me a more efficient use of our time can be made if everybody is more concise.
