

# Legislative Assembly

Thursday, 31 October 1985

**THE SPEAKER** (Mr Harman) took the Chair at 10.45 a.m., and read prayers.

## GRAPE GROWING INDUSTRY IN WESTERN AUSTRALIA

*Select Committee: Extension of Time*

On motion by Mr Troy, resolved—

That the time for bringing up the report of the Select Committee into the Grape Growing Industry be extended to 14 November 1985.

## SMALL CLAIMS TRIBUNALS

*Select Committee: Extension of Time*

On motion by Mr Gordon Hill, resolved—

That the time for bringing up the report of the Select Committee into the Small Claims Tribunals be extended to 14 November 1985.

## ELECTORAL AMENDMENT BILL

*Council's Amendments: In Committee*

Resumed from 30 October. The Chairman of Committees (Mr Barnett) in the Chair; Mr Tonkin (Minister for Parliamentary and Electoral Reform) in charge of the Bill.

Progress was reported after consideration of the amendments contained in the Legislative Council's Message had been concluded.

**Clause 67: Section 191A inserted—**

Mr TONKIN: We now come to something that is not contained in the Legislative Council's message; that is, clause 67. There are a couple of phrases in clause 67 which are no longer appropriate because phrases like that have been deleted elsewhere in the Act. Thus, these are purely machinery amendments and do not involve any principle. We dealt with matters of principle yesterday in Committee.

**I move an amendment—**

Page 53, lines 34 to 38—To delete the words "that notice of issue of the warrant for the issue of writs for the election is published in the *Government Gazette* pursuant to section 65" and substitute—

of the issue of the writs for the election

Mr MENSAROS: I have no objection to the amendment, but for the benefit of the Committee, although I do not think a great deal of interest was displayed in this matter yesterday, and for the record, I should explain what we are talking about. The Minister said that it is a machinery amendment, and so it is. However, members who are interested in why this amendment has been made should refer to section 65 of the Act which was intended to be deleted and substituted by another section under the terms of the Bill. As a result of the message from the Legislative Council and the Committee's agreement, section 65 now remains as it is in the current Act. That section states that before any warrant is issued under sections 64 or 67, 14 days' notice of the intention to issue the same shall be published in the *Government Gazette*. This part of the provisions is inserted in the proposed section 191A of the parent Act and it refers to various things that people should not do. It also sets out the penalties for not adhering to the provisions.

Proposed subsection (5) provides an interpretation of certain terms used within the section. One of the interpretations relates to the relevant period, a term which is used in proposed subsection (2).

I want to correct the Minister when he said that the amendment he has moved is necessary because of previous amendments. Section 65 was left as it is in the parent Act; it has not been altered because the Committee decided yesterday not to accept the Council's amendment No. 5 which deleted clause 18 of the Bill. Therefore, section 65 of the Act, which would have been deleted in clause 18, remains as it was. Because of the lack of explanation from the Minister, I cannot see the logic in this amendment. I do not object to the amendment because I do not think it makes a great deal of difference. If it is accepted that people are conducting an honest and decent campaign they should not be doing these things in any case. I would like the Minister to explain why this amendment is necessary. I will accept the amendment even if the Minister says that there is no specific need for it but that the Government considers the provision should be included in a different way.

Mr TONKIN: The reason for the need to amend this is that it refers to a function in section 65 which does not exist. This is merely to get consistent wording.

As to the question of when the period should start in respect of misleading advertising, the member for Floreat said he was not worried one way or the other. Neither was I. I had to make a decision; it was almost a toss-of-the-coin kind of thing. I guess it was a fairly arbitrary decision. It is certainly not of great moment.

I suppose most of us would think that lots of misleading advertising goes on in elections, and we realise that much can happen because, I suppose, the truth is often in the eye of the beholder. I was asked to make a policy decision. I could not see that anything great was hanging on it. I said, "The issue of the writs", because, I understand, that is the more normal time for an election to start.

From time to time throughout the years we receive approaches indicating that members of Parliament and other people have contravened with misleading advertising. We are asked why we do not do something about it under the Electoral Act. Of course, the answer is, "Well, it really doesn't come under the Electoral Act because no writs have been issued", and so on.

This is a normal kind of practice in Australia. The decision was made because it is as good a time as any.

The main purpose of this amendment is to see to it that the Act, as it will be amended by the Bill, will be internally consistent.

**Amendment put and passed.**

**Resolutions reported.**

#### *As to Report*

Mr TONKIN: We are caught up in a procedural matter that indicates that our procedures are really antiquated and inefficient, and need to be overhauled. It is absolutely silly that we now have to appoint a Committee of the House to give reasons and send them to the Council. If the Council wants to know our reasons, surely it can read *Hansard*. I really think that we need to look at this procedure. Anyway, to save wasting the time of the House, I move—

That consideration of the Committee's report be made an Order of the Day for a later stage of the sitting.

**Question put and passed.**

### **ACTS AMENDMENT (MEAT INDUSTRY) BILL**

#### *Second Reading*

Debate resumed from 22 October.

**MR OLD** (Katanning-Roe) [11.06 a.m.]: This Bill has been long awaited, and now we have it before us I find it contains quite a few shortcomings as far as we on this side of the House are concerned. In fact, I liken it to a shotgun marriage where the reluctant bride, the Western Australian Lamb Marketing Board, has been led to the altar and the bridegroom is waiting with bated breath to get his hands on the board and create a vertically integrated operation which will allow the WA Lamb Marketing Board and the WA Meat Commission to further their advantages over private enterprise.

The second reading speech delivered by the Minister appeared to be fairly cosmetic, when one looks at the contents of the Bill. I am not being in any way critical of the Minister's second reading speech because, of course, second reading speeches are designed to give a general outline of the Bill. Certainly this one did that.

It appeared from the second reading speech that the Bill was fairly benign and one which would be acceptable to all sections of the industry. Such is not the case. There is quite a lot of discontent and concern about some of the facets of this Bill, and we will deal with some of those matters during the Committee stage. I have handed to the Minister this morning a list of proposed amendments, and I apologise for their lateness. We have been working on them, and I hope that the Minister can have the amendments assessed by the commission or his department so that we may debate them fairly fully.

The Bill bears no resemblance to the main thrust of the Treloar report, although the second reading speech, in its generalisation, gives the impression that the Bill is in accord with the Treloar report. If it were in accord with the Treloar report, it would be a Bill to cease the functions of the WA Meat Commission at Robb Jetty. But, far from doing that, the Government has seen fit to spend well in excess of \$1 million, conservatively estimated, on upgrading the Robb Jetty abattoir to European Economic Community standards, when already in this State there are at least three abattoirs which conform to the EEC standards and which would be more than capable of handling very comfortably the number of lambs needed to be killed under EEC supervision.

In fact, as we develop the arguments against this Bill, we will be able to demonstrate very ably to the public of Western Australia that the thrust of the Bill is not only unnecessary, but

also is creating a greater bureaucratic mess in the meat industry than the State is already experiencing.

I do not see the necessity at this stage for any Government interference in the meat industry. I know that this opinion is shared by many people within the industry and within the rural sector of the industry. I know that the Primary Industry Association, which is the association most aligned to Government involvement in primary industry, assures me it would be quite happy to see less Government involvement in the industry. That is the undertaking which has been given by successive Governments—to provide a Government instrumentality for the slaughter of animals to be transferred to a smaller type of operation and run by private enterprise.

In other words, the Government could own an abattoir and have it run on contract by private enterprise, provided there was that facility which successive Governments have undertaken to provide.

It seems to me that the necessity for such a facility has faded quite a lot since the early 1970s, due in the first instance to the decline in the value of sheep, when sheep and lambs were virtually being described as vermin, through to the drought period when a great number of livestock were sent to be slaughtered in order to relieve the situation in the drought-affected areas.

I recall going down to Midland saleyards and the Midland Junction abattoir. This must have been about 1976. I walked through the Midland saleyards and it was impossible to move through the races because they were completely choked with sheep awaiting sales. Midland Junction abattoir was the same.

Fortunately we have been able to overcome that problem, in the first instance by a decline in the number of sheep being carried in Western Australia, which was reduced considerably. It reached a low of about 26 million or 27 million. Happily the figures are now climbing again. I think today the figure would be nearer 30 million, which was about the normal level of stock, apart from a couple of peaks. So we have settled down to the flock size which Western Australia has been traditionally carrying. We have settled down to an oversupply of abattoir space.

If there is one thing the WA Meat Commission did for the industry in Western Australia—I do not mean this in a derogatory way—it was its successful negotiation with the

Australian Meat Industry Employees Union to allow double shifts at abattoirs. With that negotiation, the effective abattoir space in Western Australia was doubled. In fact if one goes to two shifts, in the event of trouble with an oversupply of livestock for slaughter, the logical thing would be to go into three shifts. This would necessitate probably a three-hour break. One would have three seven-hour shifts with a three-hour break for cleaning up, as is required by the Department of Primary Industries.

Successive Governments have been told by the WA Meat Commission that there is an oversupply of sheep and an overcapacity of abattoirs in Western Australia, not only for the EEC but also for the American market. In the face of this knowledge, and contrary to the recommendation of the Treloar report that the Robb Jetty abattoir should be closed down on 1 January or an earlier date to be announced, the Government decided to go ahead with the decision to spend an enormous amount of taxpayers' money on upgrading Robb Jetty—an old, even ageing facility.

So far the Government has only scratched the surface of the work required to be undertaken out there inasmuch as it has upgraded the mutton floor, and has upgraded or is in the process of upgrading the effluent disposal system. The effluent disposal system at Robb Jetty has been roundly condemned by successive studies of the coastal strip, and there were regular complaints from swimmers of untreated effluent being discharged into the sea.

A proposition was made that a primary treatment plant be installed at Robb Jetty, and that the secondary effluent be pumped into a main which would take it down to the sewage outlet at Rockingham. All these things would cost a tremendous amount of money, and the previous Government considered them and decided there must be a better and cheaper way of achieving the cessation of pollution of the sea at Robb Jetty abattoir.

There is no doubt that commercial and ecological pressures will see the demise of facilities such as Robb Jetty in the area in which they currently exist. In fact studies indicate that if Robb Jetty abattoir were put on the market for housing development it would fetch in the vicinity of \$7 million. I would hazard a guess that that is a conservative estimate. On top of that there would be the breakdown value of some of the buildings. There would be value in some of the modern plant which has been installed in the facility.

I do not know what is the total aggregate debt of the WA Meat Commission today because it is pretty well disguised in the Budget and I will be asking some questions of the Minister during the Committee stage of the Budget. I estimate that the total debt today on Midland, Robb Jetty and the saleyards, would be in the order of \$15 million or \$16 million. Last year I think the overall debt was given as some \$14 million. I can assure you, Mr Speaker and members of this House, that that debt has not been reduced. It is being greatly increased by several factors, not the least being the money being spent on the facility at present and the fact that the Government has been tardy and has taken no notice of the wishes of the public in the disposal of the assets of the Midland Junction abattoir, holding yards and paddocks.

At one stage the Government of the day separated the lairage at Midland Junction from the abattoir in order that the lairage may become part of the saleyard complex so that it could be leased to contractors who were keen to undertake preparation work for live sheep shipments at Midland. I do not know whether that exercise is still continuing. I do know they did run into some lean periods.

Having done that and having already—and I am talking about the previous Government—advertised and sold a couple of lots of the contents of the Midland Junction abattoir, the whole thing ground to a halt with a change of Government. That is fair enough because the new Government had a duty to consider what action it should take in regard to the disposal of the assets or whether, in fact, it was going to dispose of the assets. The fact that the previous Government had embarked on one line of disposal certainly did not bind the present Government to it. But it gave the Government a moral and financial obligation to ensure that something was done with the assets of Midland Junction so that those assets were liquidated as quickly as possible in order to decrease that colossal debt in the meat industry and in the Government sector.

I know that the disposal of some of the holding paddocks would have caused problems, because currently some of those paddocks are being utilised for effluent disposal from Midland Junction saleyard. That effluent is treated from anaerobic and aerobic ponds prior to being pumped out of overhead irrigation ensuring the distribution of the effluent on to those paddocks.

The Opposition gave an undertaking when in government that the Midland Junction saleyards would continue as long as the effluent disposal was satisfactory. If in fact the Government is holding up the disposal of the Midland Junction abattoir to ensure satisfactory effluent disposal from the Midland Junction saleyards, I feel it should have another look at the situation.

Midland Junction saleyards will have to go one day for the sole reason I have advanced; Robb Jetty abattoir will have to be closed and disposed of because of environmental pressures, and that will ensure that the Midland saleyards will also be closed down and relocated. There are indications also that housing development is moving out towards the Midland Junction complex and obviously people will not be very happy buying residential land adjacent to an area where overhead disposal of effluent is undertaken. I am not saying there is anything wrong with that type of disposal, because it is being treated both in anaerobic and aerobic ponds, but people would still have some reservations about residential housing adjacent to such an exercise.

I recall the then member for Swan, Mr Jack Skidmore, harassing the Government of the day because of the odours which emanated from the Midland Junction abattoir. Those people who were complaining, in the main, were people who bought properties on the Darling scarp directly in line with the prevailing wind and the abattoir facility, land which they were able to purchase at a fairly cheap rate because of that fact. The reason that people have not purchased in the area in the past is purely and simply the prevailing wind and the odour. Once these people became established on those blocks, they felt the Government had an obligation to cut out the odours and increase the value of their houses.

It is a pretty nice thought, but the fact is that the economic situation dictated that the Midland Junction abattoir would be closed. Mr Skidmore, who had been agitating for such action, suddenly found his view was not shared by the commercial organisation at Midland Junction abattoir. They were pretty incensed. Those people quite rightly pointed out that the Midland Junction abattoir and saleyard complex was an important attraction to people from country areas coming into Midland and doing some shopping.

The same problem will arise when the saleyards have to be relocated. There is no doubt about that. I am hopeful by that time the

Midland townsite and surrounding areas will be sufficiently densely populated to sustain the amount of commercial activity which is currently being undertaken in Midland. I think daily that goal is being achieved. Be that as it may, the Opposition is concerned that the combination of the WA Meat Commission and the WA Lamb Marketing Board offers no solution to the individual problems of those two organisations.

The only conclusion I can reach about the action of the Government, in flying in the face of the recommendations of the Treloar report to go ahead with this plan, is that it intends, if things do not go well, that the WA Meat Corporation shall direct the whole of the lamb kill to Robb Jetty.

In his report, Mr Treloar said that if the Government, for reasons of its own—and I think he might have mentioned the word “social”—decided against the closure of the abattoir then it would be a recommendation that the WA Lamb Marketing Board and the marketing division of the WA Meat Commission be combined. If the Government does decide to direct all the lamb kill to Robb Jetty, having already demonstrated its ability to do so by directing 50 per cent there last year, then this will be a bid to prop up an ailing industry at the expense of private enterprise who have given excellent service to the producers in this State, and also to the WA Lamb Marketing Board.

Private abattoir operators have been a safety valve in the past for the expenditures of the WA Lamb Marketing Board in as much as they have been able to negotiate prices to have their product killed. It is a high enough price now; it must be astronomical considering the gap between the price paid to producers for a certain class of lamb and the price extracted from distributors for the same lamb. That gap would nominally cover the killing and inspection costs, the preparation for export costs, and of course the administration expenses of the board. Somewhere along the line this colossal amount of money seems to have got out of all proportion. Last night I looked at some figures of comparative prices between the States and it seemed that we had the highest differential between producer price and distributor price. There must be a reason for this.

The shotgun wedding proposed by the Government will be counterproductive because one body today, the WA Meat Commission—which has a baby offshoot; the

trading division—will now become two bodies. The combination of the WA Lamb Marketing Board and the WA Meat Commission was designed to provide greater efficiency. We wanted to ensure that we achieved greater efficiency and it was considered that one body should be able to operate more efficiently and economically than the two bodies already existing; that is, the Lamb Marketing Board and the Meat Commission. What we will end up with now is a body with the grand name of WA Meat Corporation, and with the Meat Commission reconstituted. I will get on to this later. We have some amendments on the Notice Paper and when we are in Committee we will endeavour, probably with great futility, to amend certain aspects of this measure. We will exhort the Government to give serious consideration to our amendments. These amendments are not the result of a figment of our imagination or a personal whim of mine or any of my colleagues. Rather, they are the result of consultation with various producer organisations and members of the trade. If our amendments are adopted we might make a bad Bill just a little more palatable.

Mr Treloar, in delivering his report, went within an ace of recommending to the Government that the Lamb Marketing Board be disbanded because of his committee's dissatisfaction with the way the board was being run. His committee was a fairly strong one. It was headed by Mr Treloar, who is from the University of WA. Mr Ted Brindal has had experience with the Metropolitan Market Trust and later with Foodland Associated Ltd as its chief executive officer, which was his position at the time of the inquiry. Mr Jack Neal was another member; he was a retiree from the Department of Agriculture who had been the head of its sheep and wool division. He was a man of great knowledge and in fact had had a great deal to do with setting up the Lamb Marketing Board.

Mr Treloar mentioned in the report that a pooling system must be put into operation in an endeavour to stop the cross-subsidisation of lambs produced at different times of the year. This cross-subsidisation has killed the incentive of specialist lamb producers. Quite a number of lambs were produced around York, the south-west of the State, and also north of Moora. These people previously aimed at ensuring that the lambs they produced were not only top quality lambs but also were brought onto the market at a time when they would command the premium price. That is the hallmark of a good businessman, and when all is

said and done, farming is big business. Farmers must look at their budget as any other businessman does; they must decide how they will service the requirements of running their farm, how they will service their debts and so on. These people set themselves the task of producing lambs at a certain time of the year, something they were able to do because of the type of country they were on and the excellent management they exhibited. They were able to command premium prices and to satisfy the demand of the WA market.

Today there is no incentive whatever for a producer to go to the extra expense to produce a lamb which will bring him in extra income, because it will not bring him in any extra income. The lambs go through the works with all the other lambs delivered on that day. They are graded and some are killed for local consumption while some are bagged for export. The days of premium prices for lamb at the Midland saleyards are gone. Many producers still prefer to take a punt and send their lambs to open auction, which indicates dissatisfaction with the activities of the Lamb Marketing Board. I have been openly critical of some of the board's activities, while I have been supportive of other of its activities.

I have made a few inquiries into this pooling business and I believe it will not be as easy as it might look. It is quite easy to pool grain when we can strike an average quality, but where we have lambs of varying quality, lambs being sold at different times, with some lambs being delivered at a time when perhaps prices are higher than the price will be in two months' time, and these lambs might go into cold storage and not be sold during the period of that pool, we will find then that it creates its own problems. I understand that the board is doing its best to create a pooling situation. I do not envy it its job.

This new corporation will be charged with taking over those activities; it will be charged with ensuring that the lamb industry is run on commercial lines and that people are paid for the type of lamb they produce at the time they produce it. I wish the corporation well.

The proposed Meat Marketing Corporation will comprise eight members. Not one of those members, except the WA Meat Commission manager who we do not believe should be on the corporation as such, is currently called upon to have any involvement in the meat industry. In fact, if the manager were treated as a manager and brought in an advisory ca-

capacity to the commission, nobody on the board would have any knowledge of the meat industry. What a farcical situation that would be. It is like creating the Australian Medical Association and deciding no doctors would be on the board.

Where are we going? If we are to have an efficient operation we must have people with an intimate knowledge of, and actively engaged in, the meat industry so that they know the current trends to enable them to bring forward suggestions and programmes which will fit in with the requirements of the board at that time.

Two of the eight members of the board will come automatically from the Lamb Marketing Board; in other words, they get a free ride onto the corporation. I cannot say I am terribly envious of their free ride, but that is what this is all about. Three meat producers will be on the board of the corporation, two of whom shall be lamb producers. No beef producer will be on the corporation. The third producer will represent other meats. I hope that the Minister, in his wisdom, ensures that that member will in fact be a beef producer. The current Act does not state any reason for having a beef producer on the corporation. The Opposition is hopeful that a beef producer will be represented. That board member could be a producer of goats or pork—there is nothing wrong with having a pork producer on the corporation, except that we do not think pork will be processed; we will find that out later on as we go along. Three members of the corporation have been decided upon, and the others will not be required to have any knowledge of the meat industry. From among those people the Governor will appoint a chairman, which means of course that the Minister will recommend a chairman to Cabinet and from that crew will come the chairman.

In his wisdom the Minister set up an advisory committee to advise him on how to set up this corporation and commission. The advisory committee is headed by Mr Fred Hamilton, for whom I have a great deal of regard. However, Mr Hamilton is the Chairman of the WA Meat Commission. It seems to be almost an incestuous operation, when the chairman of the advisory committee advises the Minister on who should constitute the commission; at the same time that committee comprises men who are vitally interested in being involved in the activities of the corporation and/or commission.

The objective of the corporation is to combine the WA Lamb Marketing Board and the WA Meat Commission. Its function will be to

run that operation efficiently and to the best advantage of the producers and consumers. As I said in my opening remarks, what has happened really is that the Government of the day has given the WA Lamb Marketing Board an abattoir, it having spent a tremendous amount of money on it. It is now a vertically integrated operation and some of its shortfall in operations will be picked up by the Government, which operation is in direct competition with the Western Australian meat trade as we know it, the corporation being subsidised by the taxpayer, which in itself is an absolute nonsense. To complete the vertical integration, all we need is to open up some retail stores and then the corporation will take control of the product from the point of slaughter to the point of consumption. It all sounds very nice—in fact, it sounds a bit like a Russian operation with the State looking after the welfare of the community. One thing we do not need in a democratic country or in this great State of Western Australia is the socialistic attitude of “Big Brother will look after us.” We do not want “Big Brother” to look after us. “Big Brother” is currently engaged in taking over the meat industry.

The Treloar committee actually recommended that the board should be allowed to have a retail outlet to promote the sale of lamb. Of course, in order to promote the sale of lamb, there must be established a retail outlet which appeals to the housewife. The report stated that it would be necessary for that retail outlet to be engaged in the sale of all meats, so it would become another store, the start of Mr Payne's chain. Not long ago Mr Payne, the Secretary of the Australasian Meat Industry Employees Union, suggested to the Government—he is a pretty influential fellow with the Government, I can tell members—that a chain of retail butcher shops should be established under the WA Meat Commission. I am sure that Lenny's and other similar butcher shop chains would be delighted to know that a taxpayer-subsidised operation would be competing with them, and that is what the corporation will do. The Minister blandly said in his second reading speech that the corporation would be required to ensure that the revenue earned by it was equal to the expenditure, but those words were qualified by the words “over time”. “Over time” can mean two things; it can be a rewarding period when one is a wage earner and one gets double pay, or it can be a century. I venture to say that, going on the history of Government-owned abattoirs not only in West-

ern Australia but also throughout Australia, a century would not be long enough to see it prove itself.

So despite cosmetic attempts to fool the Parliament and the taxpayers of Western Australia into thinking that by the stroke of a pen and changing the name of the organisation the good fairy will suddenly wave a wand and ensure that this operation breaks even, and hopefully will pour some money back into the taxpayers' pockets, it is really not on. What a vain hope, and what a lot of garbage that is! It is the thin end of the wedge to go into serious competition with private enterprise in all stages of the meat industry. If the Government is serious, it should start a collective farm and begin producing as well. Then we will have the product from the cradle to slaughter, which of course is the aim of all socialists, of which this Government is comprised.

We will do our best to see it does not happen, and considering the favoured position of the WA Lamb Marketing Board as I have enunciated it, if it is to receive that favoured treatment, the power of acquisition should be removed from the Marketing of Lamb Act. Everybody should be given the opportunity to purchase lambs on the open market and process them. Members can rest assured that the operations of the Lamb Marketing Board will be preserved under this corporation to the extent that it will ensure the producer gets fair value at the taxpayer's expense. That is why the board was set up in the first place and given the power of acquisition. Now it will be given the power to completely take over the whole operation and still retain that cushy right of acquisition.

I strongly exhort the Government to think again about the acquisition clause in the Bill because there is no doubt in my mind that the days of acquisition are past. The board is being put into such a favourable situation with this Bill—

Mr Evans: Will it help you any if I give you an assurance there is no intention to have butcher shops?

Mr OLD: No, it will not because although it may not be the Minister's intention, that proposal is part of the Treloar report and the Minister has picked out the snippets he wants to introduce. If the Labor Party were to get back into government, one of the Minister's successors will do the same thing. Although I re-

spect his word as a person and a Minister, no assurance from him can satisfy the Opposition that such a thing will not happen.

The corporation must surely now be able to become competitive with Eastern States' imports of lamb which today are making very serious inroads into local sales of Western Australian lamb. What has been done to combat those imports? Nothing except grizzles, and that will not solve the problem. The only way to solve the problem is to become competitive.

Up to 27 October this year—almost 10 months of the year—a total of 270 000 lamb carcasses were imported from the Eastern States to Western Australia. The growth of that import industry is very evident when one looks back over the years. One finds that since figures were recorded in 1981 the number of lambs imported into Western Australia from the Eastern States has risen from 25 642 during 1981 to 184 921 in 1983. That was a colossal rise, but there was an excuse that year because of stoppages at the works, and the inability to process lamb in Western Australia made it necessary for wholesalers to import from the Eastern States. When 1983 passed we thought we would get back to a situation of a reasonable proportion of local lamb coming onto the market. However, the 1983 figure has already been exceeded this year by 85 000 carcasses, and there are two months to go.

Mr Stephens: It makes a good case for orderly marketing in the Eastern States.

Mr OLD: Why does not the member go there and set it up?

In the past the last two months of the year historically have been months in which a large import of lamb occurred. In the last two months of 1984 something like 24 000 lambs were imported, and in that period in 1983, 15 000 carcasses were imported. Members can see there are still a lot of lambs to be imported this year.

In July 1985, in a commodity letter which is published in Melbourne, the publisher exhorted Eastern States' lamb producers to avail themselves of the opportunity that existed in Western Australia to export lamb. He forecast a market of 400 000 carcasses. We are not going to reach that figure of 400 000 this year hopefully, but it will be close, and 400 000 next year looks like a realistic figure. The newsletter publisher not only exhorted the producers to do that, but he also gave the reasons. They were that the market here was so lucrative that the returns to producers, even allowing for killing

and transport, would be greater than the returns to the WA producer from the WA Lamb Marketing Board.

Let us get on a competitive footing and take away the power of acquisition now that we have given the board an abattoir and the right potentially to run its own retail stores. Let someone else have a crack of the whip too.

In 1983-84 the total kill in Western Australia was 1.1 million lambs. We exported approximately 40 per cent, or 450 000 carcasses; home consumption of lamb in Western Australia was estimated at 650 000 carcasses. Imports from the Eastern States will be about 300 000 carcasses this year. If we could sell those lambs from the current WA lamb crop the total local market would be 950 000 lambs. That is what is being consumed now out of our total throughput in 1983-84 of 1.1 million lambs.

If we could sell all those lambs to the local market, there would be a surplus of 150 000 lambs, which is nothing, and we could afford to export them. One in three animals consumed as lamb in Western Australia currently comes from the Eastern States. The total Australian export percentage of lambs—that is, the total number of lamb exports in Australia to the slaughter—is 12 per cent. The percentage exported from Western Australia is 40 per cent.

As was indicated to me in answer to a question I asked recently, every lamb that is exported costs the producer dearly. What steps have been taken by the Western Australian Lamb Marketing Board to endeavour, on a commercial basis, to combat the import of lambs from the Eastern States? The board has panicked over the last couple of weeks and has approached some of the distributors and said, "Look, you buy X-number of carcasses from us and we will discount them by so much." That is too little too late. The board should encourage the distributors to utilise local lambs by selling them that lamb at a reasonable figure. Dropping the price for the distributor would not disadvantage the producer, despite what some of our socialistic friends might think. If the amount of lamb which is available for export at very great cost is decreased the return to the producer would be greater.

Three years ago the net return to producers for export lamb was \$5 a head. The Government is now talking about acquisition and an orderly market. If the orderly marketing was, in fact, orderly, it would be all right. When I say "orderly marketing", I mean the marketing of



lamb to consumers. The Western Australian *per capita* consumption of lamb, using an optimistic estimate, is set at eight kilograms a year. In fact the commodity letter I received indicates that the consumption of lamb in Western Australia is 6½ kilograms a year, but I have taken an optimistic view, having talked with the Australian Bureau of Statistics, and I have put the figure up to eight kilograms. The Australian *per capita* consumption is 16 kilograms of lamb per year. However, using sensible promotion and sensible pricing, the people of Western Australia could well and truly consume the amount of lamb that is currently being processed. However, the board has done nothing about this and I am calling upon it to take a long look at those aspects—not that the board will exist after this Bill goes through—and say to the corporation, “Get off your backside and go and promote the sale of lamb locally and increase the returns to growers.”

There is no such thing as orderly marketing by the Lamb Marketing Board. It amazes me that we now have two organisations to run something which one organisation successfully ran in the past. However, the fact is that the corporation is able to trade in meat, as was the trading division of the WA Meat Commission. It is able to trade in meats other than lamb, as was provided in the previous Act. The Meat Commission has been handling a fair amount of meat and of course it has to buy its lamb from the Lamb Marketing Board, which is fair enough. However, it has to buy in pork from other abattoirs, which again is fair enough, but one must not lose sight of the fact that the WA Meat Commission was looking at the possibility of starting a pig abattoir at Robb Jetty not so very long ago.

The pig abattoir would not be in the building it currently occupies. The board has been given that opportunity because a company by the name of Bone Stock set up a fairly substantial brick building on the grounds of the Meat Commission on a leasehold basis. It built its own building on the commission's land in order to process bones from the abattoirs and make bone stock which is the basis of many soups etc. Unfortunately the industry did not fare terribly well and Bone Stock folded up and removed its plant. The company offered to sell the building to the Meat Commission, but the commission, being run by very good businessmen, said, “We happen to own the building because it is on our land. You can come back and take it away perhaps, if you talk

to us nicely.” So the commission virtually had a building put up on its land for which it was trying to find a use. One of the uses envisaged was that of a pig floor. I hope that permission will not be given to put in a pig floor because the corporation is charged to make money and it will be a temptation for its officers to say, “Well, if we have got to buy pork, we may as well kill it.” The two very efficient pig floors we have in this State are currently battling for stock. I strongly exhort the Minister to ensure that the corporation does not in any way, shape, or form enter the pig slaughter industry.

The new paragraph (ba) to be added to section 21A(1) of the principal Act will give the corporation the right to trade in live lambs. It is not allowed to go to the saleyards and buy lambs, nor is it allowed to go onto a farmer's property and buy them, but it is allowed to trade in those lambs which are delivered to the market live. That seems very strange to me because I would have thought that if the buyer from the corporation were at Midland and saw that lamb prices were languishing during the auction, he could, on behalf of the corporation, buy lambs to prop up the market. I would have thought he would say something like, “We ought to buy these for the board and bung them through our own little abattoir at Robb Jetty.” However, such is not the case because the corporation is not allowed to buy them. I can think of one reason only for that; that is, the Government is totally opposed to the fact that when the Lamb Marketing Board was created it came under great pressure and a section was inserted into the Act which allowed producers to sell their lambs through auction for private treaty.

However, the board has still got its cut because whoever buys the lamb is then charged that price gap between producers and distributors. That is totally unjust, but it is the way it goes. Many people are still prepared to buy lamb and certainly many producers are prepared to sell it. The only conclusion I can possibly reach as to why the corporation is not allowed to operate as a buyer of lambs is that the Government is hoping that this will discourage people from sending lambs to auction and to sell them on a private treaty basis.

I assure the Minister that such will not be the case because some people are dedicated to handling the sale of their own lambs. The fact that live lambs can be disposed of can lead to all sorts of problems. We have seen some problems within the meat industry in the past where some smart Alec who has access to buying or-

ders is able to buy at a price which he considers a bargain-basement price. He then disposes of those lambs to a friend for a little more than he paid for them and later goes and buys them back from the friend and walks away with the proceeds. The same thing could well apply to the corporation because the corporation will rely on buyers and assessors to ensure that that part of the industry will be handled properly.

I am not making any accusations. I am saying that the temptation will be there for some people whose morals may leave a little to be desired to engage in some nefarious activities under this clause of the Bill.

We amended the Act in 1983 to ensure that the Lamb Marketing Board was able to dispose of lambs under certain circumstances. Those circumstances included its inability to slaughter the lambs. What happened during the 1983 strike was that, when the slaughtermen decided they would not slaughter, a day's kill was in lairage. There was no provision under the Act for the board to do anything except send those lambs back to the people who had sent them in the first place. Those lambs were returned to farms and holding paddocks at the request of the owners of the lambs. Some went to Bellevue and were agisted at a fairly high agistment fee.

We introduced an amendment which enabled the board to market lambs after consultation with the owners when conditions were such that they were not able to be slaughtered. In other words, the board could ring the owner and ask him whether he wanted his consignment of lambs sent back to the farm, delivered for agistment, or disposed of. That demonstrates another dimension of the capabilities of the board to handle lambs and it gives another option to the owner of the lambs rather than having them agisted at a high agistment rate or sent back to the farms.

I sound a note of warning on that ability to trade in live lambs. It could also be the thin edge of the wedge to live sheep exports. However, I think the corporation will be in enough trouble trying to run the organisation without entering into a field demanding a great amount of expertise which is not available to all people in the shipping of lambs and in the shipping of sheep generally. I think it would be catastrophic if the corporation decided that it would hire a ship and negotiate a market in the Middle East or wherever. It does not have the ability to do that and, certainly with the description of people who are to be on the corporation, they would have no expertise whatsoever in that or in abattoir operation.

As I said, the corporation will be required to conduct its operations in such a manner that, over time, its revenue will at least equal its expenditure. I think that earlier I gave an indication of how stupid that is. It amazes me that the Meat Commission continues to operate; I cannot understand why. If the Meat Commission was able to undertake the operations of Robb Jetty, the Midland saleyards, the Midland real estate, and the trading division of Robb Jetty, surely this top-line corporation will be able to undertake the same sort of task.

I cannot see why we have to have a Meat Commission unless it is a trade-off for some people who will not be able to get a job. The commission will be responsible for marketing the by-products of the abattoir and will be responsible for the day-to-day running of the works. That does not sound a tremendous amount for it to undertake, quite frankly.

The present manager of the works will be on the corporation. We hope that, after the Committee stage of this Bill, he will not be. I have nothing against the manager; in fact I have a high regard for him. However, if one considers the situation where a new manager arrives and does not come up to scratch as far as the corporation is concerned and it wishes to give him the tramp, it would not be very nice for the decision to be taken by a committee of which the fellow that is to be given the tramp happens to be a member. It has happened before, I know. However, I think it is quite undesirable. I think the corporation should be able to discuss matters and make decisions in an uninhibited manner. To do that, I feel the manager should be removed from the corporation. Certainly, I do not lack any confidence in Mr Flack.

I am greatly concerned that the corporation may, under special circumstances, and with the written approval of the Minister, engage in trade in meat and livestock. So now we have two organisations competing in this field. Why the devil does it have to engage in the trading of meat and livestock? Perhaps the Minister, in his reply, will satisfy the Opposition that such a set of circumstances will exist that will make it necessary. However, I cannot for the life of me think of any. If the corporation is to engage livestock buyers, as it will, why cannot those people go out and buy, and, if they decide to go on strike—that is a special consideration when the Meat Commission takes over—the Meat Marketing Corporation will probably be in the same situation anyway; livestock buyers do not

go on strike because working is how they make their money. I will be interested to hear what those situations are.

The second reading speech referred to a possible shortage of livestock. If there is a shortage of livestock, the corporation will not get any more by putting more buyers in the field, that is for sure. It will have some good effect, however, because they will be competing with each other. That will push the price up and the producers, at least, will have the opportunity of gaining some advantage. However, it will not help the corporation to break even.

The composition of the corporation includes the chief executive of the corporation, one representative of producers of livestock, a person who, in the opinion of the Minister, is an expert in commerce, a person who, in the opinion of the Minister, is an expert in industrial relations, and a representative of the Government. Nobody has to have any knowledge of running a meatworks. The corporation, in running the day-to-day operations of the meatworks, surely requires somebody who is experienced in that field on the commission. It will be allowed to just bungle along. Of course, there are nice built-in little jobs on that corporation for a couple of happy Government appointees; the person experienced in industrial relations and the representative of the Government.

Why would the Government want a representative on the proposed corporation? The reason is that the Government would have a boy on the job to report to the Minister and tell him what the corporation was up to. The corporation should be trusted to get on with its job and submit the usual reports.

Therefore, we have the possibility of having a representative of the Government and a representative of the Meat Industry Employees Union—a representative of the union has been a member of the commission for some time. It is not a broadside, it is a real possibility.

During the Committee stages of the Appropriation (Consolidated Revenue Fund) Bill I will raise several questions, but it amazes me that the losses incurred by the Meat Commission have been minimised to such an extent. In 1983-84 the loss was \$4.6 million; in 1984-85 it was \$4.5 million, and in this financial year there has been a magnificent drop to \$2.54 million.

In an article in the *Countryman* written by Russell Raymond he mentioned this figure. The article reads as follows—

THE WA Meat Commission is looking financially healthier now than it has ever been. And the result has been achieved with more than just a little help from the State Government.

Further on it states—

Minister for Agriculture Dave Evans estimates that the WAMC will require \$2 453 000 to provide its services in 1985-86.

Payment of a shortfall of some \$607 000 in funds allocated last year will reduce the operating loss further to about \$1.8 million.

The Meat Commission has almost broken even now so it can say that it has achieved a utopian situation. The article continues—

For an instrumentality that has progressively increased its losses to reach a staggering \$4.5 million last year, the budgeted loss for 1985-86 slashed to \$1.85 is somewhat surprising.

It is surprising and I have no doubt that when we debate this Bill in Committee the Minister will be in a position to satisfy the House as to exactly how that figure will be achieved.

I must admit that the Government's accounting methods are very strange, but I have never found them to be as strange as this. With the stroke of a pen and with a new corporation the Government will suddenly more than halve the losses of the Meat Commission.

The loss incurred at Robb Jetty in 1983-84 was approximately \$8 500 for every employee at the works. Surely that would have been a great springboard from which one could launch oneself to invoke the recommendations of the Treloar report in order to cut back the loss. When all is said and done, it could have started with redundancy payments. However, it has cost the taxpayers of this State approximately \$8 500 per employee to keep them in employment on a continuing basis. There is no need for the retention of Robb Jetty to provide a service facility. In fact, a potential service facility exists at Linley Valley. The original works were closed last year because of the activities of the Minister in directing the kill to the Western Australian Meat Commission.

The value of that property is declining daily and it would have been in the interests of the taxpayers and producers if the Government had made a decision to purchase it, even if the Government kept the property in mothballs. Of

course, it would have been better if the Government had leased the property to private enterprise.

It has been suggested to me by a producer organisation that a service works would be better served by private enterprise. In other words, the Government could provide the facility and private enterprise could run it. That is not good enough, because Big Brother would not have enough influence if that were the case!

I hope that the amendments the Opposition will introduce during the Committee stage will be acceptable to the Government. The whole concept of this Bill is repugnant to the Opposition, but it realises that the Government has the numbers and there is no way in which it could successfully reject the Bill. Therefore, it is hoping to amend the Bill to at least bring about a situation where it may have a chance of being successful. I doubt very much whether that will be the case. I cannot see how the Bill will work.

This is socialism at its best and I know that the Government is not worried about it because it is a socialist Government and that is its doctrine. The Opposition, however, has some reservations about socialising an industry which is already plagued by problems and by undertaking this devious path the problems will be exacerbated, particularly at the Government service works.

With those few remarks I advise the House that the Opposition vehemently opposes this legislation.

**MR PETER JONES** (Narrogin) [12.27 p.m.]: Over a long period of time the elected Government has successfully had a presence in the meat industry. It is the owner and operator of abattoirs and has been involved in the market arrangements or in supporting the industry.

The Treloar Committee was one of the 50 or 60 inquiries which this Government appointed when it came into office. The committee had the potential for being of considerable benefit to the industry in terms of what it sought to do and what it was capable of doing. It undertook its activities in a professional way and it was designed to establish not only the present status of the meat industry in this State, but more importantly, to also ascertain what was needed to be done in terms of handling and slaughtering facilities. The Committee made some substantial recommendations in that regard.

The Minister is misleading this Parliament and the community by suggesting that the Bill which is before us embodies the recommendations of the Treloar report in totality. I know the Minister did not use the word "totality", but the inference was that the Bill was the result of the report.

The fundamental and basic recommendation of that report was the abandonment of Robb Jetty abattoir. However, that was the first recommendation that was dismissed by this Government. Prior to the release of the report the member for Fremantle announced publicly that regardless of whatever happened Robb Jetty would continue and would survive.

Several members in this House are aware that the Government received an expression of interest from a private operator to take over the operations at Robb Jetty. The private operator was told by the Government that as a prerequisite it would need his assurance that all the jobs at the works would be preserved!

What sort of basis is that for trying to assist the meat industry? In other words, any approach that was to be made into this facet of the meat industry was already sunk—skuttled and ruined before it started.

With that attitude how could there possibly be any real endeavour to implement the fundamentals of the Treloar report?

However, the interim report came out and then the Government established what one person in the industry—a producer—described as the "terrible trio". Those three people, Mr Johnston, a political adviser from the Premier's office, Mr Payne from the meatworkers union and Dr Gabbedy from the Department of Agriculture, set to work on putting the recommendations into an acceptable form. The committee was not acceptable to the producers because the producers were not invited to participate in that working party at all. The committee was to consider the interests of all those involved in the trade, particularly the producers. They were only asked to make their recommendations and comment upon the interim report. The Minister confirmed in answer to a question I asked earlier this week that the basic recommendation regarding the facility concerned had already been rejected, and it was hardly likely that the final result would be in the best interests of the producers.

That is not to deny that there has not been some improvement. What we are confronted with is nothing better than a lost opportunity. We have been presented with an opportunity to

do something that could be in the better interests of the total industry, producers and handlers alike, and yet it has been lost. We are confronted with a legislative animal but we need a complete Statute to establish a WA Meat Marketing Corporation, a Statute that stands on its own, instead of this mongrel which seeks to amend trade deals and fiddle around, still leaving two marketing bodies.

It is all very well attacking the basic fundamentals to which Treloar addressed his endeavours. I am sure the Minister is aware that what has come forward is not acceptable to the producers in every detail. There is some variation in emphasis between producers as to which parts they might like changed and how drastic they would like the surgery to be. The Minister would also be misleading the Parliament if he said this was acceptable to producers in the form it is in now, because it is not acceptable.

Mr Evans: Would you say it is acceptable to the majority?

Mr PETER JONES: Why are we talking about this nonsense of saying it is better than before and therefore it must be acceptable? What sort of situation is that? If one is trying to establish what the Government says it wants to establish—the most efficient commercially oriented meat marketing body this State has ever seen—then why not do it? It is no substitute to say this is acceptable in the majority of things it seeks to do.

Mr Evans: I was replying to your saying it was not acceptable to producers.

Mr PETER JONES: I have said it is not acceptable to producers. If the Government wants to say that, that is fine.

Mr Brian Burke: He said to the majority.

Mr PETER JONES: Is it acceptable in the majority of things it seeks to do?

Mr Brian Burke: The Bill is acceptable to the majority of farmers.

Mr PETER JONES: I would dispute that point for a start. Let me say why I understand that to be the case, and they are points I certainly completely agree with.

Firstly, the corporation is not as commercially oriented as it could be. Fancy having a board with no representation from people with meat marketing experience, which is something the producers sought and failed to get.

Further, the Government is to have far more say than in any other bodies such as the Grain Pool, which is a primary industry marketing body that conducts pooling policies for grain.

One of the products the Grain Pool markets is barley which is handled on a basis of compulsory acquisition, and other grains are not acquired compulsorily unless fully prescribed. That body is not controlled by the Government in the same way as the corporate one is to be. I understand that was not acceptable to producers and they sought to have a truly commercial, independently-operated body, but that was refused.

The third point is one I have already mentioned, and that is that there are no people with meat marketing experience represented on the board. Again the Government has failed to meet that need.

There is to be a person on the board to represent the Government. The Minister, in answer to a question, said that that person will have the general function of providing advice to the corporation on Government policies and liaising between the corporation, the Minister, and the relevant Government agencies. He is to advise the Minister on marketing developments with reference to their effect on the operations of Robb Jetty. The Minister has said it is essential that the board have a person to advise it on the Government's policies, and he referred to that in his second reading speech.

What happens when the Government changes? Whose policies does the Government appointee represent then? Perhaps the Minister could enlarge upon what he means by that particular person, because this is not a ministerial nominee in terms of a producer who may be a ministerial nominee on other similar bodies. Here is a man appointed to a board to advise that board; he is supposedly commercially independent, but he is a politically motivated appointee. How can he survive with that arrangement? How can any board discuss anything confidential when there is a political mole present to that extent?

Mr Davies: How do you spell that word?

Mr PETER JONES: The Minister can take his pick in these days of affirmative action.

How stupid can the Government be? If the people advising the Minister bothered to advise him in complete detail—and I am assuming they did—surely they would have told him of that ridiculous arrangement. What we have come to is this: During the last 18 months a whole range of things relating to the meat industry also relate to the policies of the Government, and they are the policies that suit Alex Payne. He sits on the Meat Commission and makes the decisions. He has made

recommendations to the Government which have also been indicated in this Chamber by way of an answer to some questions, and he has given advice regarding matters of industrial disputation and related activities. It has been made quite clear that this man has advised the Government on what should be done and what should not be done regarding the meat industry.

But as has also been made quite clear, the activities and policies of Mr Payne are totally unacceptable to the meat producers of this State, without exception. Mr Payne is nothing less than an industrial thug. He is one of those who publicly advocated the disruption and the militant action which took place at Mudginberri. The Government made scathing comments about Mudginberri and dismissed criticism of that dispute in this Parliament. He is one of those people who said that those who caused the strike would pay for it. When the union of which he is the State secretary was taken to court and fined, and later it appealed, he is one of those who said that the money that was paid by way of fines—some \$40 000—would be taken back many times over from the industry. That is the man who advises the Government. That is the man who is one of the architects of this legislation. That is the man whom the Minister in a moment will defend.

How can any responsible citizen in this State, let alone those who are vitally concerned with this legislation, have any faith in the Government or confidence in any Statute which it has a birth out of the mind and policies of an animal such as Alec Payne?

The fifth criticism given to me relates to a matter already referred to; that is, why is the Meat Commission still being allowed to trade? I refer to trade not in those products which are essentially a part of the conduct of an abattoir—tallow and the other things listed within the Abattoirs Act—but to meat. If we are going to establish a Meat Marketing Corporation, why is it not to be allowed to market? The Minister will say that it is; but it will not have the capacity to do what was originally recommended it should do, and what producers sought to have it do, despite the fact that the Government said that it would establish a commercially orientated marketing organisation.

In his second reading speech, the Minister wistfully indicated that it was hoped that income would match outgo. What a basis that is

on which to consider the establishment of a commercially-orientated marketing organisation! It is not enough that it is hoped, or expected, that income will match outgo. This body is supposed to be the peak commercial meat marketing operation in this State.

I make a final point. The Minister went on, in the second reading speech, to refer to the financial benefits and cost savings to producers. When I pursued the matter with him by way of question, he replied that gains in operational efficiency would better benefit livestock producers. That is like saying that he is in favour of road safety or motherhood!

I then asked who had done the financial survey that identified the financial benefits and cost savings that would result. I was advised by the Minister that no financial survey had been done!

Mr Blaikie: You don't mean to say that all of this is in the Minister's mind?

Mr PETER JONES: Either that, or it is in Mr Payne's mind, such as it is.

The Minister said that nothing had been referred for financial survey. The matter of structure, organisation, and efficiency of this organisation, as proposed, is now under a dark cloud. It has emerged with an enormous question mark over it. This laughable so-called Interim Meat Marketing Advisory Committee which has all these people on it and which, I understand, has met but three times—perhaps the Minister can confirm that—is now considering appointing consultants to tell it how to run things!

This Parliament is being asked to consider the establishment of a Meat Marketing Corporation. We are told of the undoubted benefits that will result, and the great cost savings to producers. We are told that it conforms to the recommendations of the Treloar committee and that it is so marvellous it is like sliced bread all over again.

But the truth begins to emerge—not yet from the Minister. Rather the truth seeps out from the producers' organisations, or those which have become increasingly concerned, that the cost savings and the benefits for the producers are now not as identifiable as was first thought. They certainly could be if the Government, instead of listening to the thug, Alec Payne, listened to the basic fundamentals of the Treloar report and the voices of the producer representatives.

Instead, we are asked to consider little better than a legislative mongrel, that will not do what the Government says. It is not the vehicle which the Government promised and which the industry deserves. It is not the vehicle the industry must have if it is to meet the cost pressures, handling charges, and the like, that Alec Payne and other industrial thugs load on the handling, processing and exporting of meat in this State.

This Bill is really opportunity lost. No talking on the part of the Minister can disguise the fact that the pleadings, the discussions, and the beseechings of the producer representatives, who talked with his advisers regarding the things they wanted in this Bill, have fallen on deaf ears and that this organisation is not commercially orientated. Fundamentally it is a Government animal in every sense of the word. It is restrained, constricted and prevented from doing what it ought to be able to do.

If the Government accepts the amendments that will be put forward, the legislation will have a chance, because it will then represent what the producers tried and failed to get. But if the Government does not, opportunity will certainly be lost and we will be no better off than we were.

**MR BRADSHAW** (Murray-Wellington) [12.49 p.m.]: This Bill supposedly emanates from recommendations of the Treloar report, but that does not seem to be the case upon perusal of the Bill. The Bill seeks to set up a Meat Marketing Corporation which is to combine the WA Meat Commission and the WA Lamb Marketing Board.

One of the recommendations made by the Treloar report was that the Robb Jetty abattoir be closed down because it was a burden on the taxpayers of Western Australia. Over the past few years it has cost millions of dollars a year to keep going, and has certainly proved to be an inefficient abattoir that should be closed down because of the cost to the taxpayer.

Other abattoirs around Western Australia have plenty of capacity and these abattoirs must run at a profit otherwise they will be forced to close down. At the same time the Government is spending a lot of money on upgrading the Robb Jetty abattoir to make sure that it can continue to operate. For some reason or another the secretary of the Australasian Meat Industry Employees Union appears to have a vested interest in Robb Jetty and he has done his best to disrupt all other abattoirs in Western Australia. It is a sad state

of affairs that through his actions, Thomas Borthwick and Sons (A/Asia) Ltd was forced to close down and the Government has now stepped in to try to retrieve the situation in an effort to save face. This person should not have had anything to do with the Government or the union. He is supposed to be representing the meat workers and to be providing benefits for them but because of his actions it has been necessary for the Government to get involved at Albany with the Borthwicks company. The Government has involved another company to purchase the operation and provided subsidies which will be paid for by the taxpayers. One cannot say that this has resulted because of the incompetence of the union representative, because it is probably what he set out to do in the first place. I am disappointed that the Government is prepared to prop up the Robb Jetty abattoir with regard not only to the losses incurred but also to the expenditure of a large sum.

It is interesting to note that the Premier indicated that the Robb Jetty abattoir will be one of the only abattoirs in Western Australia capable of supplying the EEC with meat. That is an incorrect and ridiculous statement. Other abattoirs in Western Australia meet the required standards and are currently supplying meat to the EEC. Probably one of the best abattoirs in Western Australia is Harvey Meat Exports or E. G. Green & Sons. Last year that company applied for a pig licence with a view to exporting pig meat to South-East Asia. There is a growing demand in Singapore for pig meat because that city is cutting down its pig-producing activities. The application for a licence was refused.

I point out that the Meat Commission applied for a pig licence last year and it was refused. However, it had spent money on preliminary plans drawn up by an architect for a pig floor in Robb Jetty abattoir. It certainly seems strange that the Meat Commission has its eye on getting into the pig meat market. Robb Jetty abattoir has proved to be inefficient and not capable of running at a profit or even breaking even, yet it is trying to expand into the pig meat market, at a time when a private company, E. G. Green & Sons, wishes to get into the market to investigate the overseas opportunities.

It could have been great for pig producers in Western Australia if that market expansion had taken place because it was an opportunity to increase the number of pigs produced. However, the company was refused a licence while

at the same time the Meat Commission has spent money on drawing up plans for Robb Jetty abattoir. The Minister has denied that the abattoir intends going into that area but it is strange that it should have spent money without having an ulterior motive.

Other deficiencies in the Bill relate to the composition of the boards—both the corporation and the commission. Meat producers are not given sufficient representation on the board. I note that the Bill provides that a producer from livestock areas other than lamb shall be on the board. The beef sector is a vital part of the industry and is basically what the Meat Commission is about, but a representative of beef producers is not specifically referred to. Provision should be made for a representative of beef producers to be appointed as well as a representative from other livestock producers.

It is completely wrong to have a person representing the Government as a member of the board. Obviously that person will be Mr Alec Payne. The board should work on its own. Obviously it must be answerable to someone, but if a Government representative is appointed that person will stifle any debate and the board will not be able to function in the way it should. It is wrong for a person to be present who will try to implement Government policy in the running of the Meat Marketing Corporation.

Another point with which I do not agree is that the Government proposes to make the general manager or chief executive officer *ex officio* a member of the boards. It is difficult to understand how the Government can appoint that person to the boards. He will be employed by the two boards and if he is not up to standard in his job it will be difficult to do anything about him. The situation could be overcome by employing the person appointed as chief executive officer on a trial basis for two years to see how he performs in that role. If he is immediately appointed to the boards, they will not be in a position to either chastise or dismiss him if he does not perform as well as he should.

Another part of the Bill which lacks credibility relates to the corporation's trading role. The Meat Marketing Corporation should be marketing meat, not trading in it. If Robb Jetty abattoir is not operating to a satisfactory standard with regard to efficiency and effectiveness the corporation could be put in a position, as it will be able to adopt a trading role, where pressure could be applied to buy more meat and put it through Robb Jetty abattoir to keep it going. It could be an inefficient and costly

exercise, the cost of which would be borne by either the producers of meat or taxpayers. One way or another it will put the corporation in an invidious position in which it could be under pressure from Government or union influence. That role should not be assumed by the corporation.

All in all this Bill is not as satisfactory as it should be. It is not going along with the recommendations of the Treloar report and I do not believe it will necessarily be for the benefit of meat producers in Western Australia.

*Sitting suspended from 1.00 to 2.15 p.m.*

**MR CRANE (Moore)** [2.15 p.m.]: I would like to say at the outset I fully appreciate the concern of all meat producers. It is very important to say that this Bill falls a lot short of what is desired by meat producers to whom I have spoken. Unless the Government is prepared to include amendments which the member for Katanning-Roe has indicated the Opposition has prepared, in line with the wishes of the industry, I will not be able to support this legislation.

Several speakers this morning have outlined very clearly many of the pitfalls we see in the proposed Bill. The Minister provided some background in his second reading speech and told us that in November 1984 the report of a committee of inquiry into Government involvement in the meat industry—that is the Treloar report—was presented. He went on to say that the inquiry did not consider the structure or the operation of a new body because it was not felt that the Treloar report indicated that such a body should be established.

The Minister has not really misled the House by saying that the present legislation is in keeping with some of the recommendations of the Treloar report. What he has done is to pull out those parts of the Treloar report which seem to fit his or his Government's fancy, and he has completely ignored some of the important points in the Treloar report, one of which was an indication that the Robb Jetty works should be closed down.

There was some talk of this by the member for Narrogin, who said that very same thing. But he indicated also to the House that the member for Fremantle had given a fair indication that anyone who wished to take over the Robb Jetty works as a private entity would have to give an assurance that no jobs would be lost.



This is one of the problems facing our industry today. The natural forces of supply and demand are not allowed to operate. Industry will not be able to hire and fire as required. We are being controlled by the union movement and we have to run our businesses according to its wishes. This just cannot happen in that cold world of reality out there, a world of which unfortunately many members of the Government have no experience.

The member for Narrogin said that the Government appointed a committee. Not having been satisfied with the full recommendations of the Treloar report, the Government appointed another committee to look into what that committee recommended. I wonder when all these committees will cease to function. As the member explained, it was the terrible trio Mr Johnson, Mr Payne, and Dr Gabbedy.

When one looks at the history of the meat industry over the last few years and considers most seriously and fairly the activities of Mr Payne, one can only assume that to invite him to be either a member of a committee of inquiry or part of the structure of the proposed board is tantamount to asking Dracula to guard the blood bank.

Mr Tonkin: That is an original comment.

Mr CRANE: It is quite true. Would the Minister like to put the affairs of this State or business into the hands of a known pilferer? I do not think he would, because he knows it would not be safe. Here we are appointing somebody who has done his utmost to ruin the meat industry for the producers and for the State, and to bring it to its knees. He was involved in the dispute in the Borthwicks works in Albany. As a result Borthwicks closed down.

We know Mr Payne was involved in the Mudginberri dispute. We know the attitude of the producers when faced with that dispute, and thank God they adopted that attitude. At long last the producers said they had had enough.

I make the point now that I am speaking here as a producer, for producers. I told members last night that I had been in the industry for a long time. I have a great deal of experience in this industry. A few years ago, when I was chairing an Honorary Royal Commission inquiring into the meat industry—and the Minister for Agriculture was a member of that commission—I was able to learn about many frightening facets of the industry as a result of

demands made on it by unions. The commission found just how the costs in the boning rooms had escalated tremendously.

The result of these increasing costs has been that consumers have still endeavoured to obtain the commodity as cheaply as possible, which is understandable and desirable, because we want the community to be able to obtain the commodity on the market as cheaply as possible.

The problem arises because the increased returns are not going to the producers, where they ought to go, but are being absorbed by people in the industry. The unions are responsible for this. Perhaps one cannot blame the unions for endeavouring to improve the lot of their members. I blame successive Governments and arbitration commissioners for enabling unions to do this. The result has seen the producers being squeezed more and more.

I make these comments because it concerns me that the Government should even consider a person such as Mr Payne being involved further in our meat industry as a member of this new corporation. This man is the arch-enemy of producers and has been for a long time. It is ridiculous that he should be considered. I will continue to be very concerned I am given an assurance that Mr Payne will not be involved in an administrative or advisory role in this new set-up. Of course, I am sure the Minister is not prepared to give me that assurance; he would not be allowed to. It can be put as bluntly as that. The Government is under the control of the unions and the Government's bosses in the union movement will tell it what it can and cannot do.

It was refreshing to hear the Premier say recently that his Government would not be dictated to by people in any quarter, no matter how much money they had behind them. That was good stuff from the Premier, but I would like to hear him say that he will also not be dictated to by his militant union bosses. That is something desired by the majority of Western Australians—and indeed Australians generally—but particularly is it desired by the rural industry. We have not had such an assurance and he could not give such an assurance about his masters. As our Lord said, no man may faithfully serve two masters. Yet we have the Premier and his Government endeavouring to do just that. Its greatest masters are the militant unions. We certainly cannot accept any arrangement which provides for people such as

Mr Payne to be involved in any sort of capacity, although he is obviously intended to be used in some way.

I have been very encouraged over the last couple of months by the stand taken by the National Farmers Federation against militant unionism. Its activities have encouraged me to the extent that I can quite proudly say that I sent the NFF my cheque for \$100. I hope all other members of Parliament did likewise, because it needs additional money. No doubt all members on this side sent money. I told Mr Winston Crane, my nephew, that there was more where that came from as long as the NFF was prepared to fight—and I mean fight.

A couple of aspects of the Bill concern me and these problems were raised when I was speaking yesterday with representatives of the industry. One concern relates to the proposal for three producer members to be appointed to the corporation, two of whom shall be lamb producers and one a producer of other meats. That does not seem to be very fair. It was pointed out to me that the Lamb Marketing Board has its two representatives now, and it wishes to retain those two representatives. That is not fair to the rural industries and the other producers. The lamb producers should have a representative and so should the beef producers and the producers of other meats; by "other meats" I mean perhaps goats and horses. I would hope pigs were not included, and perhaps I should dwell on this point for a moment.

Last year when I was invited to inspect Robb Jetty I was appalled to find, when looking at a lamb carcass in the boning room, a side of pork being cut up. As most people here should know, we sell a lot of meat to the Middle East, where the Muslims are our greatest customers. Their religion does not allow them either to eat pork or to handle it. If they were to be unloading an aircraft consignment of meat which we had sent to them and among the consignment was a pig carcass, should one of those people be handed that carcass that would be the end of the consignment. Yet here we find that pork is allowed to be cut up in these boning rooms. As the member for Katanning-Roe said this morning, we need a separate pig floor.

I do not believe pork should be allowed in an export abattoir unless it is a pig abattoir. I make that point very strongly. I am sure that if the industry were to follow through what I have said it would realise it is placing the industry in great danger by mixing the two types of meat so that pork is beside mutton, lamb, goat, or what-

ever. For that reason I believe the abattoir should not have pork anywhere near it, not even in a separate part of the abattoir; in a separate building perhaps, but well and truly separated from the main abattoir.

I have said that lamb producers should not have two representatives to only one person representing all other meats. The argument of lamb producers is that lamb will be the predominant meat handled through the corporation. Perhaps it may be initially, but I seem to recall there is a strong opinion among a number of producers who would like to see such a corporation or commission take over the handling of all their meat. I am not suggesting this would necessarily be a good thing, but it certainly is the thinking of many producers and producers' representatives. Therefore, I do not believe it would be reasonable to expect that that operation can be encouraged with an unfair representation on behalf of lamb producers. If they are rural producers and they are worth their salt—and I emphasise those words—they ought to be able to represent the lamb or beef producers or other meat producers.

We cannot afford to be sectional, and if we are as fair as it is claimed let us put our money where our mouths are, and truly represent the industry we claim to support. In that case there should be one representative for lamb producers, one for beef producers and one for the other producers. That would seem to be a fair arrangement. Of course some of the lamb producers claim it is not fair because built into the Lamb Marketing Board legislation is the power to own the lamb at the point of slaughter—in other words, compulsory acquisition. As I said to the producers, and I think I heard the member for Katanning-Roe say this morning, they cannot have it both ways. I am not going so far as to say that the ability to acquire the meat at the point of slaughter should be taken away, but if it is to be retained I do not believe the lamb producers should have two representatives. They cannot eat their cake and have it too. The supporters of that argument should give serious thought to the point I have made. They must recognise they are part of an important industry, and if their one representative is worth his salt he can adequately look after the lamb producers' affairs, and the others can likewise look after the producers of beef and other meats. They can help each other and be complementary to each other. That is what they should be doing.

It would not be difficult to arrange for the beef producer representative to also be a lamb producer. He could have two irons in the fire. No doubt that would be a simple thing to arrange. In any event, whether he was a producer of lambs or not he is first and foremost a primary producer—a producer of meat—and fundamentally there is a great similarity between the production of beef and lamb. The difference is in the application of the operation.

The member for Katanning-Roe mentioned earlier one of the problems which has been experienced with the Lamb Marketing Board. This has been brought to my attention on a number of occasions, particularly when we were making inquiries several years ago. When the Lamb Marketing Board was first introduced—I voted for it then and I believed it was necessary because the lamb producer was being taken for a ride—one of the problems was there were specialist producers. A producer must look at his operation and decide which method suits him best. Many were specialists who believed that by a little extra effort they could produce lambs out of the normal season, as it were, and then gain a premium price. That involves an additional cost. Unfortunately, when the Lamb Marketing Board took over, those people who had been producing lambs out of the normal season and were paid an additional price no longer received the price because there was cross-subsidisation. As was argued by many producers at the time, they wanted to take the highs and lows out of the market. They did not take into account the fact that some of the highs were brought about by the specialist producers who, at considerable cost to themselves, were producing lamb for a market out of the normal season and were being penalised for doing so. I do not believe the Lamb Marketing Board took their needs into account sufficiently.

I have often spoken of the need for the Lamb Marketing Board to be more flexible in the price it was paying so that those people were not penalised. That has not happened, and it has been a very serious bone of contention with many lamb producers—although not all—particularly those who specialised in the way I have mentioned. I cannot see how that will be obviated by this Bill which really is an incestuous arrangement, bringing together two of our existing meat bodies into one organisation; and like a horse designed by a committee it will end up being a camel.

I do not believe that is the way to go. In the first instance we should have had one auth-

ority, not an amalgamation of the present bodies. We should have scrapped them and started with one organisation, not a conglomeration. We will still end up with the camel even if we take off some of the humps. That is not what the producers require; they have not indicated to me that that is what they require.

I hope the Government will recognise that the amendments we have framed are worthwhile and it will include them in the legislation. I suppose we could describe this legislation—looking at it from a rural producer's point of view—as similar to a very poor line of breeding ewes. What does one get from a poor line of breeding ewes? Like begets like. There is a way to improve the line. If one infuses good blood into the line it will improve the offspring considerably. If we consider this legislation to be a bad line of breeding ewes into which we infuse our amendments, we will end up with something which, although not exactly what we desire, will be very much improved and will serve the need far better than it would in its present form.

As I said earlier, I was concerned when the Minister said this legislation was framed on the recommendations of the Treloar report. That is not so at all, and I have explained why. The Government has taken out those parts of the report which suit it best.

One could almost compare the meat industry with a patient who is very sick in hospital. If Mr Treloar recommended some medicine and that medicine was not supplied he could say, "You might as well bury the patient." That is what has happened in this case. The Government has decided to bury the patient before he has died. It has not given him a chance to receive the medicine recommended by Mr Treloar. That is where it has fallen down and that is why we are so concerned for producers. The producers are hanging on; they will grasp at straws because they have had a rough time. In their eyes, half a sheep is better than no sheep at all.

We must ensure that they do not get half a sheep, but that they get a full sheep and that it is a darn good sheep. I hope that, with the change of Government in March, we may be able to go back to the drawing board on this issue and come up with an authority designed to assist the industry and not just to carry out the wishes of the three people appointed to frame this legislation by the Minister. Those three people would have no idea about any of these matters. Would it be unfair for me to ask

what these three people really know about the meat industry? They would not know which end of the sheep ate the grass. Yet, this Government will rely on them to frame legislation for primary producers. It has not even invited the producers to be a part of that committee. These three people would not have a clue. As a producer, I flatly refuse to tolerate their appointment. I will not tolerate that interference, just as I would not try to tell the member for Kimberley how to make stone spearheads because I do not know.

Mr Bridge: Or to look after the Kimberley.

Mr CRANE: Yes, he would know more about that because he lives there and is part of the area.

The Government is indifferent to the wishes of the producers. When the Treloar inquiry recommended the closure of the abattoir at Robb Jetty, the Government missed a splendid opportunity to buy the Linley Valley works and hand them over to the industry to run.

One of the biggest companies in Western Australia, is run by the producers. It is called Co-operative Bulk Handling Ltd. It is a most efficient and effective company and is well run by the producers. We are all \$2 shareholders in Co-operative Bulk Handling if we produce grain and deliver it. It is owned by and worked for the producers. The Government could have bought the Linley Valley works and handed them over to the producers. It could have incorporated in those works the Lamb Marketing Board by introducing measures into this place giving the producers power to take over the Lamb Marketing Board and so incorporating it. It could have then called the organisation, for want of a better name, "cooperative meat handling". We could have owned it. We would not then have had to ask the Government to appoint a chairman and other members of the board.

The Government has said that we must have an economist as one of the members of the board. What has happened to the world since the economists took over? This used to be a prosperous country; it has been ruined by economists. What is an economist? An economist is a person who goes to university, is marinated for about three years on socialist doctrines, and comes out and tells us how to do our jobs. He would not have a clue. Take him past Midland, turn him around three times, ask him where Perth is, and he would not know. However,

these are the people the Government chooses to advise it on running our business for us. No-one can run our business as well as we can.

I cannot emphasise strongly enough the importance of allowing the producers to have a bigger say in what is going on. Of course they will make mistakes; however, they will pay for their mistakes. That is the quickest way to stop making mistakes. I have made many mistakes, but I have never asked anybody else to pay for those mistakes. I have paid for them myself. I never made the same mistake twice, though I may have made other mistakes. Yet, here we are asking these three people to advise us on matters best known to ourselves. With all due respect, what would the person from the Department of Premier and Cabinet know about these matters? He would not have a clue. Yet, we have to suffer the indignity of having this Government tell us these people know best what is good for us. I wonder what is wrong with this place.

Members can understand why we cannot go along with this legislation. It is true that the producers want something and we will give them something. However, we cannot give them something which will not do the job they want done and which they have requested to be done. Unless our amendments are included in the legislation I shall reluctantly have to oppose it. That is how I feel about the matter as a producer and as a person representing producers. It would not be hard for us to come up with something infinitely better than the proposal that is before the House this afternoon.

I oppose the Bill.

Debate adjourned to a later stage of the sitting, on motion by Mr Tonkin (Leader of the House).

(See page No. 3447.)

## **SUPERANNUATION AND FAMILY BENEFITS AMENDMENT BILL**

### *Second Reading*

Debate resumed from 17 October.

MR HASSELL (Cottesloe—Leader of the Opposition) [2.47 p.m.]: This Bill relates to the State superannuation fund and aims to include four amendments in the provisions regarding the payment of superannuation benefits to employees of the State Government. Widows' pension benefits are to be increased to two-thirds of contributors' pensions, the child allowance payments are to be increased gener-

ally and in future they are to be adjusted in line with living cost increases, twice-yearly pension indexation is to be introduced, and widows under the age of 60 years are to be allowed access to larger lump sum payments than at present.

The amendments bring certain provisions in line with similar arrangements in other States and the Commonwealth. They increase the level of certain payments which have remained static for a number of years and they resolve specific matters which are considered to have operated unfairly or unjustly until now.

Two of the proposed amendments will result in increased costs to be borne from the Consolidated Revenue Fund. They are the proposal concerning the increased widows' pensions and increased child allowance payments. The additional cost has been estimated by the Treasurer at \$478 000 for the balance of this financial year and \$1 146 000 in 1986-87.

There could also be some indirect costs associated with the indexation of higher widows' pensions and the indexation of child allowances. I indicate at the outset that the Opposition will support the Bill, while taking the opportunity to raise some issues on the superannuation scheme, its operation, and the changes which are being sought by the Civil Service Association. Those amendments are, of course, only interim and secondary compared with the need for major changes to the structure of the fund and the way it operates.

The Government has indicated a commitment to introduce a new superannuation scheme. When that occurs it will follow a long and comprehensive review of the existing system. However, the Government has so far refused to give any formal commitment as to its intentions regarding the fund. Rather, it has hidden behind the excuse that the review has not been completed even though principles for change might have been indicated. It uses as excuses also recent changes made to the taxation laws, the possibility of the Commonwealth Government's placing superannuation in the industrial arbitration area, and a changed perception of superannuation by the Commonwealth Government and the trade union movement. I hope that the latter two proposals will be rejected by this Government in relation to the State superannuation scheme. Nothing would be more damaging to the growth and development of this country—and,

in particular, this State which is our concern—than the wholesale movement of superannuation into the industrial arena.

Superannuation had its origins in an attempt by employers, in partnership with employees, to provide retirement benefits. We will not object to the Bill itself in any way. The Civil Service Association, however, firmly believes that the proposed amendments are minor and that the Government should now make a formal commitment to a number of things. I will put those matters on the record. The association seeks, first, a formal commitment to separate the police superannuation fund from the general fund. That is understandable in view of the introduction of 55 years as the retirement age for members of the Police Force. That means that those members are a special burden and a special drain on the State superannuation fund. That seems to me to be a reasonably logical argument put forward by the Civil Service Association. The police fund should be separated from the general fund, unless in some way the provision of benefits across the board is to be brought into line. That would involve reducing the retirement age at which full superannuation is paid at 55, as in the case of the Police Force members. I am not suggesting that that should or can occur in the short term.

The Civil Service Association wants, secondly, an immediate increase in the return on members' contributions to at least the Government bond rate which is at present about 13½ per cent. This issue ought to be considered very carefully because it relates to the structure of the fund and the way in which it operates, and the way in which contributions are made and earnings on those contributions are distributed.

As I understand it, the argument of the Civil Service Association is that, although the contributions made by the members may be put to work and produce a return of 10 per cent, for example, members receive a fixed return at a much lesser rate, of the order, from memory, of 4½ per cent. The association believes that there should be a better performance on the part of the fund. It acknowledges that there has been an increase in performance, but argues that that increase should be related to what members receive. I can see that some difficulties will be created down the track, because there will be arguments, whichever way it goes, as to who should receive the benefits of the increased rate that may be achieved on members' contributions.

The Civil Service Association is saying that, at the moment, those increased returns are being used to satisfy the general obligations of the employer, in this case, the Government. The association would like to see those increased returns distributed to members of the fund. However, if they were distributed to members of the fund it might still be possible for the Government of the day to take the view that because the funds had been used in that way, there was a lesser obligation on the part of the Government to provide benefits. Thus, that seems to be an issue which requires a considerable amount of discussion about what is precisely meant and what is really being called for.

The provision of a superannuation fund by the State Government for its employees is a very significant and costly Budget item. It is a very proper item. It is one that will always be there and should be there, but the Government of the day has a particular obligation to ensure that the interests of the taxpayer are properly protected and that superannuation benefits, whether they be paid to parliamentarians or to employees of the Government, are at a level which does not impose an unfair burden. It seems to me that the Government has a real interest, as do members of the fund, in maximising returns from all investments. I will come back to that general issue in a moment. The immediate request of the CSA is that the Government amend the fund arrangements or at least make a commitment to increase immediately the return on members' contributions to at least the Government bond rate.

The third request being made of the Government by the CSA is that it should separate members' contributions from Government contributions to finance its own commitment to the fund. It wants the Government to finance its commitment to the fund in a clearly identifiable and direct way, and not by the Government's applying what the association sees as its money—in other words, the earnings on its members' contributions—to satisfy the general obligation of the fund to superannuation payments.

I have indicated already that I think it is an issue which can be a two-edged sword for the Civil Service Association although it is a very understandable request.

Fourthly, the Civil Service Association wants a commitment to provide an assessment of earned liabilities. This means that a valuation of each contributor's retirement savings in the fund would be made, a system which is regarded as a more accurate way of assessing

the fund. The Civil Service Association is deeply concerned that the indexation account can be manipulated by the Government. In its view it means that although the Government has improved the performance of the fund, the benefits of the improved performance are not being passed on to the members but are being applied to offset and reduce the obligations of the Government to its employees. Clearly, the Government of the day must take a view on that issue.

Mr Hodge: What is your view?

Mr HASSELL: I do not think anybody could precisely define a view without getting down to taints, figures, and the whole structure of the fund.

Mr Hodge: You are being very careful not to commit yourself in any way.

Mr HASSELL: I would commit myself very clearly to this; the operations of the Western Australian fund as it is are unsatisfactory and a major review is needed. The review referred to by the Premier and Treasurer began prior to the change of Government. It is a review which should have produced results by now, perhaps some time before now. These issues will be there and they will be very real when the results of the review are known and, more particularly, when it comes to the stage of implementing the results of the review.

The concern is understandable, and I think the Minister for Health would agree, when members of the fund see what they regard as their money, their contributions, put to work to produce a high rate of return and yet when they receive back their contributions, they are given a fixed small return related to interest rates of the last century.

Of course, the fund should be as self-sufficient as possible and it should also be as generous as possible. These are the proper rewards for the service expected from these people as public servants. I understand the view they are putting about the return on members' contributions. I understand their perception of that and, it must be viewed as a whole. It will always be a supported fund and in a sense it does not matter whether it is done this way or the other way; somewhere along the line those earnings on the members' contributions will be taken into account. In another sense it matters a great deal and that must be sorted out.

The Civil Service Association is seeing what it saw and complained about when legislation was put through this House on another oc-

casion. They see the Government taking the earnings on their money and seeking to reduce what they regard as the liabilities of the Government to meet the liabilities of the fund.

The other aspect of the operations of the fund currently which are relevant to this legislation is the investment policies of the fund. Those policies are as relevant to this whole question and to the future of the fund as are the immediate questions of the allowances being made and amended by this Bill. The investment policies of the fund seem to have moved very heavily in the direction of long-term relatively low return, real estate investments. The State superannuation fund is to be involved in the development of the Perth Technical College site. That is a development of very substantial proportions; a 40-storey tower, a total project of some \$320 million—half of which will be taken by the State Superannuation Board, 25 per cent by the Bond Corporation, and 25 per cent by Laurie Connell. That is a very large long-term investment that will not give any immediate flow of cash return. That means that other investment opportunities must be passed up. Of course, I am referring to investment opportunities in terms of the availability of investments with a high level of return of cash in a climate where real interest rates are higher than they have been for many years and where the fund is operating, as do other superannuation funds, in a tax-free environment. If that was the only real estate investment one might say that the portfolio is balanced, it is reasonable, and nobody should have any complaint about it. However, the State Superannuation Board in recent times has involved itself not only in the Perth Technical College site, but also in the David Jones site redevelopment, the Walkabout chain of hotels and motels, the Ascot Inn, and the Princes Hotel. My colleague, the member for Gascoyne, will say something about those investments and their relevance to the benefits proposed to be given by this Bill. A real question arises as to the correctness of the investment policies of the present Superannuation Board and whether the investments being made are not too long-term by their nature, too heavily oriented to a particular style of investment, and are not too low in their return, considering the other immediately available opportunities caused by the current state of the economy.

We have already referred to the \$320 million project for the Perth Technical College. A week or so later we find \$150 million is to be

invested in a 45-storeyed office and hotel tower on the old David Jones site under a concept by the Perth City Council. The proposal as per a newspaper report of 26 October 1984 is by Central Park Developments, a joint venture of the Superannuation Board of Western Australia, Bond Corporation and L. R. Connell and Partners. I do not believe I have been able to trace through any of these reports to establish the extent of the interest of the Superannuation Board. It has a 50 per cent interest in the Perth Technical College site but we have not been told whether it will have a 50 per cent interest in the David Jones site, although I suspect it will be a 50 per cent interest. I ask the Treasurer specifically if it will have a 50 per cent interest because, if so, 50 per cent of another \$150 million will be committed to a long-term type investment.

It is interesting to note that in respect of both the technical college site and the David Jones site the Superannuation Board is to be involved in the establishment of five-star hotels. Again one questions the extent of the commitment of the State Superannuation Board to this type of operation.

It is interesting to note some of the comments of the Treasurer in the past about the types of investments that should be made by the State Superannuation Board. I was surprised on going back through these papers to learn of the particular directions that have been given. For instance, in *The Sunday Times* of 10 June 1984 under the headline "Burke butts into State super battle" appears the following article—

THE State Superannuation Board has been told to direct its investments into tourism and decentralisation areas.

The Premier, Mr Burke, has communicated the instruction by letter.

He also told the board its investment plans should first be put to his financial adviser, Mr Len Brush before asking for ministerial approval.

The instruction follows rejection of the board's plans to buy the new Custom Credit Building in West Perth. Mr Burke also refused to give it the all-clear to take up 50 per cent equity in the Wesfarmers building on the Esplanade.

It is an interesting irony that only in 1984 the Treasurer told the Superannuation Board what sort of investments it was to make, refusing to allow it to invest in two office buildings; and how in 1985 it is investing in two major office

building developments, apparently with the complete approval of the Treasurer; the projects were announced within a week of each other and the sites are across the road from each other. It is also interesting, of course, that the Minister's financial adviser is now the chairman of the board.

The Premier and Treasurer was reported in *The Sunday Times* of 10 June 1984 as saying—

He said Custom Credit's "projected profit on investment over the first three years is considered extremely low".

No explanation was given. The article continues as follows—

"When considering such low yield private property investments a degree of compensatory benefit should be taken into account," Mr Burke said.

"Areas that should be considered in such circumstances are: Promotion of tourism within the State, encouragement of decentralisation, potential contributor or pensioner usability."

The article also noted that Mr Burke was Minister for Tourism. When the Treasurer replies to this debate I hope he will explain precisely how these investments in two major office developments and two major five-star hotels across the road from each other in St. George's Terrace will fulfil any of the criteria that he laid down, because merely establishing a surfeit of five-star hotels will not promote tourism. It will put some of the existing hotels into severe financial straits, I think. It will not better the tourism industry in itself. It certainly has nothing to do with decentralisation when both buildings are in central St. George's Terrace; and, in regard to the projected profit investment being extremely low over the first three years, I wonder what wealth will be generated by the investment in the David Jones site and the technical college site over the first three years of those bodies' existence.

The Treasurer should inform the House precisely how these investments will in any way satisfy the criteria which he laid down in a letter of instruction to the State Superannuation Board.

Not surprisingly, some objection was taken to that approach by the contributors' elected representative. Mr Barry Markey is reported in the same *Sunday Times* article as follows—

... the instruction to invest in tourism ventures and outside the metropolitan area was unprecedented.

"Neither Sir Charles Court nor Mr O'Connor who were Treasurers in the time I've been on the board ever dictated such policies," Mr Markey said.

That is not surprising, because of course the superannuation fund does not belong to the Government. It is not an instrument of the Government. It really belongs to the people who are entitled to the benefits of it. While the Government has a very real and proper interest in the superannuation fund, because the Government is a heavy contributor and because the benefits of it flow on to the Government's employees, its operations are not relative to the Government in the same way as is a State Government department or instrumentality. I seek a reply from the Treasurer which explains how it is that these criteria which the Treasurer in such an unusual move has laid down are met by the investments now being made.

Members will see from examining the history of the matter that the Treasurer's standard seems to have varied depending on whether or not Mr Brush was in charge of the board and whether or not the Government wanted to be involved in particular developments. There certainly has been no consistency in the matter.

The question I ask on behalf of the taxpayers of the State is: How much of a shortfall of cash flow, of cash funding, is there to be as a result of the superannuation fund becoming so heavily committed in long-term real estate investments when it should be seeking always to maximise its return? A very good reason why the fund should maximise its return is that it operates in a tax-free environment, in an environment which is completely different from that environment in which a normal commercial operator works. He operates in a tax environment in which he must consider the long-term benefits of investments. As the superannuation fund is not subject to tax at all, it simply has an obligation to maximise its return at all times because the cash is always the same; it does not matter when it comes. The real need in a superannuation fund is to have a good cash flow—as long as the whole fund is secure—so that it can meet its continuing liabilities of payouts to the beneficiaries of the fund.

The Opposition will support the Bill because it does increase the benefits in a proper way. However, firstly, we see the measure as failing to meet the legitimate questions and objections raised by the Civil Service Association; secondly, those legitimate questions and issues



which have been raised, although difficult of resolution, should have been tackled before now; thirdly, the investment policies of the superannuation fund are questionable in the current situation of high interest rates and the tax-free environment in which the fund operates.

There seems to be a sudden and disproportionate involvement of the fund in long-term and relatively low-yield investments. Other investments are available and they should be pursued. One wonders why it is that the historical balance of investment that has been pursued by the superannuation fund is not being followed now. One wonders whether it has anything to do with Government policy or Government preference, bearing in mind that on the public record it is clearly shown that the Government has sought to interfere in the operations of the superannuation fund as though the fund were part of the public property of the Government, which it is not.

Finally, the State Superannuation Fund should not be a contentious political issue between the political parties or between the Government and the Civil Service Association. It is a very unfortunate situation for the fund and the Civil Service Association and its members to have such a dispute. It is a basic condition of their employment and one that has been harmoniously dealt with over many years. That it has been allowed to become an issue of contention and friction between themselves and their employer is a serious failure on the part of Government administration. The Government should have moved faster and more clearly and got down to facing up to the basic issues.

I do not pretend that it will not be a fulsome task for any Government to finalise a new scheme to the complete satisfaction of the Civil Service Association. I would expect that association to push as hard as it can reasonably do for the benefits of its members just as I would expect the Government to push in a proper way for the benefits of those members of the CSA. However, it should not have been allowed to degenerate into a situation in which the Government's many employees, on whom the public rely for many services, are feeling decidedly dissatisfied and out of sorts with the Government, their employer, over the way in which their superannuation fund is being treated and handled.

While we support the Bill, we have these questions about the way in which the fund is being administered, the way its investment pol-

icy is being pursued and the drifting dispute which the Government has not been prepared to take in hand.

**MR LAURANCE** (Gascoyne) [3.26 p.m.]: The Leader of the Opposition has indicated that we have no objection to the increase in benefits that are contained in this Bill. Briefly, it will provide for twice-yearly adjustments of pension allowances in line with the CPI, starting from this month. It provides for increases in child allowances and increases in widows' pensions from less than 63 per cent of a member's rate to 75 per cent of a member's rate, and this will apply from January 1986. Widows are also being given the right to convert all of their fund share from pension, and thus it removes the 25 per cent restriction. They are all benefits negotiated between the beneficiaries and the Government—or the State superannuation fund.

As has been pointed out, these are interim measures pending a complete review of the fund. The Treasurer apparently has given a public commitment to the Civil Service Association that legislation will be introduced by this time next year to bring about a complete change to the fund, because there are other things that the CSA is seeking, some of which are fair and arise out of the legislation introduced when a similar Bill was last before the Parliament to transfer the surpluses of the fund to the Consolidated Revenue Fund account.

**Mr Brian Burke**: That is wrong.

**MR LAURANCE**: The Government removed them from the fund.

**Mr Brian Burke**: You are wrong; you don't know what you are talking about. Within the fund an indexation account was established.

**MR LAURANCE**: Yes. It has been pointed out by the CSA that in its view this arrangement is unique. No other fund in Australia can be—in its words—manipulated by Government.

**Mr Brian Burke**: Not many other employers fully index and pay for the fully-indexed pensions.

**MR LAURANCE**: That may well be the case. All I am saying is that this is what the CSA has pointed out in its submission and that is why it is seeking a commitment—which the Treasurer has given—that the Government will rewrite the Act by this time next year. As the Leader of the Opposition pointed out, no doubt the CSA will ask for more than is reasonable. No doubt it will try to convince the Government that the

benefits should be substantially increased. The Government of the day—and it may be a different Government from this one—will have the responsibility of being prudent in making benefits available; it will have to be wise in its judgments about what is a fair thing for the State to have to contribute to the benefits that will accrue to the contributors to the fund. The beneficiaries are concerned about the Government's intentions. We supported the legislation that came before Parliament last time. Perhaps it would be responsible to say that that was an appropriate move to make. Beneficiaries holding a certain right never appreciate having that right removed from them. They were not happy at that time. They have watched the fund closely since that time and have some criticism of it.

There may be some valid criticism of the way the board has operated with regard to its investment policies. I think it is appropriate to talk about its investment policies because that really leads on to the performance of the fund which must, of course, be very closely tied to the benefits that will accrue from the fund. Not only has the Civil Service Association criticised the board, but also I have been approached in recent times by people who have criticisms about the operations of the board. Indeed, some members of the community are concerned about where the board is going. One finds that there are some similarities between the Superannuation Board and another Government agency of which I have been very critical—that is, the Tourism Commission. I would just outline some of the similarities that have occurred during the life of this Government. The Tourism Commission, the former Tourist Department, was the subject of a report by Price Waterhouse. It is true that the State Superannuation Fund has always been—

The SPEAKER: Is the member going to relate this to the Bill before the House?

Mr LAURANCE: Yes. The benefits under the fund have to come from the performance of the fund itself—

Mr Brian Burke: The performance of the fund has improved dramatically.

Mr LAURANCE: I appreciate that. I will come to that point in a moment.

Mr Hassell: Have you got that annual report here?

Mr Brian Burke: I have a draft of it but it has not yet been approved.

Mr LAURANCE: That has been one of the difficulties that we have been under. I thought that we would have had the annual report by the time this measure came under discussion.

Mr Brian Burke: It has been on the Notice Paper for some time. Have you contacted the Superannuation Board to ask them any questions?

Mr LAURANCE: No, I have not, but it would be helpful for those members who have an interest in the Bill now before the House to have the annual report before them. I did ask the Treasurer a question about the board, and I had an indication from him that we might be in a position to look at the report. That would have given us a better indication of the performance of the board, but it has been reported, and the Treasurer has said—and I take his word for it—that the performance of the fund has improved in recent times. However, the cause of the significant shift in investment policy is such that while it may be early days to predict that in some elements of the portfolio the return has been increased—

Mr Brian Burke: To give you an example, it has gone from 0.4 per cent in 1980 to 9.6 in real terms in 1985. That is the overall return of the fund.

Mr LAURANCE: I think that is commendable.

Mr Court: I just hope the hotel market keeps up.

Mr LAURANCE: True. The Treasurer raised an interesting point about the improvement in the performance of the fund because in March 1984 the Price Waterhouse report on the Superannuation Board was released and it contained a number of criticisms of the board. Page 7 of the report reads as follows—

Members of the Board should not act as consultants to the SSB and then sit as a member of the Board in deliberation on the same investment proposal.

That criticism was contained in the Price Waterhouse report. In fact, a consultant to the Tourism Commission was then sitting in deliberation as a member of the Tourism Commission Board. I received a lot of flak when I raised this matter. I do not know whether any board members are still acting as consultants and also sitting in deliberation as members of the board, but this was a criticism in the Price Waterhouse report.

The Price Waterhouse report referred on page 34 to conflict of interest as follows—

Conflict of interest—Where a consultant to the SSB is known to be or to have been a consultant to a party proposing an investment to the SSB that consultant should be automatically excluded from advising the SSB on the proposal in question.

This is trying to remove any taint of conflict of interest. I wonder whether it has been attended to, and whether it is the current situation. I seek some assurances from the Treasurer that the concerns expressed in the Price Waterhouse report have been attended to.

Finally, on page 146 the Price Waterhouse report reads as follows—

Although the agreements provide for documentation to be provided by Winterbottoms—

I interpolate to say that this was in respect of the purchase of the Princes' Hotel—

—from audited accounts, the SSB has no formal financial monitoring procedures in place. This weakness is inherent throughout most of the SSB's investments particularly in property and needs to be improved on.

Thus it was the investment in property that was of so much concern to the Price Waterhouse group. At the time the report was released Mr Brush was a consultant to the board and, in fact, obviously played a very close part in the board's investment role at that time. That was not his doing particularly, but it was obviously done at the direction of the Treasurer.

Mr Brian Burke: I think the major concern of Price Waterhouse was the investment of millions of dollars at Halls Head.

Mr LAURANCE: It related to a number of property investments. However, I just question where it says that there was a weakness in the financial monitoring procedures in relation to property investments. As has already been quoted to the Parliament during this debate, the State Superannuation Board was instructed to make its investment recommendations to Mr Brush prior to going to the Treasurer. So Mr Brush has been playing a pretty important role.

The Treasurer gave some direction as to the investment in property; for instance, the board had to be involved in tourism and decentralisation. The Leader of the Opposition was quite right in pointing out that there were some anomalies in the statement made by the Treasurer at that time about the current investment policy. Shortly after the release of the

Price Waterhouse report, we saw a change in the chairmanship of the board. Once again the adviser in this area, who was obviously very close to the Treasurer, suddenly became the chairman. Thus a pattern has begun to emerge within this Government. I think that a great disservice to the tourist industry in the State has been done because of that association and I question the correctness of the same thing happening within the Superannuation Board.

It is known that both Mr Brush and his wife are on the Government payroll and are very close to the Treasurer. It may be a good thing, but putting them in this public position is something which should be watched very closely. When Mr Brush was the consultant, or adviser, for the Treasurer, he was also a consultant to the board when the Ascot Inn was pushed forward. I understand that he had been employed by the agent who was responsible for the sale, a company called Castle Realty. That gave him a very close association and he may in fact have breached the very principle about which Price Waterhouse was concerned. That consultant had some involvement in investment and he should not be playing any role on the board in approving that investment. However, by the Treasurer's directions these had to go to Mr Brush before they could go to the Treasurer.

It is something over which the Government should keep a close watch because the opportunity is there to transgress the very guidelines recommended in the Price Waterhouse report; that is, supporting the advice of the board and the action to proceed with these investments.

I have asked questions in this Parliament about the Princes Hotel. Since the original investment a number of changes have occurred. The name of the person involved with this investment escapes me at the moment, but it might have been in the name of McLaughlin. However, the person involved ran into difficulties and Winterbottom Holdings Ltd became involved, but for various reasons it also withdrew.

Since Mr Brush's association in an advisory capacity with the Government, the situation has changed and a group known as Western Resorts Corporation Ltd is now managing that investment.

I have been given some figures on the profitability of the Princes Hotel which show that it is not a good investment. The information conflicts with the answers given by the Treasurer in this House. The original purchase

price of the Princes Hotel was \$10.5 million. The return to the Superannuation Board has been in the order of \$1.3 million which would indicate a satisfactory rate of return. However, I have not been able to obtain from the Treasurer the details of the management contract. I asked him whether it involved a percentage of the turnover or whether it was a set rental that the managers would pay to the fund. The answer I received was, "Neither". Perhaps it is a combination of the two, but I do not know what the Treasurer meant by his answer.

The profit and loss statement for the Princes Hotel in 1984 indicated that the hotel would make a loss. To the six months ending 31 December 1984 the actual position was a \$609 000 loss. The budgeted loss was \$468 000, therefore, the variation was an additional loss of \$141 000 making a total loss of \$609 000.

If these figures are accurate it surprises me that the Superannuation Board received a satisfactory return. I presume that the management contract must be losing money. If the hotel is losing and the Superannuation Board is happy with the investment, someone must be operating at a loss.

I understand that when the investment was entered into it was projected as being a reasonable return. However, if the hotel did better than that budgeted it would receive an excellent return. The figures indicate that the hotel is in some difficulty and it does emphasise the point raised by the Leader of the Opposition that there has been a considerable emphasis on the investment in property and hotels.

Mr Brian Burke: That is not true. The change has been from 15 per cent to 23 per cent. There has not been a change.

Mr LAURANCE: There has been a change and it is something about which we might argue.

Mr Brian Burke: The fact is that the Government Employees Housing Authority has fallen from 11 per cent to nine per cent—that is just as great in proportional terms, and in the same way could be described as being a significant change. The Government sector has fallen from 57 per cent to 51 per cent and I suppose that is a significant change. I do not think you know very much about it.

Mr LAURANCE: It is early days. The board has increased substantially its involvement in hotels.

Mr Brian Burke: I do not know that that is true. Its total investment in property, year on year, has increased from 15 per cent to 23 per cent.

Mr LAURANCE: In recent time a significant proportion of that investment has gone into hotels.

Mr Brian Burke: I do not know if that is so. The Princes Hotel investment occurred when you were in Government.

Mr LAURANCE: I said that. I did not try to walk away from it.

Mr Brian Burke: You need to demonstrate that there has been a degree of emphasis on hotels. I am not saying it is wrong. It could be a good thing to do. You explain to me where the change is and which hotels have been invested in since you were in Government, last year, the year before, or this year.

Mr LAURANCE: The Princes Hotel has been under discussion by the board for some years and it may well have been when we were in Government—

Mr Brian Burke: So that is not a change.

Mr LAURANCE: —or before it was developed.

Mr Brian Burke: Which other hotels?

Mr LAURANCE: There have been substantial changes since.

Mr Brian Burke: What are they?

Mr LAURANCE: It must be up to the management.

Mr Brian Burke: What other hotels are you talking about?

Mr LAURANCE: The Ascot Inn—

Mr Brian Burke: That was two years ago.

Mr LAURANCE: —and the Walkabout chain, which involves four hotels. A proposition was put forward regarding a \$20 million investment at Rottneest. I understand that that will not be proceeded with. I believe an investment of \$7 million will be involved in a project in Esperance.

Mr Brian Burke: There has been no suggestion of that. This is what you have: One hotel investment several years ago and two in the last two or three years.

Mr LAURANCE: And a chain.

Mr Brian Burke: The Walkabout investment is treated as one investment.

Mr LAURANCE: There have been four hotels involving an investment of approximately \$8.5 million each.

Mr Brian Burke: The Princes Hotel was \$10 million.

Mr LAURANCE: That is right.

Mr Brian Burke: We have a \$10 million investment in hotels when you were in Government and a \$12 million investment in the other two examples you have given. Where is the significant change?

Mr LAURANCE: The Treasurer has indicated that there has been a substantial change from 15 per cent to 23 per cent.

Mr Brian Burke: We are talking about hotels since your period in Government.

Mr LAURANCE: There are several more on the drawing board. What I am saying is that this may be an avenue which the board is pursuing which may not prove to be the best sort of investment for the fund in future years.

The Treasurer has indicated, quite rightly, that we assume, without seeing the annual report, that the fund has not improved its performance. I am referring to the profit side of the fund only and what seems to be a greater significance given to the involvement in hotels and that has been at the direction of the Treasurer, his adviser or the chairman of the board. It may be a point of concern in the future. I have raised this matter together with the recommendations of the Price Waterhouse report to show that perhaps there is some cause for concern.

I believe the Treasurer should look at the appointment of Mr Brush as chairman of the board because there have been other allegations made about him regarding tax inquiries and so on. The Treasurer has given an assurance to the Press that no charges will be laid.

Mr Brian Burke: You are an awfully unworthy person. You want to raise questions and assassinate characters without evidence. What I said is that I had been told no charges will be laid. If and when charges are laid—and I have been told they will not be—the matter will be considered. That is what I have consistently said.

Mr LAURANCE: The Treasurer was aware that Mr Brush could have remained an adviser.

Mr Brian Burke: The chairman of the board who presided over the Halls Head investments, which is the greatest tax avoidance scheme I have ever seen—

Mr LAURANCE: Had the Treasurer withdrawn from that?

Mr Brian Burke: From what?

Mr LAURANCE: Is the Treasurer saying that Halls Head was an investment that should not have been proceeded with?

Mr Brian Burke: It should not have been proceeded with morally and the return was not there either.

Mr LAURANCE: Is the Treasurer telling me that is the reason for the removal of the former chairman?

Mr Brian Burke: No, I am not saying that is the reason. You want to start throwing mud around the place. All I am saying is that as far as that person is concerned, you are the one who said you could have kept the former chairman. You said to me that you had the opportunity of keeping the former chairman.

Mr LAURANCE: I said “keeping another chairman”.

Mr Brian Burke: All I am saying to you is that the Halls Head investment was the major point raised by the Price Waterhouse people in their report and the major thing addressed in relation to restructuring the board.

Mr LAURANCE: It did raise other things. The comment I made about unsatisfactory procedures was in the section relating to the Princes Hotel rather than the Halls Head investment.

Mr Brian Burke: They all related to the same investments and you allowed the funds to go on for years without addressing the issues. We have changed it and put in structures which will overcome those problems. You were in Government for years and nothing was done.

Mr LAURANCE: There are important issues and I think that the auditor should be concerned about where the fund is heading and the sort of performance we will see in the long term. If there are significant changes I think they need to be addressed because it is such a public area. There needs to be close scrutiny of the people involved. I think it is quite right that the superannuation fund is before the Parliament and that these matters should be discussed and aired. A proper debate on the issues has ensued and the Leader of the Opposition and I have raised areas brought to us. I emphasise that to the Treasurer as an area of concern to both the beneficiaries of the scheme and also by those people who watch these matters because they are of public importance. I support the Bill but believe that there is a need for vigilance in the operations and investment policy of the State Superannuation Board.

**MR MacKINNON (Murdoch) [3.55 p.m.]:** I rise to make a few brief comments not about this particular Bill but about the activities of the Superannuation Board. Several people in recent times have raised with me the question of the board's activities and I respect the opinion of many of those people who raised those issues.

The first point I make to the Treasurer is in relation to the accountability of the board. The Treasurer made great play of that and of the report that he has in his possession—

**The DEPUTY SPEAKER:** To be fair to the member I have not been in the Chair for long so I am not sure what course the debate has taken to date. It seems to me, in view of the normal practice, to be a strange statement to make that one does not want to talk about the resolution but about something else. If that is the course the debate has taken I will not interfere but if it has not taken that course, and I am sure it has not, perhaps the member had better relate his comments to the Bill.

**Mr MacKINNON:** The Bill is about the Superannuation Board and I want to address my remarks to that.

**The DEPUTY SPEAKER:** I say again that the member's comments must relate to the Bill. It is as simple as that, and the member knows the rules.

**Mr MacKINNON:** I am well aware of the rules and thank you, Sir, for your advice.

In relation to the Superannuation Board and the report yet to be tabled by the Treasurer—and it will be pleasing if the report is tabled soon because the 1983-84 report was not tabled until April 1985—I congratulate the board for getting its act together much quicker than expected.

I draw to the attention of the Treasurer and the board that the Audit Act which we have debated indicated that authorities in future will have to have yearly accounts completed by 31 August. In my opinion, particularly in the case of a body like the Superannuation Board, that Section of the Audit Act should be strictly complied with. The Superannuation Board is probably more important than any other agency of Government. The board acts as trustee to many peoples' funds, people whom we represent in the community. It is their funds that the Superannuation Board is in control of—not the Government's, not the Treasurer's, but the contributors to the fund—and they are entitled to know promptly, exactly what is happening with their funds at the end of the

financial year. With such a large and important fund as that controlled by the Superannuation Board, I sincerely hope in future the significant improvement made by the board already in relation to the lodging of the report is improved so the report will be brought into the Parliament next year well before early November and as soon after 31 August as is practicable.

The second point I make was raised with me by contributors to the fund, that is, the direction the fund is heading with respect to investments. The Treasurer indicated that the change in direction would not be seen as significant. In 1984-85 the property investment will be 23 per cent of total investments as opposed to 15 per cent in 1983-84. That is a significant change. It represents a 50 per cent increase in property investments by the board over the same period last year and in anybody's opinion that is a significant change. If that is the case, property now represents, according to the 1983-84 figures, the largest single area of investment addressed by the Board. That is not in itself cause for concern but as the Leader of the Opposition pointed out we should then look at the recent announcements relating to the Perth Technical College and the David Jones sites. This announcement should be looked at in light of the fact that the asset-base of the Superannuation Board as at June 1984 funds will total \$362 million. I assume they are now over \$400 million. The investments in the two developments as announced will represent at least 50 per cent of what I would estimate to be the current funds employed by the board over the next two years. Over the next two years, assuming the board does not sell off any of its assets, the property share of the total portfolio investments of the board will increase to 40 per cent or 45 per cent. I put it to the Treasurer and the chairman of the board that this is something they should watch with very great caution.

Putting too many eggs in one basket, in investment terms, particularly in relation to a superannuation fund, is not good planning. That point of view has been put to me several times. This view is shared not just by me, but by many in the community.

The other point put to me is more a criticism directed at the Government than an investment decision made by the board, bearing in mind these investments have to be approved, as I understand it, by the Premier. There has recently been a swing into investment of board

funds into upmarket hotel properties. Speaking recently to people with investments in that area, it is their opinion that the area is significantly oversupplied, both currently and in the immediate to medium-term future. Should it have been the Bond Corporation, or alternatively the Hilton Hotel or some similar organisation, which was to invest in these properties, it would not have worried me particularly. Obviously the tourism industry would express concern, particularly those sections seeing an oversupply in the marketplace. However, it does concern me as a person representing the contributors to the fund. It would seem that their money is being placed unduly at risk.

Again it would not be of such concern if the investment policies of the superannuation board secured this risk better. In other words, if we still had the situation which existed in 1983-84, where the total property investments of the board represented only 15 per cent of its total investment fund, then one could see that a bad investment might only represent a small part of the board's total investment. Therefore, a loss or poor investment would not have a very big impact on the fund itself.

When one looks at the funds the board has to invest—as the newspaper report indicates, something like a \$500 million project, representing an investment of \$250 million from the board—it would seem on the figures available to us that this will represent half the funds invested by the Superannuation Board. It seems to me that the contributors to the fund and the investment of the board are being placed in an area where the risk is unacceptably high. Too many eggs are being placed in that basket.

That is a concern being expressed by many people. It is expressed by people in a far better position than I to judge. I am voicing the concern expressed by many contributors who have a great concern for where their funds are invested.

We must always bear in mind, when talking about the Superannuation Board, that it is not the Government's funds which are being invested. The funds being invested are those of contributors, and the performance of the fund will be directly reflected in the benefits to be paid to each of those contributors. We have a great responsibility to ensure the activities of the Superannuation Board are conducted in as efficient a manner as possible.

**MR BRIAN BURKE** (Balga—Treasurer) [4.04 p.m.]: I am sorry that the Superannuation Board's report was not available to be tabled. I have received a draft myself, with the advice it will probably be available for tabling on Tuesday.

To put things into their proper perspective, let me refer firstly to the Opposition's general support, for which I thank it. It is a matter of some controversy for public servants, because this Government chose to take advice which was rendered to the previous Government, and that advice was that unless something was done to get the fund into shape it would develop into a liability to the Government and it would assume unmanageable proportions.

This is an unfunded scheme. I believe that the scheme should be a funded one and that provision should be made, as the scheme progresses, for the liabilities which will be incurred. Presently, because it is unfunded, the Government's liability is paid at the point of retirement. With an ageing population and earlier retirement, it seems to be far more prudent to be looking to fund the scheme as it proceeds rather than to leave it unfunded.

That advice was tendered to the previous Government. As far as I understand, nothing was done about it.

In addition to that, a matter of controversy is the Government's decision to take the surplus the fund generates beyond that point which is needed to meet its commitments and use that surplus partly to offset the cost of indexation of the fund. As far as this Government is concerned, there is absolutely nothing wrong with doing that.

We believe very few funds anywhere in the world have total indexation. There are a few funds in which the contributors enjoy total indexation of their benefits and where the real value of their benefits is maintained. It is much more unusual to have one side of the relationship, the employer's side, fund all the indexation obligations. That is simply what we sought to relieve—the pressure of that obligation to fund completely the indexation liability by establishing the indexation account, not taking the money from the Consolidated Revenue Fund or money contributed, but using the indexation account to offset liability for the total indexation which was being borne previously by the Government.

The previous Government was advised of that as well and chose to do nothing about it. The previous Government chose to allow the

burgeoning obligation on the taxpayer to go unchecked. We chose rather to use the surplus from the fund—that is the amount generated in excess of that to which the fund was obliged to commit itself—to support the pensions paid to retiring public servants which will offset the cost of indexation.

We also chose to see that the administrative costs of the fund were borne by the fund. Although the previous Government had recognised that it was probably not the right thing, all the administrative costs of the fund were borne by the taxpayer. We simply did that, at the cost of some controversy with the contributors, to put the fund on a more appropriate basis. At the same time as we did this, we invested the funds as from 1 October 1986.

I do not apologise for any of those things. I think they were prudent and responsible financial steps taken by the Government to prevent the State Superannuation Fund from becoming a financial monster which would have been a burden on the taxpayers of the State had this not been attended to. The previous Government did not take up the advice. As far as that is concerned we do not think the wrong thing was done.

Mr Hassell: You are still blaming the previous Government after all this time.

Mr BRIAN BURKE: The Leader of the Opposition blames Whitlam for things of which he was not guilty. I am simply saying this is something of which the Opposition was guilty. These very obvious aspects of the scheme could have been remedied very quickly, but the Opposition when in Government failed to act upon the advice it had received to make changes to the scheme.

Mr Hassell: It is now your decision which is being debated.

Mr BRIAN BURKE: The debate is certainly about our decision, and those decisions to which the Leader of the Opposition referred in his second reading speech were decisions we took because of his delinquency.

Mr Peter Jones: When was that advice given?

Mr BRIAN BURKE: For a number of years the previous Government was in office and it allowed the fund to proceed. In 1980 the real rate of return was 0.4 per cent. In 1981 it was 2.7 per cent. In 1982 it was 0.4 per cent.

So at no stage in the three years until 1983 did the return to the contributors in real terms ever exceed three per cent.

Mr MacKinnon: Can I just ask you a question while you are talking about real returns? When you are talking about housing loan interest rates you never talk about real rates.

Mr BRIAN BURKE: If the Deputy Leader of the Opposition wants to talk about ordinary or unadjusted rates, the figures are the same—10.1 per cent, 10.9 per cent and 11.7 per cent are the three figures. At no stage did the return ever rise above, in unadjusted figures, 12 per cent or in real terms, three per cent. In 1983 the real rate of return was 2.6 per cent; in 1984 it was 7.5 per cent; and in 1985 it is 9.6 per cent.

Mr MacKinnon: Can I just ask you how you got the 1984 figure? I think that figure is clearly wrong.

Mr BRIAN BURKE: The change from 7.4 per cent in real terms in 1982 to the 1985 figure in real terms of 9.6 per cent saw an improvement in the return as a result of the changed management in the fund of 9.2 per cent in real terms. I do not know that any Opposition member, certainly not the CSA, has raised any serious arguments against my performance.

Looking at the ways in which the board invested the funds of the contributors, the situation is not greatly altered from last year, as far as I can see. Last year the Government sector absorbed 57 per cent of the funds of the board, while this year it is 51 per cent. Within the Government sector local government authorities attracted 11 per cent of investments and are now 10 per cent, while Government-guaranteed loans were 12 per cent and are still 12 per cent; semi-Government authorities were 17 per cent previously and are now 15 per cent; the Government Employees Housing Authority was 11 per cent and is now nine per cent; Treasury trust account and short-term deposits were 17 per cent and are now 13 per cent; shares were three per cent and are now seven per cent; property was 15 per cent and is now 23 per cent; and mortgage and debentures were eight per cent and are now six per cent. The Opposition talks about single investments and long-term low rates of return. Of course, the Superannuation Board chose to be locked into funding the Education Department building. That was a very major investment that—in terms of the contributions made today by Opposition members—must stand with the other property investments, because that is what it was, a property investment.

Mr MacKinnon: What return are they getting?



Mr BRIAN BURKE: I am not sure what return they are getting.

Mr MacKinnon: Is the Treasurer saying it was a bad investment by the board?

Mr BRIAN BURKE: I am saying that in terms of devoting the funds of the board to five per cent property, or six per cent of the total funds of the board went to that building.

Mr MacKinnon: Six per cent to an investment where you have a secure tenant, the Government, and a very good return on a long lease is an awful lot different from a risk venture in a hotel. It is significantly different.

Mr BRIAN BURKE: We will talk about that in a moment. It is certainly an investment in property, and it is a substantial one at that.

I do not have any information on the Perth Technical School site, but to answer the Leader of the Opposition's question, the annual report of the board states that on the 19th of April 1985 the board entered into a joint venture agreement with the Bond Corporation and L. R. Connell to develop the David Jones site in central St George's Terrace. The board negotiated the purchase of a 50 per cent interest in this site through the S.B. Investment Trust. The purchase price of the 50 per cent interest, including acquisition costs, was \$11.688 million. A reflection of the buoyant property market is demonstrated by the fact that the board's interest in the property was independently valued at \$15 million as at the 30th of June 1985.

So in regard to that one investment alone, within a space of only a couple of months, according to an independent valuation, as published in the board's annual report the short-term return—and it really is short-term—was in excess of \$3.2 million. So, I am not sure exactly what the Opposition means when it says it is a bad investment.

Mr MacKinnon: You are never going to know, because the available investment on that site, according to Press reports, is in excess of \$150 million; \$11 million for the land component, although significant is a very small part of the total investment, as you well know.

Mr BRIAN BURKE: All I am saying is that on the basis of the change that has occurred, up until the end of June 1985 the board was already shown to have made a very prudent investment.

Mr MacKinnon: Good on them, well done.

Mr BRIAN BURKE: It is all right to say, "Well done" now and that it is a good investment, but the Opposition was not saying that a little while ago.

Mr MacKinnon: The purchase of land and of hotels are two different things.

The ACTING SPEAKER (Mr Taylor): Order!

Mr BRIAN BURKE: The Deputy Leader of the Opposition digs himself further into the hole because he went on to say that now the board would be investing X million dollars more of contributors' funds into the project. He does not understand that it is project-financed, and the finance is not from the board's contributors.

Mr MacKinnon: So you will borrow the funds to put in it?

Mr BRIAN BURKE: I am not going to borrow the funds, but the State Superannuation Board, in calculating its return on the David Jones proposition, informs me that it has made a 28 per cent return in the space of 1½ months.

Mr MacKinnon: One never makes a profit until one sells an asset.

Mr BRIAN BURKE: That may be true, but the Deputy Leader of the Opposition seems willing to condemn an investment as a bad one before it is sold.

Mr MacKinnon: I did not say that at all. I just said I am concerned as are other people about the direction of the investment when a significant amount of the funds from the board would be tied up in property.

Mr BRIAN BURKE: I tried to point out that the dramatic change has been from 17 per cent to 23 per cent of the total investment.

Mr MacKinnon: Tell the truth, 15 per cent to 23 per cent.

Mr BRIAN BURKE: I am sorry, 15 per cent to 23 per cent.

Mr MacKinnon: A 50 per cent increase is a dramatic change.

Mr BRIAN BURKE: I do not really know; I am not a property expert. But it does not seem that 23 per cent of the total funds of the State Superannuation Board invested in property is an inordinately high amount, but in any case I am trying to deal with the actual examples given by the Opposition. The Opposition gave two examples and asked why the fund did not invest in those examples. One example was Custom Credit. The Leader of the Opposition said that there appeared to be as good a reason

to invest in Custom Credit as in the Princes Hotel or something else. But the truth is that the return from the Custom Credit investment was projected to be 7.7 per cent in year one, 7.7 per cent in year two, and 9.8 per cent in year three. That is the projected return on which the trustees made their decision.

Mr Hassell: On which you made your decision.

Mr BRIAN BURKE: It seems to be a sensible decision.

Mr Hassell: The projection on which you made your decision. You vetoed the investment. They had made a different decision and you vetoed it.

Mr BRIAN BURKE: I heard the Leader of the Opposition say that and quote the *Sunday Times* newspaper article. I do not want to contradict him at this stage, but I am unsure whether that is the truth.

Mr Hassell: Direct quotes of your statements appeared in the *Sunday Times* and they were not corrected at any subsequent time.

Mr BRIAN BURKE: I think correction was published subsequently to that whole story because there was no direction from me to involve the superannuation fund in any particular investment area. I heard the Leader of the Opposition mention the tourism area; as far as my recollection informs me, I was simply indicating areas in which the Government believed there was scope for economic expansion and in which the State superannuation fund, without any instruction whatsoever, might profitably make investment; but I am not certain of the detail.

I am sure, however, that the other investment opportunity quoted by the Leader of the Opposition was a marvellously attractive investment that promised a return of 7.5 per cent in year one. I do not see why the State Superannuation Board should be forced to invest in low-yield, long-term millstones to place about its own neck.

Mr MacKinnon: Who is forcing them to do so?

Mr BRIAN BURKE: That is what the Leader of the Opposition is saying by implication—

Mr Hassell: I am not saying anything of the sort.

Mr BRIAN BURKE: —in regard to every one of the examples he used, because if we are not to let the State Superannuation Board maximise its own return for its contributors, the alternative must be that it invests in long-

term, low-yield Government securities or in less attractive and lower-earning investment options by way of Government-guaranteed loans or Government properties that earn less than the rates available in other areas.

Mr Hassell: Can you tell us the projected investment return in years one, two and three of the David Jones proposal and the technical college proposal?

Mr BRIAN BURKE: I cannot do that because I do not have the information. I can say that the two examples picked by the Leader of the Opposition would both have realised, had they been the subject of investment by the fund, returns less than the fund is now earning across the whole range of its investment activities.

Mr Hassell: How can you make a judgment on that in the light of your statement that you do not have the figures for the latest announcement?

Mr BRIAN BURKE: Because I have been able to point out in terms of the 1½ months that have elapsed since the investment in the David Jones site that the return is \$3.312 million, or 28 per cent. If one takes that and stretches it over three years one is looking at a return that is equal to 140 per cent a year.

Mr MacKinnon: That is a stupid statement because there is no return until the property is sold. It is a return on paper. It was bought as part of an overall investment.

Mr BRIAN BURKE: That is perfectly correct, but how then can the Deputy Leader of the Opposition and other Opposition members condemn the investment? They want to condemn it, but then after the investment is dissected and found on early indications at least by independent valuation to look to be a very profitable investment, the Deputy Leader of the Opposition says, "No, you cannot do that; you cannot calculate the return on an investment until the asset is sold." I happen to agree with him. One cannot calculate the return on an investment until the asset is sold, and in the case of Halls Head, for example, in which there was from memory an investment of \$30 million over a period of 15 years the return is, if I remember correctly, not thought to be as profitable as some of the other investment options have proved to be. It may be that Halls Head will turn out to be an excellent investment in due course because, as the Deputy Leader of the Opposition says, one cannot point to an objective return until an asset is sold.

In this case I am saying, because the Opposition has raised the matter, that in the space of 1½ months an investment of \$11.688 million has by independent valuation been said to be worth \$15 million. In addition to that, all of the assets that the State Superannuation Board presently owns—assets now subject to annual revaluation as a result of this Government's changes—are assets which in the real sense, as they are not sold, are not capable of having appreciated in capital terms at all. But on the basis of the valuation that the actuary has done the whole portfolio has been revalued upwards except in the case of the Education Department which building is in the books at its written-down valuation.

So what is sauce for the goose is sauce for the gander, and as far as the three investments raised by the Leader of the Opposition are concerned the first two were real lemons, and the third on indications by an independent valuer has already returned to the fund, in terms of capital appreciation, about 28 per cent in a period of 1½ months.

As far as the previous performance of the board is concerned, I am told the Halls Head investment has lost \$5.5 million to date.

Mr Read: Who organised that?

Mr BRIAN BURKE: That was a previous investment. It may prove to be profitable in due course, but the fund—that is, the contributors—are bearing a loss to this point of \$5.5 million as a result of that investment. That investment also provided a tax brake worth millions of dollars to a private developer. So in order to activate the tax brake the fund has lost \$5.5 million to date. It may be that in due course that Halls Head investment will come good and it will be something for which the fund is very thankful.

Mr Hassell: Didn't the fund increase its investment in Halls Head in your time?

Mr BRIAN BURKE: I do not recall its doing so, but it may have.

Mr Hassell: I have a fair idea it did. There was some controversy.

Mr BRIAN BURKE: The controversy followed the Halls Head part of the Price Waterhouse report. That investment has cost the fund \$5.5 million to date. It has not been sold; it has been partly sold, but not entirely. If members compare that with the investment in the David Jones site they will see the return to the fund has been \$3 million-plus in the space of 1½ months according to an independent valuation.

Mr Hassell: There has not been a red cent returned.

Mr BRIAN BURKE: The capital appreciation according to the valuation—

Mr Hassell: You said "returned".

Mr BRIAN BURKE: Well, the capital appreciation.

Mr Hassell: The return relates to the money that comes in. It is quite different from capital appreciation.

Mr BRIAN BURKE: The increase in the value of the asset in that period—

Mr Hassell: It will not be realised until it is sold.

Mr BRIAN BURKE: But right across the portfolio of the board's investments there is an annual revaluation now that takes into account the changed value of assets and puts those changed values into the books. What does the Leader of the Opposition want? Does he want to take solid investments and never revalue them, as he did?

Mr Hassell: I want to hear from you an explanation of the spread of this investment into real estate relative to the criteria you laid down which you seem to be denying, and relative to the superannuation fund.

Mr BRIAN BURKE: I have tried to point out that in respect of the criteria laid down, at no time did I instruct the board it should invest in tourism facilities.

Mr Hassell: Perhaps you will table the letter so we can see what you did say to them.

Mr BRIAN BURKE: I do not have a copy of the letter and I cannot table it because I do not have it. To the best of my recollection I did not tell the board, "You shall do this or shall not do that." I certainly indicated to the board that the Government placed a priority on tourism as an area of expansion and one we thought because of the Government's policies could be an area in which it could actively pursue investment opportunities. I do not apologise for that. I do not apologise for indicating that decentralisation was an area of investment that was in keeping with the Government's general policies. We think that the decentralisation, provided the investment return stacks up, is something the State superannuation fund could profitably invest in. That is the first thing I have tried to do.

The second thing I have tried to do to cater for the Leader of the Opposition's concern about the investment as it affects the return to fund members is simply to point out that in the

past two years an abysmal previous performance by the fund has been turned around quite dramatically. Despite the fact that the fund now pays its own administration costs the increase in the return to investors has gone from 0.4 of one per cent in 1982 to 9.6 per cent in real terms in 1985. That is a dramatic and startling improvement. That is partly the result of the changes made to the State Superannuation Board structure and the way in which the fund is managed on behalf of the contributors.

I have a couple of other points that may be of interest. During the year the Actuary reported on the state and sufficiency of the fund for the year ended 30 June 1984. The valuation disclosed that the fund's assets exceeded liability by \$23.438 million and, pursuant to section 24A of the Act, this surplus amount was applied towards meeting the cost of pension indexation during the 1984-85 financial year. That answers the question raised by the member for Gascoyne who indicated that somehow or other that money was taken into Consolidated Revenue when the truth is that it is applied through an indexation account to the cost of indexing the pensions paid to retired Government workers.

Other points raised in the draft of the annual report include the comment that a buoyant property market has been predicted for the short to medium term resulting in considerable increases in rents. That may well be the reason that the trustees have decided to make certain investments or not to make other investments. However, in talking about accountability it is also interesting to note that the board has adopted a policy whereby all properties will be revalued on an annual basis. A panel of five independent valuers has been selected and a different valuer will be responsible for each sector of the portfolio. Under this policy, all properties, with the exception of the Education Department building, have been revalued as at 30 June 1985. The cost of revaluing the portfolio was \$39 614.

To the best of my knowledge, that was never done previously. The properties of the fund will now be revalued on an annual basis.

A total of seven per cent of the board's investments is invested in the share market and this section of the portfolio had a compound annual growth rate of 37.05 per cent.

The average earning rate of all investments held by the board during 1984-85 was 12.8 per cent based on the historical cost and 16.3 per cent after taking into account unrealised capital gains and losses.

In the past the board reported its earning rate based on historical costs. No allowance was made for unrealised capital gains or the effects of inflation on the returns. The average and real rates are as I indicated previously.

It seems that the State Superannuation Fund is now operating on the basis of accountability that previously was absent and is now operating on a basis of profitability that previously was absent.

In respect of those items raised by the Leader of the Opposition, the two investments that he indicated probably were good investments were investments that in one case would have returned less than eight per cent in year one and the other investment—the one that he queried—has returned 28 per cent in 1½ months.

I am pleased to be able to read from the letter to the Director of the State Superannuation Board so that I can clarify exactly what was said in the letter.

Mr Hassell: What was the date of the letter?

Mr BRIAN BURKE: It is dated 15 May 1984. In referring to the investment in the Custom Credit Building, Harvest Terrace, the letter states—

... the projected profit on the investment over the first three years is considered extremely low. The investment criteria of the board is appreciated. However, when considering such low yield private property investments, it should take into account a degree of compensatory benefit. Areas that should be considered in such circumstances are promotion of tourism within the State, encouragement of decentralisation, potential contributor or pensioner usability.

Mr Hassell: That is exactly what the *Sunday Times* report said.

Mr BRIAN BURKE: No, it is not. The Leader of the Opposition said I instructed them.

Mr Hassell: You read the words.

Mr BRIAN BURKE: I will read the words.

Mr Hassell: It is pretty clear.

Mr BRIAN BURKE: It is not.

Mr Hassell: It is pretty clear that these are the things that should be taken into account.

Mr BRIAN BURKE: The Leader of the Opposition is not being honest. I will read them again. The letter states—

... the projected profit on the investment over the first three years is considered extremely low. The investment criteria of the board is appreciated. However, when considering such low yield private property investments, it should take into account a degree of compensatory benefit.

So I was not even saying that it should not invest in low-yield investments. I was saying that, if it is a low-yield investment, there may be some compensatory benefit that should be taken into account. I went on to say—

... areas that should be considered in such circumstances—

They are circumstances of low yield and compensatory benefit. The letter continued—

... are promotion of tourism within the State, encouragement of decentralisation, potential contributor or pensioner usability.

There is no instruction there at all.

Mr Hassell: Does that not make it even more important that we should hear from you the projected rate of return of these two investments in comparable periods—the first three years?

Mr BRIAN BURKE: I am perfectly happy to ask the State Superannuation Board to provide the information. However, I cannot produce it when I do not have it. It is much more important for me to go back and ask the Leader of the Opposition why he said that I had instructed the board to invest in tourism and decentralisation.

Mr Hassell: You gave the indication to the board what it should be doing.

Mr BRIAN BURKE: That is not right.

Mr Hassell: I read the report from the *Sunday Times*. Why are you trying to be a smart alec?

Mr BRIAN BURKE: Only because it is in my interest to demonstrate how wrong the Leader of the Opposition was on this occasion.

Mr Hassell: You are trying to be smart about it instead of meeting the argument.

Mr BRIAN BURKE: Let me go through it once again, remembering that the Leader of the Opposition said that I had instructed the board

to invest in tourism and decentralisation. He read the *Sunday Times* article and then said I did not contradict it and obviously it stands as true because of that. I said at the time that I did not have a copy of the letter but I doubt whether I had instructed the board to do anything of the sort. I repeat the letter stated—

... the projected profit on the investment over the first three years is considered extremely low. The investment criteria of the board is appreciated. However, when considering such low yield private property investments, it should take into account a degree of compensatory benefit. Areas that should be considered in such circumstances...

I am saying that areas that should be considered when there is a low yield investment in which one wants to put the fund's money, and areas that should be considered for a degree of compensatory benefit, are the "promotion of tourism within the State, encouragement of decentralisation, and potential contributor or pensioner usability".

I think it is fairly clear that the Leader of the Opposition read from a newspaper report that was not right and he was wrong even in explaining that report. I do not have a copy of the report so I cannot say that that is exactly the case.

Let me recap by saying that I am grateful for the Opposition's support of these amendments. If the Opposition wants to talk about investments it should talk about the \$5.5 million lemon on the Halls Head investment.

Mr Clarko: Are you trying to cover yourself?

Mr BRIAN BURKE: That is the truth.

Mr Clarko: You want to have it both ways. You want to knock it now and, if it comes good in a few years' time, you will say that you had said it was good.

Mr BRIAN BURKE: I am underlining the point made by the Deputy Leader of the Opposition. He said that we cannot talk about the return until the asset is sold.

Mr Clarko: Are you knocking it or are you not knocking it?

Mr BRIAN BURKE: I am saying that, on any criteria, it does not measure up to the investments made by the board in the cases referred to by the Opposition. For example, the Opposition has asked about the investment in the David Jones' site. On the same basis that I apply to Halls Head, the DJ's site has a return of 28 per cent.

Using the same basis—that is, we cannot have a return until we sell an asset—if we look at Halls Head we see that the loss is \$5.5 million.

Mr Clarko: I think you would agree with me that six weeks would not be a sound way of assessing a scheme.

Mr BRIAN BURKE: It seems to me that an independent valuation a month and a half later of an investment of \$11.6 million roundly that says the asset or investment is worth \$15 million is a fairly satisfactory situation. I would be concerned if the independent valuation said the asset was worth \$8 million when it cost \$11 million, but it cost \$11 million and is worth \$15 million. I doubt that central St George's Terrace property will ever be anything but a prime investment. I think the investment will prove to be perhaps one of the wisest ever made. It may be that in 50 years' time it will be worth nothing. I cannot judge that because the asset has not been sold. But I can say that by using the same guidelines as the Deputy Leader of the Opposition wants to use and by comparing Halls Head with the David Jones site investment, it can be seen that they are a world apart. After 50 years Halls Head may prove to be a much better investment and DJs may prove to be a very bad one, but as we stand here today knowing what we know, all we can say is that on the same basis, a consistent analysis, one is a far better investment than the other.

As far as the overall return is concerned, the performance of the fund is startlingly good these days. The Civil Service Association recognises that. It has told me that it is very pleased with the way the fund is performing so well. It has asked, in view of that, whether the Government can give its members a much more generous State superannuation scheme. It has agreed that the fund is performing much better than previously.

Mr Old: How are you getting on with them nowadays?

Mr BRIAN BURKE: Not badly.

Mr Old: They don't like you much.

Mr BRIAN BURKE: I do not suppose everyone can be liked all the time, but I do not seem to be getting on too badly with the association.

Mr Clarko: You seem to have had a bad week for falling out with people.

Mr BRIAN BURKE: I will fall out and fall in with people from time to time, but that is up to those people who are falling in and falling out.

I should re-emphasise that the return on investors' funds is dramatically better than previously was the case, and that the increase in property investments from 15 per cent to 23 per cent is hardly a massive increase and, although I am not a property expert, I would not think that 23 per cent of the total funds invested in property or real estate is a massive proportion of the fund. It is not a quarter of the fund. I would think that the investment in property will prove to be one of the ways in which the fund will be able to earn the returns and provide the sorts of pensions for which Government employees will be very grateful in the future.

Referring to the examples given by the Leader of the Opposition, the first two cases of Custom Credit House Pty Ltd and Wesfarmers provided returns of about seven per cent or eight per cent in the years to which I refer. In the case of the DJ's site the investment—while unrealised, it is true, because the site has not been sold—on independent valuation has already improved by 28 per cent in capital terms compared to the previous investment to which I referred in Halls Head which, as of today, stands on the debit side of the ledger to the extent of \$5.5 million. In addition, as I have outlined, a number of very important steps have been taken to improve the accountability of the fund and the efficiency of the management of the fund. Those steps include, for example, the annual revaluation of the assets or the portfolio of the fund.

I commend the Bill to the House.

Question put and passed.

Bill read a second time.

*In Committee, etc.*

Bill passed through Committee without debate, reported without amendment, and the report adopted.

*Third Reading*

MR BRIAN BURKE (Balga—Treasurer) [4.45 p.m.]: I move—

That the Bill be now read a third time.

MR HASSELL (Cottesloe—Leader of the Opposition) [4.46 p.m.]: The Treasurer, I note, did not table the letter which he used in aid of his argument. Therefore, we have no evidence before the House of precisely what is in it in its entire form. I do not think he purported to read the whole of the letter.

Mr Brian Burke: No, I did not read the whole of the letter; I chose not to read two paragraphs that had nothing to do with the matter.

Mr HASSELL: I ask the Treasurer whether he would table the letter.

Mr Brian Burke: No, I am not prepared to table the letter which includes two paragraphs that have nothing to do with the matter that is being debated. I think that is entirely reasonable.

Mr HASSELL: I thought there was a Standing Order that provided that when a Minister quoted from a letter in the course of debate he should table it.

The Treasurer has failed to substantiate the arguments that were put forward in favour of the Bill, in particular, the question relating to the spread of investments relative to the current economic climate and the investment climate that prevails in relation to a superannuation fund where income tax is not payable. In trying to justify the position he took on the investment in the Custom Credit building and in the Wesfarmers building, the Treasurer purported to claim by reference to the letter which he did not table, that he did not give any direction to the fund. What is absolutely clear is that he disapproved of those investments because he claimed that the rate of return in the first three years of those investments was inadequate without what he described as the compensating factors meeting some other conditions which he laid down. The compensating factors which would have satisfied him were tourism or decentralisation, to name two.

During the second reading debate I put to the Treasurer the suggestion that he should tell the House in what way the investments in the technical college site and the David Jones site satisfied those compensating criteria that he had outlined. He was not able to do so.

What is also interesting is that the Treasurer—who last year wrote to the Superannuation Board and gave a very clear indication of his attitude to its investments, and in fact prevented two of its investments taking place on the basis of the projected yield—does not now know about the projected yield of two of the largest investments ever to be made by the State Superannuation Board. Those investments have been announced.

What has been the change in the system that has brought about a situation in which in 1984 the Treasurer was able to write to the Superannuation Board about its proposed in-

vestments and veto two of them, but in 1985 two major investments, the biggest ever made, are not even the subject of the Treasurer's knowledge, never mind the letter as to their rate of return? Why was the Treasurer interfering in 1984 but not in 1985? The Treasurer has failed to meet the arguments put forward in the second reading debate about this question. In his attempt to be clever about what the board said in a letter, which he failed to table—he had before him the report of the *Sunday Times*, but the letter from which he quoted he declined to table—

Mr Brian Burke: I said I did not have a copy of the *Sunday Times* report.

Mr HASSELL: The report is available in the House. It is a public report and has been ever since it was published.

Mr Brian Burke: I did not have it. You said I had it before me.

Mr HASSELL: I said the Treasurer had it available. I am talking about the *Sunday Times* report, which is a public document and which has been available to the Treasurer, to me, and to everyone else ever since it was published. But the letter is not available and the Treasurer declined to table it.

What I am saying to the Treasurer is this: Here are two of the largest investments ever to be made by the State Superannuation Board and he is not able to tell the House of the projected yields for the first few years, whereas last year he was giving directions about investments involving yields in the first few years. That is a very significant change in position, and one must wonder what has been the change in practice and procedure which has led to this.

We have also questioned whether it is desirable for the whole thing to be approached in this way, where these sorts of investments are being made by the Superannuation Board at a time when real interest rates are higher than they have been for half a century or more, and when the opportunity for the Superannuation Board to make a real killing on different kinds of investments, cash investments in particular, is not being pursued to the same extent.

The Treasurer read out the figures of the proportions of different kinds of investments. The reductions in mortgages was one I think to which he referred. These issues have not been met.

The fundamental question is not whether the Superannuation Board has been performing well. That fact has been acknowledged by the member for Gascoyne, and we are delighted

that this is the case. When we see the annual report of the board we will be able to see this fact in more detail.

The issue raised, however, was whether there would be a cash flow problem in the relatively near future. When one considers the size of these two new investments and the spread of these investments, the mere hint from the Treasurer that it might be desirable for the board to involve itself in investments in tourism has brought about a situation where we have the State Superannuation Board heavily involved in hotels. Even within the developing real estate portfolio we do not see the kind of balance we would expect to see. We see a disproportionate situation. We have, in fact, a double disproportion: We see a growing proportion of funds going into long-term real estate-type investments, and within that portfolio we see a heavy weighting in favour of investments in hotels, accommodation, and so on.

These are legitimate interests raised on investments by this board which are relevant to the management and the future of the fund. They are the issues which have not been answered. In particular, we have not heard from the Treasurer about these returns on these enormous investments proposed to be made on those two sites. It is quite intriguing that last year he was writing letters to the fund about its investments and its rates of return, yet here we have these enormous investments and the Treasurer is not able to mention them in a debate about the fund. There remain at the end of this debate some significant and unanswered questions of fact and policy.

**MR BRIAN BURKE** (Balga—Treasurer) [4.56 p.m.]: I do not know why the Leader of the Opposition should continue to say that in 1984 I was instructing the board as to how or where it should invest its money.

**Mr Hassell:** Didn't you veto its investment?

**Mr BRIAN BURKE:** Yes.

**Mr Hassell:** That was an instruction. A veto is an instruction.

**Mr BRIAN BURKE:** The Leader of the Opposition did not say I had instructed the board not to invest in the Custom Credit House investment. He said I instructed the board to invest in tourism and decentralisation. No matter how he twists the truth, the truth is that I did not instruct the board to invest in tourism or decentralisation. That is the first answer he sought. He was wrong. I simply said that in

cases of low yield there should be a compensatory benefit that might be found in these three areas.

The second thing concerns the investments in each of the Wesfarmers and Custom Credit buildings. The information I provided to the House was information provided to me by the board. I did not have the information with me in respect of the David Jones site. I said to the Deputy Leader of the Opposition that I was sure the board would happily explain that investment to him. The chairman of the board informs me, by way of a note, that upon completion there should be a 12.5 per cent per annum compounded return. At the same time, he points out that it is a St George's Terrace site, on which there should be expected to be considerable capital appreciation. Even on that basis—and I do not have the detail with me—the Leader of the Opposition's position falls well short of any credible mark, because even on that hastily provided information the investment is far better than some of those in which the Leader of the Opposition seems to want people to invest.

As for the capital, in 1½ months there has been an appreciation of 28 per cent on the David Jones site.

**Mr MacKinnon:** On paper.

**Mr BRIAN BURKE:** Of course it is on paper. The State Superannuation Fund has unimproved land, and vacant property, as well. On an annual basis there is a revaluation of that vacant land which the State Superannuation Fund owns.

The investment of \$11.6 million was valued, according to an independent valuer, at \$15 million 1½ months later. That is all I can say about that, except that the compounded rate of return was 12.5 per cent and that the board is happy to explain to the Leader of the Opposition or his deputy any of the details that they want to have explained to them about that investment.

The simple fact is that the runs are on the board for the State Superannuation Fund and its management. Not only have the changes improved the accountability and not only have the changes resulted in things like annual revaluations, but the changes have also resulted in dramatically improved performances about which the Leader of the Opposition now wants to say, "We are not arguing that the performance has improved dramatically, but that it could have been improved further had the



State Superannuation Fund put all of its money into short-term securities or other interest bearing securities."

The Leader of the Opposition seems to be saying that it could have been improved even further had the State Superannuation Fund put all of its money into short-term securities or into interest-bearing securities. In the past it does not seem that that sort of management has paid the dividends that the Leader of the Opposition is talking about.

I accept the Leader of the Opposition's compliment about the performance of the fund and say that had the fund been operating as well as this when he was in Government, perhaps its contributors would have been a lot better off than they are now, as would the taxpayers.

Question put and passed.

Bill read a third time and transmitted to the Council.

## ELECTORAL AMENDMENT BILL

*Report, etc.*

Report of Committee adopted.

A committee consisting of Mr Gordon Hill, Mr Mensaros, and Mr Tonkin (Minister for Parliamentary and Electoral Reform) drew up reasons for not agreeing to certain Legislative Council amendments.

Reasons adopted and a message accordingly returned to the Council.

## ACTS AMENDMENT (MEAT INDUSTRY) BILL

*Second Reading*

Debate resumed from an earlier stage of the sitting.

**MR LAURANCE** (Gascoyne) [5.08 p.m.]: My particular interest in this matter relates to the area north of the 26th parallel and in particular, my electorate and the proposed Gascoyne abattoir.

Mr Old: A very good abattoir too.

Mr LAURANCE: This abattoir has had a long and difficult history. It has been assisted by Governments over the years and a number of Government guarantees have been made to various parties to try to assist with its operation. In fact, the State has incurred a considerable debt as a result of its attempts to assist this business.

In recent times the business changed hands. It was acquired by Russell Brothers who want to rebuild the abattoir, substantially upgrade it, increase the throughput, and therefore the employment possibilities in that business.

Of course, that is something that is very desirable from the point of view of employment, not only for the town of Carnarvon but for the entire pastoral area as well. It has been traditional for the Lamb Marketing Board not to extend its authority beyond the 26th parallel. That was never seen to be a problem; but after the Russell family had purchased the abattoir in Carnarvon, the Lamb Marketing Board indicated that it would become involved and would prevent them from utilising those works for the sale of lamb which had not been processed by the board.

I was opposed to the extension of the jurisdiction of the Lamb Marketing Board beyond the 26th parallel and I still am. I contacted the Minister for Agriculture at the time and indicated that I did not want the Lamb Marketing Board—now the WA Meat Commission—to be involved because it would disadvantage the successful operation of that abattoir at Carnarvon. In the end a compromise was reached in which the Meat Commission stamp was required on lamb carcasses which were to be sold south of the 26th parallel. The Russells had completely shown up the inadequacies of the Meat Commission by trading in lambs in the Eastern States which were to be slaughtered there and then brought back into Western Australia. Many members here may know more about this matter than I do, but I understand that the Lamb Marketing Board came under some criticism when the Russell family demonstrated its inefficiency and high costs in this way. The Russell family found they could slaughter and sell lambs at a lower price in that way than by going through the board. I assume that when they slaughter lambs north of the 26th parallel, it would be analogous to a State border situation. They could bring sheep from the south-west, slaughter them at Carnarvon and sell them south of the 26th parallel again.

The Lamb Marketing Board took an active interest in this matter and presumably the Meat Commission will be involved in the same way. I was able to get the Minister to agree that those carcasses which had come from the south and which were going to be returned to the south would require a stamp but that those which were to be slaughtered and sold in the north would not need to be subject to the oper-

ations of the Meat Commission. I have never represented an area in the south of the State and I have never been in a position to be involved with the operations of the Meat Commission, but I would not like to see the Meat Commission involved in the north.

I would just draw an analogy for the Minister: A restriction on trading hours applies throughout that area of the State south of the 26th parallel, but north of this parallel no restriction applies, and it works. I would like to think that we could extend that to the south of the State, but I know it would be difficult to change from the existing set-up to a completely new one. However, if one wants an example of whether this could work, I reiterate that in the north of the State no restrictions on trading hours exist. Similarly, we do not need the Meat Commission to act north of the 26th parallel. The Minister should keep the Meat Commission arrangements which are disadvantageous to the industry—such as compulsory acquisition and so on—out of the north of the State.

Mr Blaikie: How many kilometres is Carnarvon from Perth?

Mr LAURANCE: It is 1 000 kilometres.

Mr Blaikie: Therefore those lambs which go from Perth to Carnarvon and back to Perth would have to travel 2 000 kilometres. That is pretty significant, as is the fact that they could still be sold at a profit.

Mr LAURANCE: Yes. I do not mind whether the lamb brought back here is subject to the Meat Commission, as long as it is not subject to it in the north of the State. I think I might have an ally in the member for Kimberley, but I am not sure.

#### [Questions taken.]

*Sitting suspended from 6.00 to 7.15 p.m.*

Mr LAURANCE: The abattoir at Gascoyne currently employs 11 people. After its rebuilding it is anticipated that it will employ 30 to 40 people. It is a significant development for Carnarvon and for the Gascoyne area. I would not like the regulations in this Bill or in any other Act to prevent that going ahead.

I wish to take a few minutes of my time to talk about the licensed kill numbers. That abattoir currently has a licence to kill 1 500 units per week. That is satisfactory at the moment. However, if it is redeveloped, it will need to kill a lot more than that to make it viable. In fact, the Russell brothers are hoping for an increase of their licence to enable them to kill about

4 000 units per week. I hope their licence is extended because the Russell brothers will need confidence to proceed with this redevelopment.

I believe the area carries enough stock. The additional killing capacity would greatly assist the Gascoyne pastoral industry. It is a growing market at Carnarvon and we would be looking to using more of this meat in the local area. However, new markets could be opened up by the Russells if they had an increase in their killing capacity.

The Western Australian Lamb Marketing Board in the past has not—as will the Western Australian Meat Marketing Corporation in the future—extended its powers over the marketing of lamb to areas north of the 26th parallel. That is my first concern. My second concern is that consideration should be given to increasing the licensed number of units for that abattoir to allow for its substantial redevelopment.

These are matters of considerable importance to Carnarvon and to the Gascoyne electorate. I trust that the Minister will be able to give me some indication as to whether there is anything in this proposed corporation that would prevent those things from happening at Carnarvon.

MR McNEE (Mt Marshall) [7.22 p.m.]: I note that the Board of Management of the Western Australian Meat Marketing Corporation will consist of eight members. It seems to me a rather odd way to form a single organisation by in fact forming two bodies—one the corporation and the other the board which will be responsible for the daily running of the abattoirs and the sale of the by-products. I will make some points about the structure of the board. I think it is reasonable to make the comment that there is a bias towards the lamb industry in the appointment of two representatives from that industry. I suppose that that bias takes into account the strength of the lamb industry. Perhaps that is because the corporation will deal mainly with lamb. I understand it will have the ability to trade in a wide range of meats. I just wonder about the wisdom of orienting that corporation towards past functions rather than towards the future.

It is important that whatever else happens in an industry, as many dollars as possible are placed in the producers' pockets. That ought to be the exercise on which the Government embarks. I often wonder about the principles on which the Government embarks on a course because it does not give us a lot of room to trust it. The Minister will recall that when the Lamb

Marketing Board was last discussed in this House there were some varying opinions about it. Getting back to the point, I believe that we need to look very much to the future in marketing. Certainly we need to market aggressively.

I was interested in this marriage between these two groups, the Western Australian Lamb Marketing Board and the marketing division of the Western Australian Meat Commission. I was interested in a question on notice that was asked by the member for Katanning-Roe.

He asked in part—

- (3) Has the Commission imported any lambs ex Eastern States or purchased any lambs imported ex Eastern States during this period?

He is talking about the period January to October 1985. The question continues—

- (4) If yes to (3)—
- (a) For what reason have such lambs been purchased?
- (b) What volume of such lambs have been purchased and over what period have the purchases been made?

The Minister replied—

- (3) Yes.
- (4) (a) The wholesale price of lamb in the Eastern States has been lower than that available from the Lamb Marketing Board and lambs of specific quality have not always been available locally.
- (b) 3 073 lambs since 22/8/85.

That in itself tells a story. We are told that the specific quality has not always been available. I do not know what the producers would say about that. Unfortunately, the wholesale price of lamb in the Eastern States has been lower and that is the reason that those lambs have been brought into this State.

I refer again to the composition of the board of management of the corporation. I am disappointed that the manager is to be an *ex officio* member of the board. It is almost a case of Caesar judging Caesar. I would not like to be a member of a board of which my manager was an *ex officio* member. That would make it extremely difficult to carry out one's duties as a board member, particularly if the manager was not performing satisfactorily. These points ought to be considered.

If we look at the composition of the board, we see that one person will represent producers of livestock other than lamb. I pointed out that two members were to represent the lamb industry. I suppose that is a matter of judgment for the Government. I merely wonder why the Minister considers that the lamb producers need two representatives while producers of other livestock need only one. Producers of livestock other than lamb cover a wide range. There are producers of sheep meat, there are pig producers and goat producers; I suppose one could almost argue that horses are also sent for slaughter and that therefore they would come into this. Nonetheless, it is expected that one person will have to have experience in all these areas. I believe that that is not properly representing those other areas of the industry.

That is expecting one person to do too much or to represent too broad a spectrum of the entire industry. I wonder what sort of person the Minister might appoint to represent consumers when he is asking for a person who is an expert in economics. What might that person do on behalf of consumers? I wonder why he must be an expert in economics in that sense? Perhaps the Minister can give his reasons.

I wonder about the person who, in the opinion of the Minister, must be an expert in commerce but not engaged or financially interested in the meat industry. I think the Minister is setting himself a big task to find someone of that calibre. I wonder also about the person who, in the opinion of the Minister, must be an expert in marketing but not engaged or financially interested in the meat industry. I hope that that person will be a particularly clever marketer who will thoroughly understand marketing and will be an aggressive marketer because that is precisely what he will need to be. He will need to direct the people responsible for marketing to make sure that the very best effort is put into marketing the produce. It is most important that our produce is marketed carefully and broadly, and that we maximise the available return on the world market. That is tough in the circumstances under which we operate when we find the Government reluctant to take on the unions and straighten out those people who need to make a greater effort to ensure that our produce is on the market at prices the world can afford to pay.

I notice that provision is made for the Governor to appoint one of the members to be chairman of the corporation. The member so appointed shall hold office as chairman unless

he resigns as chairman or until the cessation of his term of office as member. That person may be reappointed as chairman when his membership becomes current.

The problem that should be addressed is that the chairman might well be drawn from a specific interest group and, should that be the case, that group will effectively be deprived of representation because the chairman will be expected to act in a neutral and unbiased fashion. That aspect should be looked into and the Minister should give consideration to allowing an industry group to top up its representation by nominating a further person should its representative be elected as chairman. The sector of the industry whose representative has been elected as chairman should not be under-represented because of his position of impartiality. The ultimate solution, of course, would be to appoint an entirely independent chairman.

I have comments to make with regard to other matters which concern me relating to the commission. Reference is made to the members of the commission nominated in the following categories: A person to represent producers of livestock; a person who, in the opinion of the Minister, is an expert in commerce; and, a person who, in the opinion of the Minister, is an expert in industrial relations. I wonder who might be appointed to that last position. I would be absolutely frightened out of my skin if the Minister appointed someone like Alec Payne who may think he has made an outstanding contribution to the meat industry by wrecking it. Such an appointment would follow the Government's policy of providing jobs for the boys. I have already pointed out that I do not believe this Government has given us reason to trust it. Even the school bus contractors do not have any reason to trust the Government because it has been very liberal about doing away with their trust. Let us make no mistake about that.

I am quite sure that Mr Payne may be appointed to that position and, if that is the case, I pray for the Government. We have seen this man's performance and we know what he said about Mudginberri. We know of his attitude to the meat industry and if that is the sort of thing we can expect, we must be very careful before embarking on this course. This position gives these people influence over an abattoir and a great deal of influence over an industry.

It should not be forgotten that a person will also be appointed to represent the Government. I wonder where that person will come

from? Here is an opportunity to provide two jobs for the boys. The Government could appoint someone from the policy secretariat, without a great deal of difficulty to help the commission carry out the task.

I am concerned about these matters and I ask the Minister to give us some idea about what he intends to do. I express these concerns because of the Government's attitude to the rural industries in their present depressed situation. I have already said that whatever else is important, it is of vital importance that every dollar possible be kept in the producers' pockets, without exception.

I was greatly concerned when I read in the *Farmers Weekly* of 30 October a comment made by the Premier when speaking about the current farming situation. It outlines clearly the Premier's position and the position of the Government, which I find quite incredible. He is reported as saying—

Addressing a press conference last week, the Premier, Mr Burke admitted that the measures could be—

He is talking about measures on forced land sales. He continues—

—'too little, too late'.

"We may have failed—

I want the people in my electorate to understand the situation. I want to avoid these issues arising further down the track. I want them to understand that we got into this with our eyes open. The article continues—

—to heed the warning signs", he said "but we are now concerned that every farmer has the right to have his property sold as fairly as possible.

That is the Premier's attitude. He is saying that he does not really care. As long as the farmers are sold up fairly, that is all right.

I do not want the Minister coming to this place later on with his platitudes or, if by some misfortune the Government survives the next election, further down the track making that sort of excuse about why certain things have or have not been done. That is why I expressed my real concern about the person to be appointed who shall be an expert in industrial relations. Perhaps the Government could even bring in Gallagher.

Mr Blaikie: There is another thought. You may have Alec Cain or perhaps John O'Connor. He has natural expertise and he has the ear of Government.

Mr McNEE: He certainly has the ear of Government.

Mr Blaikie: He is interested in the beef industry.

Mr McNEE: I want to make sure that those comments of the Premier are very clearly in the *Hansard* so that people will understand the position. They ought to know that he has said that as long as the property is sold up fairly, that is good enough. They want to know that.

It is worse than that, because we are dealing with a Government which does not understand the industry. I could not help but be concerned when I read that article, particularly when we are discussing a Bill of this importance today. The member for Katanning-Roe outlined our concerns expertly this morning. Let me say this: The Premier shows his ignorance even further. He says land prices are bound to fall. He agrees land prices are much too high but he says, "We are determined to ensure that the farmer's loss should not be someone else's gain."

Mr Blaikie: The rates are too high and his charges are so low. Not one person in the community believes him.

Mr McNEE: I know, of course they do not. We must make this point clear. It must be clearly understood—and I want to express those concerns—that the Government has shown itself in rural matters to be totally incompetent and not at all concerned.

If one looks at the Government's performance over the last 12 months, one sees that it has stood idly by and now it asks us to place our confidence in it while it forms a new amalgamation of the Meat Commission and the Lamb Marketing Board. That might have a lot of merit, but this Government is asking the rural people to put their trust in it. Its record is so bad that the rural community should be very sure what it is going to do. I do not want to see a repeat of the performance we have seen in this House during this year. I want to make that point.

Mr Wilson: You made it 10 minutes ago.

Mr McNEE: The Minister seems to be very keen on his people who are experts in commerce and in economics. I wonder whether they will be the same sorts of people guiding those executive decisions as are guiding the decisions he is making as Minister and which are affecting the rural industry today. If that is the case we are in for trouble.

I want to wind up by emphasising that every dollar possible should be returned to the grower's pocket where it rightly belongs. That should surely be uppermost in the Government's mind, or in anyone else's mind who is dealing with this Bill. I rather suspect they might well be the ones who ultimately receive the least consideration of all.

As the member for Moore mentioned this morning, it is important that those things happen. I repeat my concern about some of the types of people the Minister might have put on the committee. I do not want to see him given free rein to appoint people who might not act in the best interests of the industry they are supposed to represent. They certainly give me no great confidence in their latest statements in the Press.

**MR COURT** (Nedlands) [7.45 p.m.]: Mr Speaker—

Mr Gordon Hill: He does not know what to say.

Mr Old: He is one of the important consumers.

The **SPEAKER**: Order! The member for Nedlands.

Mr COURT: I was under the impression there was a further speaker on this subject.

The **SPEAKER**: Do not waste the time of the House.

Mr COURT: At this stage I have nothing to contribute.

**MR STEPHENS** (Stirling) [7.46 p.m.]: I suppose I am the only rural lamb producer who has spoken so far in this debate. Although I do not produce lambs at the moment I was producing lambs at the time of the implementation of the Lamb Marketing Board in 1972. Of course I was actively involved in the lamb industry in that disastrous period between 1968 and 1970.

Mr Blaikie: Were you involved in breeding them?

Mr STEPHENS: What does the member think I am talking about?

Mr Blaikie: Or were you only selling them?

Mr STEPHENS: I was a lamb producer. Even the member for Vasse should understand what that means, so I will not waste the time of the House in spelling it out. That disastrous period between 1968 and 1970 was the period which led to the formation of the Lamb Marketing Board. I will go further and say that in that period I was a member of the meat execu-

tive of the Farmers Union. We were actively engaged in preparing the details which led to the implementation of the Act which brought about the Lamb Marketing Board.

I remind members of the House that the lamb producing community voted solidly in support of the proposal to introduce a Lamb Marketing Board, over 80 per cent of the producers indicating support for that concept. But then lamb producers were being absolutely and utterly fleeced.

At the time to which I am referring the Australian Meat Board was running what it called a deficiency payment scheme to guarantee a minimum price f.o.b. for all lambs sent to the United Kingdom market. That should have put a floor in the market, but that is not the case. What happened was that the processors tied up the abattoirs so that it was virtually impossible—although the odd producer got through—for a producer to book space at the Robb Jetty abattoir and sell on consignment to the UK in order to get that guaranteed price. The processors collared the market and paid a floor price of around \$2 or \$2.50 for lambs which were worth \$5. That is the situation the producers had to put up with. That is not my opinion; it is fact, because subsequently the Australian Meat Board discontinued that deficiency payment scheme on the ground that it was designed to ensure a guaranteed price for the producers but that guaranteed price was not being passed on to them. The processors were pocketing that money. Although I am speaking from memory I could give examples of farmers who had buyers on their properties prepared to pay \$2 or \$2.50 a lamb but they refused to sell and were then lucky enough to get their lambs through the Robb Jetty abattoir and sold on consignment to the UK where they finished up receiving \$5 a lamb.

It is not surprising then that, when given the opportunity, the farming community overwhelmingly supported the formation of the WA Lamb Marketing Board. I am very proud to say that, as a representative of the producers on the meat executive, I was able to play my part in the formulation of the plans that led to the establishment of the Lamb Marketing Board.

Ever since the board came into existence we have witnessed a continual campaign to undermine it. The campaign has largely been led by the Pastoralists and Graziers Association. I might add that the association sent out a circular letter about the first industry referendum and that letter was full of half truths

and outright lies. Fortunately the farmers were not fooled. The Meat and Allied Trades Federation of Australia has also been part of the campaign to undermine the board. Fortunately they have been unsuccessful. The farming community has been bitten and it is very wary of letting go of something which means so much to it. Notwithstanding this continual campaign by the PGA and the Meat and Allied Trades Federation, growers of meat generally have continued to try to broaden their marketing organisation.

Since I have been here—that is, since 1971—the Parliament has spent a considerable time looking at marketing situations because of the pressure applied to the Lamb Marketing Board. I refer now to the beef industry committee Bill and the endeavours that were made to introduce a voluntary scheme to try to put a floor price in the baby beef market. This came before Parliament not long after I resigned from Cabinet.

Mr Old: Before then.

Mr STEPHENS: The member for Katanning-Roe likes to twist things; that is his nature.

Mr Old: You are telling an untruth.

Mr STEPHENS: The beef marketing committee Bill was introduced in 1974, but the amendments to which I am referring were introduced in 1975 and those amendments tried to put a floor price in the baby beef market. At the time, I said the scheme was doomed to failure, and that proved to be so.

Mr Bradshaw: Why was it doomed?

Mr STEPHENS: Because it was dependent on the goodwill of the buyers, and I have explained the sort of goodwill they extended to members of the farming community when they ripped them off and would not pass on to them the money made available by the Australian Meat Board. One did not need to be very bright to realise it was doomed. It was a bit of a con trick which failed to assist the producers.

The next move was the holding of the beef and sheep meats referendum, which once again was an opportunity to allow the farming community, and specifically the meat producing sector, to have a say about whether it wanted an orderly meat marketing situation. We know what happened. I was in the National Country Party in those days and it was not NCP policy which was implemented by the Minister, but Liberal Party policy. We all know that. We were given the opportunity of taking part in a meat marketing referendum with three ques-

tions. Really, only one question was necessary: Do you want a meat marketing scheme? But that would have been too simple and the farmers might have supported it. The Government then relied on the principle of divide and rule and we ended up, from memory, with three questions. I have not checked on this and I am only giving a rough history.

Mr Old: Pretty rough.

Mr STEPHENS: It is rough for the member for Katanning-Roe because he does not like the truth and never has liked it.

Mr Old: You have never been able to tell the truth from the day you were born.

Mr STEPHENS: I will not be sidetracked by a man who has been described so well by the Minister for Agriculture when he was, at the time, in Opposition. He said of the member for Katanning-Roe, "If we went back 2 000 years to the days of Judas Iscariot we could never expect to see anything like it; but the tinkle of silver has given way to a rustle of portfolios." The member for Katanning-Roe rattled on a party decision.

Mr Old: You are a rat!

The ACTING SPEAKER (Mr Burkett): Order! We are discussing a meat Bill. I do not know whether we should be talking about other animals or farm vermin. This is a serious Bill.

Mr STEPHENS: I will not ask for a withdrawal because the comment reflects on the man who made it. It is a reflection on the House that a person should stoop so low. But we have to make allowances for a certain type of person.

Three questions were asked in that referendum: One was a legitimate question and the other two were designed to divide and rule.

The other important thing was that the number of votes a producer was allowed depended on the livestock he had. A producer with 20 000 head of sheep got more votes than a producer with 3 000 head of sheep even though he was still making his living with that number of stock. The man with 20 000 sheep was given more votes than the man with 3 000 sheep even though both might have only just been making a living.

It was necessary that for question one to succeed it had to gain a 60 per cent majority, whereas for question three to succeed only a 50 per cent majority was needed. It is history now that the mechanism succeeded. The producers,

as a result of that referendum, opted only for an improved marketing arrangement which led to the expansion of the Meat Commission.

Of course the WA Meat commission failed. It was inadequately funded. It has operated at a loss virtually ever since it was established. It failed dismally to assist the producers to gain higher prices. No producer who really understands the situation was surprised at that failure. But it did achieve the Government's purpose; it successfully prevented any real improvement in the meat marketing situation.

It is not surprising that growers support orderly marketing schemes, because of their history of success. Take the meat marketing system. We have barley, lupins and, although not quite so formalised, the wool reserve price scheme which in effect is an orderly marketing concept. The price support mechanism underpins the market so the growers are protected.

The most effective section of the people involved with a commodity board is the union. After all, unionism is really only the marketing of a commodity—labour. Unfortunately for the nation, the unions have been able to operate virtually in a vacuum. They are not dependent on world market prices or anything like that. It is virtually a controlled market and consequently the economy of this country is suffering. The unions have been able to dictate a price for labour without any consideration of market forces. That is the problem with the union movement, but of course our orderly marketing situation is not totally grower-controlled. It receives input from the outside. The growers of course have always had to take into account local market forces and certainly overseas market forces. I would like to point out that orderly marketing also obviates or prevents weak selling.

In 1973 when I visited Japan I spoke to the Western Australian trade representative who outlined to me the circumstances of how an abattoir from Australia, at a time when mutton was selling quite well—but in the 1968-70 period there was a tremendous amount of mutton available—offered the Japanese mutton at 5c below the going price. The Japanese immediately suspended all purchases and came back onto the market later at 10c below the going price. That one abattoir in Australia had a tremendous impact on the price of mutton and that weak selling was largely responsible for the collapse of the mutton market in Western Australia. Bear in mind we were dealing

with the Japanese who buy as a single buyer. Many Japanese firms buy together as a single buyer and of course they have a tremendous advantage as a single buyer among many sellers. Orderly marketing does tend to overcome the problem of the weak seller.

Reference was made in this debate to the Treloar report and to the fact that the Government is adopting only parts of it and is not implementing it in its entirety. I do not dispute that that is the case, but this Government is no different from any other Government which always makes those sorts of decisions. Reports are just that—reports—and it is for Governments and the Parliament to make political decisions. Obviously we should not blindly follow whatever is outlined in a report. But the Treloar report did highlight the success of the Lamb Marketing Board with its acquisitive powers. On page 95 of the report appears the following—

The Board's powers of acquisition have been used to disadvantage consumers and some producers and they must therefore be restrained. However, the power of acquisition allows the Board to do some useful things which, without that power, it could not do or could not do so readily.

It listed the points that had been successful as follows—

- removing short-term price fluctuations;
- removing the suspicion of collusion against and exploitation of flush producers;
- controlling the quality of lamb products sold;
- internalising the benefits of quality control and lamb promotion;
- promoting weight-and-grade selling; and
- improving communication and information flow in the lamb industry.

These alternatives were available to the lamb industry and the producers. On page 96 the recommendations continue as follows—

The Board should retain its powers of total acquisition of lambs in Western Australia only if its method of setting prices is altered to remove most of the transfers of consumer surplus, which are a feature of the present system (2.6.8).

That recommendation indicates that the Treloar committee did not really understand the pricing system used by the Lamb Marketing Board. It did not understand the equalisation system, because under the Lamb Marketing

Board system the total costs for processing and for export and local markets are deducted from the selling price. A local net price is arrived at which is usually higher than the export net price, and this is brought about, of course, because the costs of selling locally are less than the costs associated with selling on the export market, but the producers are paid an average of both prices. The consumers are not disadvantaged at all. Any disadvantage, if there be one, is borne by the producers and not the consumers. The Treloar report did not pick up that point.

Reference has also been made in this debate—criticism has been levelled at it—to the pricing mechanism and the point that out-of-season producers are disadvantaged. If there were two pools, one at the in-season price would be less than their cost of production and this would encourage producers to hold over their products until the off-season pool. This would then cause a glut of lambs in the off-season so that the person producing lamb would be disadvantaged price-wise by that glut of lambs.

The pricing mechanism overall is advantageous to the producer in the off-season. I have been assured by the Lamb Marketing Board that the price for lambs in the off-season under its equalisation system is a minimum of 50 per cent higher than the in-season price.

We must realise and understand the pricing mechanism that will be used before we start criticising it. The criticisms that have been levelled in this debate indicate that members do not fully understand the pricing mechanism.

I would like to comment on some of the points that have been raised during this debate. Reference was made to this being a Government takeover. Of course it is no such thing. The proposals we are talking about will essentially finish up giving us the same mechanism we have now. Criticism was raised that two separate Bills are involved and that it is untidy. I will admit that administratively it may have been better to have one Bill, but the essential points are the same if it is done in this way, and it is a mechanism we can support.

Reference was made to imports from the Eastern States. That only highlights the very poor price that producers in the Eastern States are receiving. As I said by way of interjection, which the member for Katanning-Roe did not seem to like, it indicates there should be a marketing board in the Eastern States to put a floor



in their market. Then lambs would not be so readily available for export to Western Australia.

The member for Katanning-Roe mentioned consumption figures. He suggested the consumption of lamb in Western Australia was 8 kg a head per annum whereas the Australian average was 16 kg. He omitted to point out that Western Australia is the only State which has correct identification of lamb. Because of the lack of proper identification the Eastern States figures tend to include a lot of hogget. We come back to the fact that total sheep meat consumption is 21 kg a head per annum. If we accept that figure and take into account the figures referred to by the member for Katanning-Roe it would mean that Western Australians ate 13 kg of mutton a head per annum whereas people in the Eastern States ate only 4 kg of mutton per annum. That highlights the stupidity of the figures he used in putting forward his argument.

Mr Old: Why are they importing the lamb from the Eastern States?

Mr STEPHENS: Because there is not an efficient marketing system in the Eastern States, and the producers there are being ripped off.

It is essential that the board has the ability to trade in live lambs. This will give it the flexibility necessary to conclude marketing disposal arrangements. I would like this provision to go further and for the board to have the power to buy at auction. That is a weakness in the Bill. If the board were allowed to buy at auction it would be essential that it not be allowed to exceed the price on its schedule.

Western Australian farmers and producers according to the information I have been given support the retention of the service abattoirs. We have an ironical situation at the moment. When I first came to this House the present Minister for Agriculture was very critical of the then Minister for Agriculture (Sir Crawford Nalder) for ignoring the Towns and Austin report which recommended getting rid of the Midland abattoir. Now the situation is reversed with a report suggesting doing away with Robb Jetty and the Minister is ignoring that. I am not criticising anyone; I am just pointing out an ironical situation.

The point is the producers want a service abattoir because without it it would be very easy to sabotage the operations of the Lamb Marketing Board unless in the licensing of any abattoir there was a clause which required it to handle lamb on behalf of the board.

Opposition speakers today referred to the fact that the producers were against this Bill. My information is that producers are not against the Bill. I have been assured by representatives of the Primary Industry Association that they will not accept any reduction in lamb producer representation on the board. In other words, it is essential that we maintain two lamb producers on the board. That is fair enough. If the member for Katanning-Roe were consistent he would agree it is fair enough because when he was Minister and held the meat marketing referendum he insisted that voting power be in proportion to the producer's share in the industry. In other words, the more stock one had the more votes one got. Let us be consistent; the Lamb Marketing Board has virtually everything that is going into the new corporation. The board and the lamb producers will be the principal suppliers of stock handled by the new corporation. It is only right and proper, and it is consistent with the member for Katanning-Roe's previous argument. He has changed his colours officially so we can understand why he is now going the way that he has indicated.

The one big concern I have in this Bill relates to the power given to the Minister to approve in certain situations the Meat Marketing Commission's trading in meat. I do not think that is necessary. I do not have time now to develop this argument.

### *Adjournment of Debate*

**MR TONKIN** (Morley-Swan—Leader of the House) [8.22 p.m.]: I move—

That the debate be adjourned to a later stage of the sitting.

Question put and a division taken with the following result—

### *Ayes 22*

Mr Barnett	Mrs Henderson
Mr Bateman	Mr Hodge
Mr Bertram	Mr Hughes
Mr Bridge	Mr Jamieson
Mr Bryce	Mr McIver
Mrs Buchanan	Mr Pearce
Mr Terry Burke	Mr Read
Mr Carr	Mr D. L. Smith
Mr Davies	Mr Troy
Mr Evans	Mr Wilson
Mr Grill	Mr Gordon Hill

(Teller)

## Noes 15

Mr Blaikie	Mr McNee
Mr Bradshaw	Mr Mensaros
Mr Clarko	Mr Old
Mr Court	Mr Rushton
Mr Cowan	Mr Stephens
Mr Grayden	Mr Tubby
Mr Hassell	Mr Trethowan
Mr Laurance	

(Teller)

## Pairs

Ayes	Noes
Mr Parker	Mr Williams
Mr Tom Jones	Mr Coyne
Mrs Beggs	Mr Watt
Mr P. J. Smith	Mr Spriggs
Mr Taylor	Mr Crane
Mrs Watkins	Mr Thompson
Mr Brian Burke	Mr Cash
Mr Tonkin	Mr MacKinnon

Question thus passed.

Debate thus adjourned.

### APPROPRIATION (GENERAL LOAN FUND) BILL

#### As to Second Reading

**MR TONKIN** (Morley-Swan—Leader of the House) [8.20 p.m.]: I move—

That Order of the Day No. 11 be now considered.

Question put and a division taken with the following result—

## Ayes 22

Mr Bateman	Mr Hodge
Mr Bertram	Mr Hughes
Mr Bridge	Mr Jamieson
Mr Bryce	Mr McIver
Mrs Buchanan	Mr Pearce
Mr Terry Burke	Mr Read
Mr Carr	Mr D. L. Smith
Mr Davies	Mr Tonkin
Mr Evans	Mr Troy
Mr Grill	Mr Wilson
Mrs Henderson	Mr Gordon Hill

(Teller)

## Noes 15

Mr Blaikie	Mr McNee
Mr Bradshaw	Mr Mensaros
Mr Clarko	Mr Old
Mr Court	Mr Rushton
Mr Cowan	Mr Stephens
Mr Grayden	Mr Tubby
Mr Hassell	Mr Trethowan
Mr Laurance	

(Teller)

## Pairs

Ayes	Noes
Mr Parker	Mr Williams
Mr Tom Jones	Mr Coyne
Mrs Beggs	Mr Watt
Mr P. J. Smith	Mr Spriggs
Mr Taylor	Mr Crane
Mrs Watkins	Mr Thompson
Mr Brian Burke	Mr Cash
Mr Barnett	Mr MacKinnon

Question thus passed.

### Second Reading

Debate resumed from 10 October.

**MR HASSELL** (Cottesloe—Leader of the Opposition) [8.25 p.m.]: One has to wonder what nonsense is going on now. We were in the middle of a debate on the Acts Amendment (Meat Industry) Bill for the second time today. Members were ready to speak on the Bill. The Minister was in his seat to deal with the Bill. The Government has moved onto a Bill which is part of the Treasurer's Budget and the Treasurer is not here. How damned ridiculous. What a stupid and contemptible way to run the House. The Government is playing games.

The **DEPUTY SPEAKER**: Order! We are dealing with Order of the Day No. 11. If the Leader of the Opposition wishes to address his comments to that Order of the Day, I will respect his wishes.

**Mr HASSELL**: The Government is playing games with the business of this House.

**Mr Evans**: Why did you stonewall today?

**Mr HASSELL**: Are we not entitled to have as many speakers as we want? Is the pressure too much for the Minister? We just heard from the member for Stirling who put his own party's point of view of the meat industry Bill. Is the Minister trying to run this Bill into the middle of the night so that we will not get a chance to speak on important legislation which has been cooked up by the Government to change the structure of meat marketing in this State? Even when the Minister is here he is not game to debate. That is why the Leader of the House called off that Bill so that we can debate a Bill for which the responsible Minister is not in the House. He is never in the House. He goes home to bed every night a nine o'clock. Apparently he cannot cope with the pressure. He cannot deal with his legislation.

The **DEPUTY SPEAKER**: Order! I have requested the Leader of the Opposition to address the business before the House. I will rise on only one more occasion and I will not allow the shouting and other behaviour that has taken place in the last three minutes.

### Point of Order

**Mr HASSELL**: It is my understanding of the Standing Orders that in speaking to this Bill I am entitled to deal with any subject.

**Mr Pearce**: You comport yourself in a manner befitting the Parliament and listen to the Deputy Speaker.

Mr HASSELL: The Minister should go and catch an aeroplane if he can find one. He is a silly boy.

The DEPUTY SPEAKER: I uphold the point of order.

### *Debate Resumed*

Mr HASSELL: Thank you, Mr Deputy Speaker. Why is this nonsense allowed to go on? What game is the Leader of the House playing? We were in the middle of a debate on a very important piece of legislation.

Mr Evans: Why are you stonewalling?

Mr HASSELL: When the Government cannot get its Bills through as easily as it wants, it calls off the debate. The Minister has admitted that he cannot handle the debate. Is he tired too? Does he want to go home to bed like the Treasurer? He has one Bill a year and he cannot handle the debate. The member for Mt Marshall rattled him an hour ago.

Where is the Treasurer? This is a major Budget Bill and the Treasurer is not here. How absurd that is. This bears out the very complaints we have been making all year about the handling of the business of this House. The Government played games with the Address-in-Reply debate by holding the debates in the middle of the night because it thought it would disadvantage the Opposition. It is playing the same game with this legislation. The Leader of the House cannot run this place in a responsible way. The whole world can see how stupid this Government is when it has a Minister in the House ready to deal with legislation being debated and it adjourns that legislation to deal with another Bill for which the Minister handling it is not in the House. How stupid can one be? The Leader of the House is incompetent and stupid.

The other night we heard the Treasurer give us a so-called reply on the major Budget debate. He did not endeavour once to deal with the substantive issues that had been raised. He stood up and played games. He praised his Ministers by telling us how wonderful they are.

It was a nice little exhibition, but the Treasurer did not deal with the issues in the Budget. However, I will raise some issues in this debate tonight in relation to the Budget.

Mr Tonkin: The Deputy Premier will take copious notes. Would you like to hear why we are debating this Bill? It is to keep faith with

you. We promised we would bring it on today. If we had not brought it on you would have said that we did not keep our word.

Several members interjected.

The ACTING SPEAKER (Mr Burkett): Order! I would prefer to hear the voice of the Leader of the Opposition only.

Mr HASSELL: Quite right, Mr Acting Speaker. The Leader of the House should control himself. He should not get excited because he knows very well that if he had thought seriously for one minute about what he is now alleging—that he brought it on to keep faith with us—all he had to do was to get his Whip to walk around to our Whip and ask whether we wanted to go on to the Appropriation (General Loan Fund) Bill.

Mr Tonkin: I told him.

Mr HASSELL: The Leader of the House told him! However, as soon as the member for Stirling sat down the Leader of the House had already decided to bring on the Bill which we are now debating.

We are seeing a game being played by a Government which is not sincere about its legislation. Also it is not sincere about treating this House with respect and it has gone to the ludicrous length of calling off a debate on a Bill which both parties were ready to debate. The speakers were ready and the Minister handling the Bill was in the House. However, this Bill was brought on and the Minister handling it is not even in the House.

Several members interjected.

The ACTING SPEAKER: Order! The Leader of the Opposition has the floor.

Mr HASSELL: In relation to the Appropriation (General Loan Fund) Bill it should be noted that funding for the works programme is to increase by 17.3 per cent above the 1983-84 level. It is a substantial increase in the GLF allocations despite a reduction in the need to commit spending on State Energy Commission works to the tune of \$176.5 million or 34.8 per cent less than in 1984-85.

In other words, the longstanding and continuing heavy commitments of the SEC to the North-West Shelf project, including the pipeline, has finally run out. The commitment has been reduced substantially, as I have already outlined. Despite the reduction in the requirements of the SEC the loan funding works programme is to increase by 17.3 per cent. It most surely casts doubts about the validity of the statement by the Treasurer that, "We have

resisted the temptation to spend extravagantly because funds happen to be available and it is an election year."

I have no doubt that the Treasurer has not resisted the temptation to spend extravagantly at all. In fact, what he has done in the Budget is to bring into account in the form of revenue, substantial sums accumulated in previous years. Taxation which has been paid by people in this State over the last three years has been brought into the Budget for the first time in order that the Government will look good in a pre-election Budget.

When one turns from the CRF to the GLF one can see that there is a similar increase of 17.3 per cent in the works programme despite a substantial reduction in the SEC's requirement.

We have seen the Government take all the material it has developed in relation to the GLF, as in the case of the CRF, and at the expense of the taxpayers that material has been dissected and put into categories according to electorates. In turn, this has been used for Labor Party advertising not only for sitting members, but also for candidates, and some of the most extraordinary and extravagant claims that one could imagine have been made.

Could anyone seriously believe the claim by a woman known as Carmen Laurance which appears in large print in a local newspaper? She has said, "If I have achieved all this as a candidate, think what I could achieve as a member." There is a whole list of claimed achievements for Carmen Laurance which are simply lifted out of the Budget papers—no doubt categorised, listed and put together by Government officers at the expense of taxpayers.

Mr Pearce: Are you aware that Ross McLean is already gathering the numbers in order to take over the leadership of your party?

Mr HASSELL: Is the Minister for Education ever going to dry up or is he to continue drivelling? Why do not we ring the Perth airport now and ask whether there is a plane on the tarmac that he could find. We could then ring the Guide Dogs for the Blind Association and ask whether it has a dog that could sniff out the plane for him. Perhaps we could take some of the chairs from the waiting room and put them under the wings of the plane because if the Minister had a sniffer dog it could sniff out the chairs and lead the Minister to them so he could sit there and wait until the plane was ready to take off. It would be so much better if the Minister for Education went away.

The Treasurer could not take any more of him the other night and he interjected on him. I give the Treasurer credit for what he did because he was successful in getting the Minister for Education to stop speaking for a while and there was a slight pause.

When the Treasurer asked the Minister if he were for real he said in a loud whisper, "He's like Terry Burke on a bad day." It was an interesting comparison to make between Terry Burke on a bad day and the Minister for Education prattling on.

Mr Read: Are you having a bad day?

Mr HASSELL: The member for Mandurah has probably not woken up to the fact that in some debates in this House the lead speaker has unlimited time. He has probably heard the old expression, "I have unlimited time and I will use it."

Initially I would like to speak about the GLF and the Budget issues because, after all, this is a Budget Bill and I have a number of issues to raise which "Yes, Minister", will write down for the Treasurer.

Mr Bryce: I have not got very much written down yet, Bill. I am listening.

Mr HASSELL: I know that the Deputy Premier is a bit slow. I wonder whether one of my colleagues would write the issues down for him and when I have finished can hand them to the Deputy Premier.

Mr Bryce: You are being really devastating, Mr Leader. This is real leadership stuff!

Mr Read: We'll be hearing about Chinese restaurants next.

The ACTING SPEAKER (Mr Burkett): Order! The member for Mandurah may sit in the Whip's chair, but he may not interject from a seat other than his own. When later in the evening he returns to his own chair, he may not interject even from there. Now we know where we are.

Mr Pearce: Easily sidetracked, Bill.

Mr Court: He was talking about Chinese restaurants.

Mr Pearce: He cannot remember what he was talking about.

Mr Clarko: Could you find your way to Padbury Hall? You lost your way, didn't you? You couldn't find an aeroplane at the airport.

The ACTING SPEAKER (Mr Burkett): Order! If the Minister for Education and the immediate past Minister for Education were to stop cross-interjecting, the Leader of the Oppo-

sition may be able to get back on to the matter before the House. It must be terribly difficult for him with all that shouting going backwards and forwards between those two members.

Mr HASSELL: I conclude my first point by reiterating the statement that the Treasurer made about the Budget. He said, "We have resisted the temptation to spend extravagantly because the funds happened to be available and it is an election year."

The fact is that the Treasurer increased expenditure in the general revenue Budget by 11 per cent by comparison with last year. He has increased the works Budget by 17.3 per cent. On the basis of an inflation rate of eight per cent or thereabouts—I suspect it will be a lot higher quite soon—the real increase in expenditure from the Consolidated Revenue Fund was three per cent in real terms. The Treasurer claimed it was one per cent. Despite the fact that this issue has been raised in this House on a number of occasions, he has yet to explain to the House, although he has had a number of opportunities, why he told the Parliament and the public that he was increasing expenditure by one per cent in real terms when, as has been demonstrated beyond question, the increase in expenditure in real terms was three per cent—three times as much as that claimed by the Treasurer.

It has generally been regarded as a very serious matter for any Minister, let alone a Treasurer, to mislead Parliament by giving incorrect information. There is no doubt that that information was incorrect. It has been carefully calculated not only by the Opposition—and checked and double checked—but also by a number of outside bodies, including the Confederation of Western Australian Industry and the accountancy people. It has been clearly established that the Treasurer told the House in the Budget speech—on the record, deliberately, after consideration—that he was increasing expenditure by one per cent in real terms when in fact the increase on a comparative basis with last year was three per cent. In other words, the increase in real terms was three times as much as the Treasurer claimed.

Mr Blaikie: No wonder the Treasurer is not here tonight.

Mr HASSELL: It is no wonder he is not here tonight. I do not know where he might be.

Mr Clarko: But be fair. He is never here after tea, is he?

Mr Pearce: The Treasurer is much in demand. People like you don't get invitations.

Mr HASSELL: Which adviser is he meeting with tonight? Is Darcy Farrell still one of them? Is he still there or has he got the sack yet?

Similarly, the Treasurer made the statement that he had resisted the temptation to increase expenditure, yet we find in the loan programme an increase of 17.3 per cent. Both those issues go to the credibility of the Treasurer and to the veracity of his statements. I draw them to the attention of the House to give the Treasurer once more the opportunity to answer, if he can, the very serious charge that he has misled the Parliament and attempted to mislead the people of this State. He did so not only in the House, but also in paid advertising. That advertising was paid for by the taxpayers. He has repeated it in other ways and he has sought to continue to do that, despite the fact that it has been pointed out to him—in a way that gave him an opportunity to do something about it—that expenditure has increased on a comparative basis much more than he said.

Mr Court: Does the Deputy Premier support that concept?

Mr Terry Burke interjected.

Mr HASSELL: The Deputy Premier was told by the Secretary of the Cabinet to ignore that remark. No doubt the Secretary of the Cabinet knows full-well that the Treasurer has been found out in this business.

Mr Terry Burke: No, not at all. Don't talk nonsense; don't talk rot.

Mr HASSELL: What is the answer then? Why does the Cabinet Secretary not tell the House the answer to the question that has been raised three or four or more times in this House about the Treasurer's Budget claim of an increase in expenditure in real terms of one per cent when the increase in real terms is three per cent—three times as much? The Treasury has acknowledged that the Budget papers are wrong. The Treasurer has been caught out and once again his credibility is on the line, as it was in the broadcasting tribunal, as it was with Mr Farrell the other day. Mr Farrell wanted to use the Treasurer of the State to try to establish his credibility in pursuit of a broadcasting or television licence. Then we find the statement by the Treasurer about not increasing expenditure at the same time as we see an increase of 17.3 per cent in the loan expenditure.

I raise a specific matter about the amalgamated country and metropolitan water authorities. It was said that the amalgamation took place for the sake of efficiency, but it appears, at least on the surface, that there has

been an increase of \$14.1 million or 51.1 per cent, in expenditure on the common facilities used to service the functions of the new Water Authority. Where is the Minister for Water Resources? Perhaps he would be able to answer that question.

Mr Tonkin: I am right here.

Mr HASSELL: We do not have the Treasurer here to answer a question about his Budget. Perhaps the Minister who is responsible for that department can explain why it is that the common facilities expenditure of the combined country and metropolitan water authorities has gone up \$14.1 million or 51.1 per cent as an item in that Budget. Does the Minister know the answer to that?

Mr Tonkin: Am I allowed to answer from here?

Mr HASSELL: I do not mind where the Minister answers from, as long as he answers.

The SPEAKER: Order! The Minister may not answer from that position.

Mr HASSELL: I think the Minister should take his place and give us an answer. We cannot get any answers.

Mr Clarko: That is deliberate.

Mr HASSELL: It is deliberate. It is no wonder that the Opposition is getting angry about the way the Government is handling matters before the House when legitimate questions are raised and there is no-one here to answer them.

I raise another matter with respect to capital works in the Budget. I refer to the Government's mention of the location of a new multifunctional prison to replace Fremantle Prison. This capital works Budget allocates \$700 000 of taxpayers' money specifically for the purchase of land for the establishment of a site for a new multifunctional prison to replace Fremantle Prison. The Government has refused to say what the location of that prison will be. It has refused to give any details, yet provision is made for it in the Budget. Why is the Government spending \$700 000 of taxpayers' money to buy a site for a new prison when all the long-term planning with which I was closely associated for three years directs that the new prison should be at Canning Vale? Surely one of the Ministers in this Government—perhaps the Deputy Premier, who presumably in this place in the absence of the Treasurer knows something about the Budget that we are debating—can tell me why

\$700 000 is being spent. Surely it has been discussed in Cabinet? Surely the Deputy Premier can give the House some information?

Mr Blaikie: The Minister for Police and Emergency Services might have an idea.

Mr Pearce: What do you want to know?

Mr Clarko: We wouldn't ask you.

Mr HASSELL: I will repeat my question for the Minister for Education. Perhaps he will answer it. I would be pleased if the Minister for Education would answer my question. An amount of \$700 000 has been allocated in this Budget for the acquisition of a site for a multifunctional prison to replace Fremantle Prison. The question is, where will it go? The Government will not say where it is to be sited. Does the Minister for Education know?

Mr Pearce: I thought that you were not keen to have me help in this debate.

Mr HASSELL: The Minister for Education has been told to keep quiet. He asked what I wanted to know, I told him and now he has gone silly. It is a serious matter related to the Budget and several questions are involved. The first is, why are we buying land? Secondly, where does the Government intend to buy that land? Have any moves been made to buy the land? Does the Minister for Lands and Surveys know if an allocation of land has been made for this new prison?

Mr McIver: You can imagine what the situation would be if we were to name the proposed land now. You can imagine the escalation in prices that would take place.

Mr HASSELL: Has the Government bought that land?

Mr McIver: No.

Mr HASSELL: The Minister has at least given a reason, however faulty it may be, for not naming the site. Perhaps the Minister can tell us why the Government is buying the land at all.

Mr McIver: If you want a prison, you must have land to build it on.

Mr HASSELL: There is more than adequate land for a prison at Canning Vale.

Mr McIver: I would say that the Minister for Budget Management is quite capable of knowing that and probably does.

Mr HASSELL: Why does the Government not tell the public what it is doing with \$700 000 of its money? That is what Parliament and these debates are for. Where is the Treasurer to give those answers in this debate?

Mr McIver: He is probably doing something for the State.

Mr HASSELL: The Treasurer's obligation to the State is to answer in the Parliament. We have had this incredible spectacle of the Treasurer not being here to deal with a Bill brought on, while the Minister for Agriculture, who is here, had his Bill adjourned.

The Government has said that it will announce where the prison will go after the election. Let me tell the Government that after the election we shall get rid of the \$700 000 waste because the prison should be built at Canning Vale, which is where it was planned to go some years ago.

Mr Carr: That does not mean the planning happens to be best and right in 1985.

Mr HASSELL: What would the Minister for Local Government say is the reason for the change?

Mr Carr: You should put a question on notice to the Minister.

Mr HASSELL: For goodness sake, we are debating the Budget and the Treasurer should be here.

Several members interjected.

The SPEAKER: Order! I suggest that the interjections be ignored so that the Leader of the Opposition can continue with his speech.

Mr HASSELL: This is the precise time when the question should be answered. What is this debate about except the expenditure of \$120.655 million of taxpayers' money? I ask the Government about \$700 000 of it and no answer is available.

Mr Carr: Ask the Minister for Prisons and you will probably get an answer.

Mr HASSELL: The Minister for Prisons does not sit in this House but the Treasurer does and it is his responsibility. When Treasurers in days gone by, in the form of Sir Charles Court and Ray O'Connor, sat in this House during these debates they had a file, as did every other Minister, on the Committee notes in which all the details were set out.

Mr Bryce: That is precisely the point; we have not got to the Committee stage of the debate and when we get to that stage you can ask the questions.

Several members interjected.

Mr HASSELL: As the member for Floreat so correctly pointed out, these sorts of questions cannot be dealt with in the Committee stages because of the way in which the Committee stages are dealt with.

Mr Bryce: You will have ample opportunity and you cited the case of your predecessors who had Committee notes.

Mr HASSELL: They provided full details to the Minister and allowed him to answer these issues, as was appropriate.

Mr Court: Tell us the suburb.

Mr Blaikie: I think it will be in Bunbury or in Mitchell.

Several members interjected.

Mr HASSELL: After what I have discovered today about what is going on with the land at Buckland Hill in my electorate, I would not be surprised if it were to be built down there.

Mr Bryce: It would raise the tone of your electorate.

Mr HASSELL: I will tell the good people of Cottesloe that the Deputy Premier of this State regards them as equivalent to prisoners.

I am amazed at what I have found out today about Buckland Hill and what is going on, and about what the Government is involved in; there has been unbelievable interference from Canberra which the Government has put up with without a fight.

I return to the serious matter of the prison. The history of this matter is that Canning Vale was set aside some years ago before the time of the Tonkin Government. During the time of the Tonkin Government the prison was actually commenced but subsequently under the Court Government building was stopped. Subsequently under the Court Government the C. W. Campbell Remand Centre was built, opened and put into operation at Canning Vale. The Canning Vale prison was subsequently built under the Court Government as a medium security prison. The Government then faced the need for long-term planning—well overdue, of course, although pressures had been eased at Fremantle—to get rid of Fremantle Prison which everybody agrees is an unsatisfactory operation. I did a great deal of work on that subject during my term as Minister for Police and Prisons, including some studies in the United States when I visited that country as a guest of the United States' Government. I made a part study of the

subject by visiting Butner Prison in the United States where, at the time, the would-be assassin of Ronald Reagan had been placed.

Mr Pearce interjected.

Mr HASSELL: How long will the Minister go on? We will have to help him to catch a plane somewhere.

The SPEAKER: The Leader of the Opposition has unlimited time.

Mr Pearce: He will use the lot.

The SPEAKER: If you keep interjecting, he will go on longer.

Mr HASSELL: I am still on page one of my notes.

Mr Old: Is this your 20 minutes?

Mr HASSELL: It is.

Mr Pearce: You are not being succinct, are you?

Mr HASSELL: Let me go back to the beginning to get it straight for the Minister for Education. I visited the United States as the guest of the United States Government and visited the Butner Prison. One of its interesting features was that it was a very high security prison. It was of such high security that it was used to house, at that time, the would-be assassin of President Ronald Reagan.

Included in that prison were a couple of features of particular importance and interest to the Western Australian prison system. The first was that the prison included amongst its inmates many people who were psychotic. These are the people who used to be called the criminally insane. They mixed with the non-psychotic prisoners. The prison was exercising a technique for the management of prisoners which had not been used anywhere else. It was a modern, up-to-date prison, yet at the same time a very high security prison.

Another aspect of the prison of particular interest to Western Australia was the prison industry. Funnily enough it was the traditional prison industry of making mailbags. But in this prison the mailbag-making operation was run on commercial lines. Prisoners could only work in the industry making mailbags on a normal industrial basis. It was run like a business operation.

Those were two aspects of that prison of relevance to Western Australia. Subsequently I established, with the approval of the Cabinet of the day, a special committee of inquiry into prison industries. Canning Vale Prison had

large workshops with laundry and automotive facilities which could have provided the foundations for a very good industry.

It is programmes of that sort which make some real attempt at the rehabilitation of prisoners. Nothing is more important in our prison system, especially when so many complaints are made about the high level of Aboriginal imprisonment, than that we should give prisoners—Aborigines and others, but Aborigines in particular—a basic training while they are in there.

Many prisoners have learnt to read and write in prison. Many prisoners have learnt some basic skills there, although they do not always use them for proper purposes.

It was my belief and the belief of the former Government that great advances could be made in that area in Western Australia, not only at Canning Vale but also in the future when Fremantle Prison is replaced. So all those things were part of the planning for a new prison.

The committee was set up and it came to report eventually after the Government had changed. That report has been suppressed by the Attorney General, Hon. Joe Berinson.

Mr Jamieson: What about the kitchen? You do not even mention that part. That system worked for years. We discussed it when I was down there.

Mr HASSELL: I would like to return to that point later, but I want to finish off on the business of prison industries. The development of prison industries in Western Australia was recognised as being a delicate issue, one which was likely to affect other employers, who would have seen it as unfair competition, and with unions. Unions visualised the possibility of award conditions being undermined. So when we established the committee on prison industries, we included representatives of those different interests on the committee. My recollection is that a gentleman called Isherwood represented the unions on the committee.

Notwithstanding that, this Government has suppressed the prison industry report. Nothing has been done about the development of prison industries. When we hear this Government bleating and carrying on about what a wonderful job it is doing for prisoners and their rehabilitation, and for law and order, let it be remembered that this Government, in almost three years, has held back the development of basic training for prisoners because it will not



develop the prison industry system in Western Australia. It has in fact suppressed the prison industry report.

The second aspect was that the Canning Vale Prison was always planned to be a multi-prison complex. It was developed in this way.

First there was the remand centre. One must remember that prisoners on remand have not been convicted, and therefore they are in the position of being presumed innocent. So that had to be a very special prison, and it is a special prison—not entirely a satisfactory one, but it is a special prison.

There were difficulties in administration. Some of the concepts were not perfect when the time came for the operation to commence. They were not regarded as ideal.

There was to be a minimum security prison and a maximum security prison. That maximum security prison was to be built on that site. Provision for it was made on that site and the planning included it.

That is where we come to the question raised by the member for Welshpool about the catering facilities. There was a central services block, and that central services block was established in such a way as to provide catering services to all the prisons—the remand prison, the minimum security prison, and later the maximum security prison.

The capacity of that central services block includes an ability to provide services to the maximum security prison. Now we discover that the Government is planning on buying a new site for the prison.

This is a serious issue in regard to public funds, because we are talking not only about the \$700 000 set aside to buy a site for the new prison, but also about the waste in the usage of the Canning Vale site. The provision of central services, in the form of a water tower and all the other facilities at Canning Vale which were established in the expectation that eventually they would have to provide for a maximum security prison, is wasted.

The other aspect of that prison which is important is what it is going to do. The prison was intended at the time I ceased to be the responsible Minister to cater for all prisoners. There was to be a very small and very high security section. That was an insurance policy really, because the planning of the Prisons Department was that it would be desirable to cater for a situation such as a terrorist attack in Western Australia. We hope nothing like that will happen.

In other words, there would be a very small, super high maximum security section just sufficient for any crisis of that kind we might have, so that the State would be able to cope with it.

Secondly, there was to be the general high maximum security prison. A lot of consideration was given to the efficiency, the effectiveness, and the economics of that design because the experience of building the number of new buildings around the State had indicated that the old-fashioned design like Fremantle Prison was in many respects more efficient and more cost-effective than the new, single storey layout. A lot of work was going into that rather high maximum security prison.

Thirdly, a semi-psychiatric integration was to be included in that prison. In the old days, and I suppose still now in a technical and legal sense, the people to whom I am referring were called the criminally insane. They were to be housed at Canning Vale as well because they were proving to be a tremendous problem within the WA health system. What was happening was that the the Medical Department, which was responsible for people who were psychiatrically ill, was being awkward. Firstly, the medical authorities were saying they were not gaolers. They were denying responsibility for the security of quite dangerously ill prisoners—people who were not just dangerously ill, but also dangerous. Our difficulty with people convicted of these serious offences was that they were being housed in quarters at Swanbourne and Graylands which had no more security than a wire mesh fence. It was a serious situation. The medical people were, quite frankly, being totally uncooperative, telling us they were healers, not gaolers, and would not be responsible for the security of the criminally insane. Rather than go on arguing in a silly way, the Prisons Department took the view that within the new major prison to replace Fremantle Prison it would incorporate a section to cater for the criminally insane. That section would provide the necessary securities and facilities. That was a decision to which we were driven by the attitude of the medical authorities, and it was a necessary decision to make in that early stage of planning.

Finally, we had to consider also the general question of hospitalisation and of providing sick-bay facilities for all the prisoners at Canning Vale, and those facilities were also to be incorporated in that fourth stage. So we had the central services block, the maximum security block and the minimum security block, and the

fourth stage was a multi-functional prison. That was the plan. The concepts were there and everyone understood the direction being taken. The land was there, the water was there, and the services were there. The location was established—it is out there on Nicholson Road. The prison officers' houses had been built.

So, we are entitled to a proper explanation. I know that the shadow Minister for Prisons has been doing work on the subject and he wants an explanation. If the Government is altering that basic policy decision, it should have made an announcement; the Minister should have announced what was going on. The member for Welshpool, who was in the Chamber a moment ago, will be able to confirm that when I was Minister for Prisons I followed a policy of openness to the maximum extent in terms of prison planning and prison futures. We had members of the Government and of the Opposition parties out at Canning Vale Prison on literally numerous occasions, and out at Fremantle Prison on a couple of occasions as well because I wanted members of the House to understand the issues involved.

At that time, the estimated cost of a new prison was between \$40 million and \$50 million; a very substantial capital commitment and one not easy to get from a Government. I proposed that to achieve that figure we would need to consider the Fremantle Prison in its vacated form as an asset available for sale. That caused a storm of controversy, because the Mayor of Fremantle at the time, now the Chairman of the MRPA, wanted to regard the Fremantle Prison, vacated of its prisoners, as an asset belonging to the City of Fremantle to be developed as a tourist attraction or whatever. I was never opposed to that, although he tried to paint me as being opposed to it. I was interested only in money coming into the Government to enable the new prison to be established and to get the whole operation out of the Fremantle Prison as should have been done many years ago, and as still needs to be done.

The House is entitled to a proper explanation from the Government as to the change in the planning for and the direction of Fremantle Prison. We are entitled to a proper explanation from the Government as to the suppression of the prison industries' report. Why is it being kept secret rather than being made available for the public to see? It was a public report done on a proper basis. All the different interests were represented.

I move on to other aspects of the General Loan Fund Budget. I note that \$5 million is to be provided to the Western Australian Development Corporation and this \$5 million follows an identical allocation last year. How are these further moneys to be expended by the WADC? The Treasurer on this occasion has absolutely no basis upon which to hide behind the WADC Act and to say that the corporation is outside the reach of Parliament and outside the scrutiny of Parliament.

Here we are dealing with the Treasurer's Budget where he has allocated \$5 million of the taxpayers' money to the WADC. Every taxpayer in WA is investing, through this Budget, in the WADC. Every taxpayer is entitled to ask what this allocation is for, what this investment is for. As a taxpayer I am asking, as I am entitled to ask in this debate, for an explanation. Why is the Government spending taxpayers' money in this way? Why does the WADC need another \$5 million of the taxpayers' money? What is it going to spend the money on? I ask the Treasurer in his absence: Has that money already been handed to the WADC? I want to know all the details, details to which this Parliament is entitled, about this \$5 million. Who requested this amount, and when, and why? What is the WADC going to invest this money in? As a taxpayer, I have no desire to invest in the WADC. I have no desire to invest in iron ore mines, or in diamonds in the Kimberley.

Mr Court: We are meant to be shareholders.

Mr HASSELL: We are compulsory shareholders. This is a compulsory political levy. It is the equivalent to what the unions do to their members when they want money for political purposes. It is a compulsory political levy, and we need to be told precisely what it is for and where it is to be spent. Why is it asked for and who asked for it? Did Mr Horgan write to the Treasurer or did the Treasurer write to Mr Horgan? What is this \$5 million allocation to the WADC all about? I know we will never know.

We will have another contentious contemptible reply from the Treasurer when eventually he comes into the House at 10 o'clock in the morning when he is bright and fresh, having had plenty of sleep, and the debates of the House will be organised so he can give his answer and pop out, and go home to bed. We will have one of his contemptible replies and he will not give the Opposition an answer to its questions. It is important these questions be

put on the record because one day this Treasurer, this Government, and the WADC, will be accountable for this money.

Similarly, \$5 million has been allocated to Western Australian Government Holdings, or as it is technically titled, WA Government Holdings. Why is \$5 million going to WA Government Holdings? It is intervening in business left and right and causing much concern. It must be remembered that WA Government Holdings is in a completely different position from the WADC because what one can say of the WADC is this: Despite all its deficiencies, or the criticisms we might make of it—and there are plenty—it was established under the authority of an Act of this Parliament and it is controlled by an Act of this Parliament.

WA Government Holdings is controlled by no-one but the Treasurer, as if it were his personal private company. It is accountable or answerable to no-one. I have news for the Government. The legal forms may give it great security for the time being, but at the end of the day the Government will pay the political price for its secret, clandestine operation of putting \$5 million into WA Government Holdings, no doubt to be passed on to Exim. For what purpose? Why? Who asked for it? Is it a coincidence that \$5 million is going to Exim and \$5 million is going to the WADC? Is there a competition going on between these two Government trading houses to see which one can achieve the best results or the biggest losses? Is there a competition between them to see which one can intervene the most in the private sector? They have each been given an equal start of \$5 million in this Budget. Why does not the Deputy Premier give us, by intersection, information about the \$5 million?

Mr Court: Because they have taken over the role of his departments.

Mr HASSELL: It has not stopped his department's growing bigger and bigger and bigger. We used to have one department.

Mr Bryce: You are really devastating.

Mr HASSELL: The Department of Industrial Development covered everything.

Mr Evans: Small results!

Mr HASSELL: Small results! What a laugh! The Minister must have a more defective memory than that of the Treasurer, and that would be difficult. What is this \$5 million about? What is it for? Who asked for it? Where did it come from and who made the request?

Mr Bryce: You make your own speech incompetent.

Mr HASSELL: That is childish. It is pathetic. Here we are in the Parliament of this State and the elected members of this House have a duty to question the Government. We are debating the Budget and an expenditure of over \$1 100 million. That money belongs to the people of this State. I asked some questions about where that money is going, what it is being spent on, and about planning, and the Government's best response is for the Deputy Premier to make that remark.

Mr Bryce: That is dead right.

Mr HASSELL: Does that indicate something deficient about the Deputy Premier, and his attitude to Parliament?

Mr Bryce: You are impressing no-one and nobody believes you.

Mr HASSELL: Does the Deputy Premier suggest that these questions are not legitimate?

Mr Bryce: Yes.

Mr HASSELL: Why?

Mr Bryce: Because if you want to ask your funny little questions, the appropriate time is at the divisional and item sections of this debate.

Mr HASSELL: Is that right?

Mr Bryce: This is the general second reading debate.

Mr HASSELL: Will the Treasurer be here to deal with that?

Mr Bryce: He will, indeed.

Mr HASSELL: Why? Is the debate to be held at some other time?

Mr Bryce: This is the general debate Bill. Do you not understand the forms of the House?

Mr HASSELL: I do, very well. I know one of the basic forms of the House is that over a long period the Minister responsible for a Bill is in the House when it is dealt with.

Mr Carr: You have said that.

Mr HASSELL: I will go on saying it. The Government has treated the Opposition with contempt the whole way through this Budget debate.

Mr Court: And all the Government is interested in is the flashy publications on each section.

Mr Bryce: That is exactly right.

The SPEAKER: Order!

Mr HASSELL: It is a disgraceful situation. I do not care how bored or fed up Government members are or whether they want to hear what I have to say, but it will be said. The Deputy Premier can carry on all he likes. The Deputy Premier happens to be the most senior Minister here. He has a responsibility to this Parliament and he is not fulfilling that responsibility. He is failing.

Mr Bryce: You are pathetic and I doubt you will last very much longer.

Mr HASSELL: Why am I pathetic? Why does the Deputy Premier not tell me why?

Mr Bryce: I have explained why.

Mr HASSELL: Why does the Deputy Premier not explain why it is improper for me to raise these questions about this expenditure?

Mr Bryce: I think the Speaker has been very generous with you.

The SPEAKER: I am being very generous with the deputy leader of the Government.

Mr Mensaros: You have no idea what you are talking about.

Mr Bryce: It is not an appropriation Bill.

The SPEAKER: Order!

Mr HASSELL: The Deputy Premier is rude and offensive to everyone. He and his Minister for Housing have from time to time mocked the member for Floreat. These are the people who come into this House in a mealy-mouthed way, who talk about setting up ethnic affairs commissions, looking after the people from other countries, and who are constantly obnoxious and rude to the member for Floreat. The Minister for Housing has done it on several occasions and the Deputy Premier just did it then. It is not smart. It is not funny. It is plain bloody ignorant and the Government ought to try thinking about it. The members opposite are rude and ignorant and ought to have some regard and respect for others. The Government has none. That is the best it can do. I am here to ask questions about the millions of dollars the Government is spending and the Treasurer is not here to deal with those questions or respond to them. All the Government can come up with is abuse.

Mr Wilson: Listen to your own speeches.

The SPEAKER: The Minister for Housing will cease interjecting.

Mr HASSELL: The Minister can continue for as long as the Minister likes. The more misbehaviour he puts on the record, the better.

Mr Wilson: No-one is worried about you.

The SPEAKER: Order! The Minister for Housing.

Mr HASSELL: The Minister cannot even treat the Speaker with a modicum of respect.

The SPEAKER: Order!

Mr HASSELL: It can continue as long as the Minister likes. I am entitled to raise these questions on behalf of the people of this State, and I will raise them. If the Minister wants to be rude, ignorant, and obnoxious, he can do so, but the matters will be raised just the same. The Minister's behaviour reflects on him and not on me.

Mr Court: The Deputy Premier said that at least during the Committee stage we will get all the details.

Mr Rushton interjected.

The SPEAKER: Order! The Leader of the Opposition can make a speech without interjections.

Mr HASSELL: It is of course our view that the Government of this State should withdraw from the business sector. It should get out of business and facilitate private enterprise operations. It should create the climate in which those operations can succeed. The Opposition believes that the Western Australian Development Corporation should confine itself to identifying the most effective ways in which it can promote business opportunities without involving itself in a financial way in those operations.

Alternatively, the Western Australian Development Corporation may have a current role to identify the assets of the Western Australian Government and to ensure that those assets are more effectively utilised and put to good use and to ensure that they are turned to account in some way, perhaps by being sold. Those tasks should be carried out by the WADC. The Opposition does not believe the WADC needs anything more than administrative funds to carry out those tasks. We certainly do not believe the WADC should be investing in diamonds or iron ore, or in any other deals.

As far as WA Government Holdings and Exim Corporation are concerned, simply, these operations should not occur at all in the hands of Government, except perhaps as a genuine business promotion through the Department of Industrial Development or through the small business operations. The normal functions of Government are to promote business opportunities; to make sure land is available, to make sure the services required are available,

and to make sure that the private entrepreneur can obtain land and services, that he can get through the customs barrier to export his goods, and so on.

Government investments in these business operations have so far proved to be flashy and clever—I grant they are clever—but not substantive. The returns on this sort of Government handout have so far proved to be minimal. The most recent example concerns the 1984-85 before-tax profit of Exim which was \$163 062. This profit is minimal when compared with the handout of \$6 million it had received from the Government. This corporation, without any authority from Parliament, without any control or accountability to the taxpayers other than under the normal company law which would apply to a private or public company without any of those protections, has received \$6 million on which it produced a profit of only \$163 062, and is now to receive another \$5 million. For what reason? On what basis? Where is the explanation for all this? We are entitled to an explanation.

It may be that Exim Corporation has not had much time in which to establish a profit record; it does take time even with large investments. But certainly on the basis of what we have seen there is no evidence that we are really changing the course of business, development, growth, or the provision of jobs in Western Australia through either the WADC or the Government's trading house Exim Corporation.

One point to note about the capital works programme is that only \$3.393 million of the total expenditure is provided from the State development fund.

In this connection the Auditor General's report for the year ended 30 June 1985 reads as follows—

The fund was established with an appropriation of \$950 000 from the Consolidated Revenue Fund and was designed to receive moneys appropriated by Parliament and contributions from the private sector for infrastructure associated with specific development and/or related to special agreements. Under the provisions of section 11(2) of the Western Australian Development Corporation Act 1983 the fund also receives such moneys as determined by the Treasurer to equate to the taxation liability of the corporation applicable to commercial undertakings.

The crucial part of this statement by the Auditor General is the following—

The fund was intended "for infrastructure associated with specific development and/or related to special agreements."

The report continues—

Despite this clear objective, the Government has allocated for capital works only \$3.4 million out of the \$29.1 million available in the State Development Fund as at 30 June 1985.

We see that the State development fund is not being used for the purpose for which it was intended. It has taken the Auditor General to identify successfully what has really been going on with this Government.

I have already referred to the Government's misrepresentation of the Budget expenditure growth, and I have demonstrated once again—although I can repeat the details if the Deputy Premier wishes me to—the fact that the expenditure growth of the State in real terms in this Budget was three times as much as the Treasurer said it was. That analysis has been borne out by the Confederation of Western Australian Industry (Inc.), the Western Australian Chamber of Commerce and Industry, and the Institute of Public Policy.

While the Government has not attempted to discredit its argument which was briefly raised during my response to the CRF Budget on 15 October, it has not refrained from publicly using comparative expenditure statistics based on the inaccurate method identified above.

During past years political advertising has sometimes appeared to be vague or ambiguous. Often the material used in such advertising has not been the most accurate or relevant material available.

This is possibly the first time that advertising by a State Government has been based on a fundamental untruth. It is of paramount importance that the State of Western Australia should not be misled by its own Government on a crucial aspect involving State finances. Taking into account the change in Budget accounting procedures due to the water authorities' amalgamation it is possible to accurately compare the average level of real expenditure increases over a period.

Firstly, mention should be made that in order to compare the performance of the present Labor Government with its Liberal predecessors it is necessary to compare expenditure details over a similar period; that is, over a three-year interval. The reason for this is it avoids any distortion of the Liberal Govern-

ment's performance in the early 1970s when real expenditure growth was successfully brought down from the exorbitant levels experienced under the Tonkin Labor Government. When one goes through those figures one finds they speak for themselves.

Whether calculated by using constant dollars or by adjusting monetary increases in expenditure for prevailing levels of inflation the average increase each year in the level of real expenditure clearly appears to have been higher under the present Labor Government than under its Liberal predecessors. The average annual increase in real expenditure levels was 2.8 per cent under the Liberals, and 3.1 per cent under Labor. That is calculated using constant 1980-81 dollars. Calculated by adjusting monetary increases for prevailing CPI changes, the figures are 3.1 per cent under the Liberals and 3.4 per cent under Labor.

While those percentage differences may appear to be small, it must be remembered that a milestone was crossed in the 1985-86 Burke Budget when for the first time the Budget exceeded \$3 000 million. So we are talking about figures of that magnitude, and about a total expenditure if one takes into account capital expenditure, of over \$4 000 million.

If the Government's act of deception had not been found out by the Liberal Opposition it is likely the public would have continued to be misled by the Government's claim to a lower level of expenditure growth based on the totally inaccurate method of comparison. This means that not only has the Labor Government taxed the people of this State by 51.7 per cent more than the Liberals, which is more than twice the prevailing rate of inflation, but also it has been responsible for higher levels of expenditure growth. Clearly it is appropriate to remind the Government of the words of its own Minister for Budget Management (Hon. J. M. Berinson) as reported in *The West Australian* of 8 July 1985 when he said—

The most accurate measure of the burden of government on the community is given by State Government expenditure figures.

In the light of the Government's recent deception perhaps this statement should read that the most accurate measure of the burden of Government on the community is given by accurate State Government expenditure figures. The Government's own Minister has laid down what he regards as the accurate measure of, or the most accurate base for measuring, the bur-

den of government. The base he has chosen is State Government expenditure figures. Having made that choice we then find that the Government in a pre-election year has brought out of reserves untold millions of dollars.

Perhaps they are not quite untold millions because we know that, taking into account natural growth and other factors, of the order of \$80 million was built into this Budget—\$80 million clear and clean like the money left over from the worker's pay at the end of the week after having paid the rent, food, electricity and the lot. This Government had \$80 million to splurge in this Budget.

With that huge sum we nevertheless see people in the private welfare sector expressing grave dissatisfaction at the Government's treatment of some people in very unfortunate circumstances. We see the Government has failed to give any real measure of tax relief by abolishing one of the taxes. We have a controversy about land tax and the fact that the direction of Government continues as it was—growth ever larger and expenditure ever increasing.

This Budget provided the Government with an opportunity to change direction and to shift the basis and go forward as we have proposed to create less of a burden of Government in this State—less taxation, less interference, and less involvement. It had an opportunity to simply do what Government does best—create good conditions in which private enterprise can be enterprising and flourish, and will be able to profit and prosper. In that way we will all profit and prosper.

Let us take the subject about which we were speaking with the Minister for Transport during question time tonight—the simply appalling situation at the Port of Fremantle with the endless stoppages. The Minister for Transport tried to play it down and suggested the stoppages were insignificant although we were able to name two ships which had bypassed the port. Let us leave aside the details because in a broad sense that does not matter. What does matter is that the Government has put all of its energy and money into WADC, Exim, and WA Government Holdings.

Imagine if the Government had called together John Horgan and people from the board of WADC, and Jim Horwood and people from the board of Exim and said to those worthy gentlemen—those experienced business people—that what this State needs is not people playing entrepreneurs as Government

agents but someone to really find a practical, sensible solution to the industrial relations system and the problems of this State. Suppose that kind of brainpower and business expertise had been put to work on the problems that really affect business in this State. Imagine what real progress might have been made. Look at the relative importance of these two issues: The land at Buckland Hill which has been sitting there for a long time has been in the ownership of the Commonwealth for many years. The Commonwealth has decided to get out and the WADC is expending enormous resources and energy to sort out the mess and deal with the Commonwealth and put the land to some kind of use. How does one compare the importance of that with the importance of sorting out the mess that occurred at Bunbury a few weeks ago when that port experienced its most serious stoppage ever and there was disruption to exports and industry?

How do we compare the importance of the Buckland Hill situation with that at the Port of Fremantle where the average number of stoppages exceeds three per fortnight? It does not matter whether the stoppage is for five minutes, two hours, or two days in the sense that it is a real problem that ought to be confronted; yet here we are, putting this huge sum of money into fiddling around with Buckland Hill, with investing in one of the iron ore mines, in one of the diamond mines and all of those things which were previously covered effectively by the private sector.

That is a problem that ought to be confronted because it is fundamental to this State's future, to its exports and to its success in the world. This has been left to drag on with anybody in particular being brought in to deal with it when the Minister for Transport could have brought in people like those who now sit on the boards of the Western Australian Development Corporation and Exim. He could have got together a number of these people and said, "Look the Government cannot keep up with this problem because we are in the grip of militant unions and every time we try to do something we are thwarted by the Trades and Labor Council or the executive of some union; but you people have the expertise and we would like to engage you to find a long-term solution to a very serious problem." This problem, as the Minister has said, is a very old one and its roots go way back. I do not blame him for that but I do blame him for his lack of action in this respect.

Why has the Government not used those resources of expertise and business acumen for a purpose that really would have affected the people of Western Australia and the business of Western Australia, in order to ensure that our exports and our products—whether they be for agriculture, for fishing, for mining, or for manufacturing in some cases—get onto the markets of the world? That would have been worthwhile and a worthy objective for those people. It would have been a sensible use of our community's human resources. But instead we see the Government pursuing a shadow in the belief that it could in some way change the economy of this State by fiddling around with these little business operations. These business operations will not be a success even if they are around for 100 years.

Mr Bryce: And we will be, the way you are going.

Mr HASSELL: I am talking about business, not the Government. I said, "if they"—that is, if those businesses are around for 100 years they will not be successful in doing what the Government hopes they will do because that system does not work in Western Australia. The Government has not yet discovered that. However, people such as John Horgan or Jim Horwood could have made a real difference to the problems such as those with which the Minister for Transport cannot cope—problems in the ports of Fremantle and Bunbury and the Argyle diamond mine-Transport Workers' Union dispute. They might have designed a new industrial relations system that could have made a real difference.

Mr Bryce: You realise that these people do not agree with you?

Mr HASSELL: About what?

Mr Bryce: You have been monumentally unaccepted. You have been ranting this particular view for the last 2½ years and I would be surprised if these people have not heard your views. In fact, Mr Horgan has been known to sit in the Speaker's Gallery and listen to you rant on with this sad old tune. You should know that they do not agree with you.

Mr Court: They have taken over your old department, so don't worry about it.

Mr HASSELL: I do not think the Deputy Premier understands, and I do not think he ever will.

Mr Court: They won't tell him.

Mr HASSELL: They may tell the Treasurer but he does not tell anybody else.

Mr Clarko: He got caught out last week for telling too many people.

Mr HASSELL: He was concocting an impeccable source.

Mr Clarko: What is an impeccable "source"?

Mr HASSELL: It is something one pours over the roast dinner to hide the real flavour.

Mr Clarko: Exactly.

Mr Bryce: You are starting to sound like a puppet.

Mr HASSELL: Really? I could go on and on about that, but I wonder if the Deputy Premier wants to develop that one? He should say what he really means.

Mr Bryce: You are sounding like a puppet.

Mr HASSELL: The Deputy Premier should say what he really means. The Treasurer hinted about this the other night but since the Deputy Premier never comes up with anything original, he must copy the Treasurer. Once again I ask him what he really means.

Mr Bryce: He is a genius, a man of like mind in this case.

Mr HASSELL: I suppose calling him a "genius" is the Deputy Premier's reward to the Treasurer for what he said about the Deputy Premier the other night when he replied in the Budget?

Mr Bryce: It was a brilliant contribution, I thought.

Mr HASSELL: It was an occasion on which he was endeavouring to patch over the cracks in order to make everyone happy. However, once again I ask the Deputy Premier to come out and say what he means by calling me a "puppet". The Deputy Premier should have the courage to do what the Treasurer does not have the courage to do, and I challenge him to say, under the privilege of Parliament, what he means right now, and what he and his leader meant in their snide hinting.

Mr Bryce: There is nothing snide in my mind at all. It simply struck me that you were behaving like a member of Parliament who had all the hallmarks of being a puppet and if you are a bit concerned about that, that is your business.

Mr HASSELL: I am not concerned, I merely encouraged the Deputy Premier to say what he really meant and to finish what he started. I hope that he has the courage to say what he really thinks in this place.

The DEPUTY SPEAKER: Order! I think that the Leader of the Opposition should address his remarks to me and endeavour, as far as possible, to ignore these interjections.

Mr HASSELL: I think with respect, Mr Deputy Speaker, that you would acknowledge that there are occasions when the debate in this House becomes a debate across the Chamber to some extent, but I would direct my remarks through you to the Deputy Premier. I earnestly request that the Deputy Premier say, under privilege, what he really meant by his remarks.

Mr Bryce: I don't need to elaborate, because you are doing that to the extent that you are making a mockery of yourself and your position in this place. You are wriggling on a hook.

Mr HASSELL: I am delighted that the Deputy Premier has responded although I do wish he would reply.

I would have completed my remarks on the Government Budget and the fact that it will be passed by this Parliament five minutes ago if it were not for the Deputy Premier's interjections. I would like to say that although I am not familiar with the details of Standing Orders and how we vote on different parts of Bills, I would wish that there were an opportunity for me to vote against the allocations to the WADC and to WA Government Holdings. I would like to exercise that opportunity.

Mr Tonkin: You can vote against the Budget or any part of it.

A Government member: Or by a division.

Mr HASSELL: I hope so; I would like to have a division and I would like to guide the House on that issue because I do not believe that any of my money, or that of any other taxpayer, should be put into the WADC or WA Government Holdings.

I particularly object to the investment of that money in WA Government Holdings. The Treasurer has been challenged on three occasions to respond to the charge that WA Government Holdings is operating absolutely without statutory authority. He has never answered those requests. He has always moved sideways and spoken about the WADC. He will not answer the charge that Exim Corporation is operating without statutory authority.

I feel very strongly about the money that has been allocated to WA Government Holdings. I hope there will be an opportunity for me to vote against the allocation when we are dealing



with the details of the Budget. I will vote against the allocation to the WADC because I feel that money is not justified either.

Subject to those various remarks and expressing the earnest hope that we will have a genuine, honest, and complete reply from the Treasurer, I indicate broad support for the Bill.

**MR LAURANCE** (Gascoyne) [10.01 p.m.]: The biggest part of the \$1.2 billion capital works programme funds has been allocated to the State Energy Commission of Western Australia. The amount allocated in 1984-85 was \$480 million in round figures. The proposed expenditure for 1985-86 will be \$313 million. That is a huge expenditure. It has always been a very important part of the General Loan Fund Budget. It has been a large part even more so in recent years because of its massive undertakings. Some of those have peaked and are starting to fall away. Hence we see a decrease in the amount this year. Nevertheless, it will still account for more than \$300 million.

It is because of that huge expenditure and the involvement of the SEC in coal contracts that I wish to direct my remarks to the State Energy Commission's allocation and also to the involvement of the coal companies in these contracts and the fact that one of those contracts has been rewritten in recent times. Of course that leads us to the involvement of the Treasurer in one of those coal contracts and the fact that he decided to take the advantage of some largess from one of the coal companies.

**Mr Blaikie:** Is that what is known as a freebie?

**Mr LAURANCE:** It could be called that, yes.

I wish to refer to a couple of articles in the Press. I refer firstly, to a letter appearing in *The Western Mail* of 26 October under the heading "Hardly a joyride for Griffin shareholder". The author gave a *nom de plume*. However, the name and address were supplied. The author's address, was Warnbro, in your electorate, Mr Deputy Speaker.

**The DEPUTY SPEAKER:** They wrote to me; I fixed the matter up.

**Mr LAURANCE:** The letter stated—

I have the misfortune to own shares in one of the Griffin group of companies.

We have complained to Corporate Affairs about the asset shuffling going on, but nothing happens.

I'm just so happy to see that the Premier is doing better than the rest of us.

He gets free trips at our expense for himself and some of his family and Griffin Coal cannot pay a dividend.

It is also a shame that Mr Stowe cannot see himself clear to give other shareholders free rides too—or could he expect a favour in return from some of his other passengers?

That letter is from a very disaffected minority shareholder in Griffin.

I wish also to refer to Peter Kennedy's column "Politics" which appeared in *The West Australian* of 19 October in which the following appears—

Yet he would be well aware that Griffin Group chairman Ric Stowe is a vice patron of the Labor Party's John Curtin Foundation, formed last year to raise money for investments to finance the establishment of party offices and other services in major regional centres.

There are also extensive business links between Mr Stowe's companies and the Government, especially with coal. And Mr Burke publicly supported Mr Stowe's takeover bid, through Skywest Airlines, of the NSW based East West Airlines in late 1983.

I remind the House of the famous statement by the Treasurer out of Cabinet about his policy of accepting free gifts. He said the policy was silly and unworkable. Since then, however, it has been restated in almost the same terms. The original policy of 20 June 1983 said that Ministers, their spouses, and their families should avoid circumstances in which the acceptance of any gifts could give even the appearance of a conflict of interest, past, present, or future. Yet, we have the situation where East-West Airlines was given the right to enter into the intrastate airline business in Western Australia, a major political change and one in which the Treasurer has been very closely involved. As Peter Kennedy quite rightly pointed out, he has also been involved with Mr Stowe, especially in relation to coal.

That brings me back to the matter of the coal contract between Griffin Coal Mining Co. Ltd and SECWA. For some time there has been a dispute between these parties over an amount of \$18 million. That amount has been shown in the Griffin annual reports as an asset of the company because Griffin obviously considered that it would be successful in its action against

the State and would fully recover the \$18 million in dispute. It has therefore shown that amount as being part of its assets.

On 7 June 1985, just two or three days before this matter was due to go to court, it was announced that a settlement had been made out of court. That is very interesting. I wish to refer to some of the announcements that were made at that time. Firstly, Griffin Coal Mining Co. Ltd wrote to the Listing Manager of the Perth Stock Exchange and said—

The Griffin Coal Mining Co. Ltd is pleased to announce that its litigious disputes with the State Energy Commission of Western Australia concerning their respective performances of the 25-year coal sale contract entered into in 1979 have been settled out of court.

He went on to say—

The terms of the contract are entirely confidential to the parties.

No-one other than the agents for SECWA and for the company was allowed to know the terms of the settlement. However, they must have been obvious because the matter was settled out of court.

It stated that, "Whilst, therefore, being able to disclose the precise quantum of the compromise of Griffin's outstanding monetary claims and the financial changes to the status quo of the coal price and the acceleration and mechanisms with all their complex implications, the directors are able to state that the ratifications of the compromise include: (1) That the net assets of Griffin as at 30th June 1985 should not materially vary from those appearing in published accounts as at the 30th June 1984. (2) That Griffins consolidated operating profit before tax for the current year ending 30 June, 1985 and for the next ensuing year would be reasonably comparable with those published for the more recent past years."

Not only did the company report to the Stock Exchange on 7 June, but also the Minister for Minerals and Energy—who, like the Treasurer, is not in the House tonight—made a statement on 7 June indicating that the dispute between the SEC and Griffin Coal over its 25 year coal sales contract had been settled out of court. The dispute was to be heard in the Western Australian Supreme Court before Judge Roland on Monday 10 June.

Three days before that the dispute was settled out of court. The Minister for Minerals and Energy said further that he was "pleased

that long and costly litigation had been avoided and a solution satisfactory to both parties had been found." The statement mentions the other details apart from giving the financial terms. The Minister said that, "The financial details of the settlement would remain confidential", but he believed "the new terms would be beneficial to Western Australia's energy consumers in the years ahead."

Obviously there was a write-off of approximately \$18 million which the Griffin Coal Mining Co Ltd believed it would be successful in obtaining by issuing a judgment against the State Energy Commission. It suited the SEC, otherwise I guess the \$18 million would have impacted on the Budget in this financial year and would have substantially affected it. As a result of the settlement out of court on 7 June, the State Government reached a situation where it did not have to pay the company anything for the time being.

Six days after the settlement out of court—that is, 13 June—W. R. Carpenter Holdings Pty Ltd made a cash offer of \$4.85 for Griffin Coal Mining Co. Ltd shares. As a result, the minority shareholders became disenchanted. I have already referred to a letter which was headed, "Hardly a joyride for Griffin shareholder", which was published in *The Western Mail* last Saturday. After the out of court settlement, W.R. Carpenter Holdings made an offer of \$4.85 for each share. The offer was advocated to the minority shareholders by what were called the independent directors. There are only two independent directors who are directors of Griffin Coal and not directors of W.R. Carpenter Holdings and this is where the difficulty arose as far as the minority shareholders were concerned. I believe the State Government and the senior officers of the SEC have the responsibility to advise shareholders of what the terms of the out of court settlement were.

A takeover bid was made on information which was known only to the directors of the company and the terms of the takeover were kept secret from the shareholders. I ask members how anyone who owns shares in Griffin Coal can work out whether the price offered for the shares was fair and reasonable when the terms of the offer had been kept secret. It is not fair and reasonable if the directors who made the takeover bid have this confidential information, and yet those people being offered the amount of \$4.85 for shares had no idea what they were worth and what the asset position of the company was.

As I have mentioned, the takeover bid occurred very quickly. It was only on 7 June that the out of court settlement took place—the Supreme Court hearing had been listed for 10 June—and six days later a takeover bid was made.

In the previous year the shares had been valued at \$13, but because of a shift of assets between various companies and the group concerned, the share price had fallen and was well below \$4.85, which was the price offered on 13 June.

Nevertheless, on 12 August the takeover bid was lifted from \$4.85 to \$6.85 per share, and once again it was recommended that the shareholders accept this offer. Of course, the recommendation to accept the offer was made by the two independent directors. I understand that their recommendation was based on two reports, and I refer to the Kleinwort Benson report and the Robertson Research Australia report. Both reports were dated 16 August, but it is interesting that prior to that date the recommendation to the shareholders was that they accept the offer price of \$6.85.

It has been indicated to me by the minority shareholders that there is great significance in the dates I have mentioned—that is, both reports were dated 16 August and yet the offer price was lifted to \$6.85 on 12 August; four days before—and it was recommended by the independent directors.

The Kleinwort Benson report indicated that the unaudited 30 April 1985 figures show a net tangible asset backing per Griffin ordinary share of \$10.48. I remind members again that the initial price was \$4.85.

#### *As to Quorum*

Mr CRANE: Mr Deputy Speaker, I draw your attention to the state of the House.

The DEPUTY SPEAKER: Order! The member for Gascoyne will resume his seat. The member for Moore.

Mr Crane: Mr Deputy Speaker, I draw your attention to the state of the House.

The DEPUTY SPEAKER: If the member for Moore wants to draw my attention to something, I suggest that he should stand up.

Mr Blaikie: He already did once.

The DEPUTY SPEAKER: Order! The member for Vasse! I think there is a way to run this House in a decorous manner and I intend to run it that way. When a point of order is called, I do not expect the whole point to be dribbled

out immediately while someone is on his feet talking. I will call on the member to sit down and then I will address the member who is asking me, on a point of order, to consider something. When I do so, I do not expect him to have already said it and then say it again sitting down. If the member for Vasse objects to my ruling, he can take the appropriate course of action that is open to him. If he does not, I suggest that he keep quiet. I call the member for Moore.

Mr CRANE: Mr Deputy Speaker, I draw your attention to the state of the House.

The DEPUTY SPEAKER: I see 20 members in the House. I call the member for Gascoyne.

#### *Debate Resumed*

Mr LAURANCE: I was indicating that this report by independent consultants shows that just a few weeks before the out of court settlement, the net taxable asset backing per Griffin Coal Mining ordinary share was shown to be \$10.48. That price was discounted for a number of reasons. It came down to a final valuation of between \$6.60 and \$8.17 a share. The new offer price was lifted to \$6.85 a share, just 25c above the minimum in the report prepared by the independent consultants. That took into account a number of factors. But how does one know that it took into account the out of court settlement in a fair and reasonable way?

I do not believe that can be known without the shareholders being given access to the information that was available to the directors of the company and to the State Energy Commission of Western Australia. Really, it is a rot upon the minority shareholders of that company. That rot was aided and abetted by the State Government through the State Energy Commission. Obviously, it was a very good deal for the Government. It must have been a very good deal for the company, because the directors immediately launched a takeover bid for the balance of the shares they did not already own. Some weeks later the Premier flew off on a plane belonging to the chairman of that company on a free trip with his family to Fiji. That is why this person who is a shareholder wrote, "It is hardly a joyride for Griffin shareholders." Members can see why the shareholders were upset. If they could not get the true value of their shares, why could they not at least get a free plane trip to Fiji?

I think they raised a very important point. Somewhere or other there is a true value for those shares. The only way anybody could know would be if he had access to the infor-

mation that passed between SECWA and Griffin Coal Mining Co. Ltd. Obviously the deal was that the \$18 million would not be paid by the State Energy Commission to Griffin immediately, but once the takeover was complete and over the life of the renewed contract, which will run for a further 18 years, this amount will be repaid and more than repaid. Of course, that will not benefit the minority shareholders because in the meantime they have been bought out at a price for their shares that they really cannot establish the fairness or reasonableness of.

This is not a fair and reasonable situation. I believe that the State Government has been a party to this action. It is difficult to get any lead on the terms of the agreement. I do not believe that even the independent consultants could give an accurate picture of the values of those shares because I am not sure that they were party to all of the information that was necessary and whether they discounted the share price for the different factors in a fair and reasonable way. There is an action—I believe it is still an outstanding action—by a former employee of W. R. Carpenter Holdings who has some information about Griffin Coal. He has made that information available to a number of parties and it has been passed on to me. He said that “the original contract between the State and Griffin Coal was known to be an onerous cost, plus one which SECWA is most anxious to break or amend. At the moment it appears that Griffin Coal’s selling price would be about \$28 per tonne.”

I am not sure because we have always been told that that information was confidential. But I believe that this person was probably in a position to know the detail, and he thought that under the original agreement the price was \$28 per tonne. Obviously under the new agreement the \$18 million will not be paid to Griffin Coal immediately, but will be paid in the form of a higher price per tonne over the life of the contract. It has been suggested to me that the new price per tonne could be \$32. That would be an increase of \$4 per tonne. One does not have to be Einstein to work out that under the new contract Griffin Coal will be required to deliver to the State Energy Commission 2.1 million tonnes a year for the next 18 years. If that is at \$4 a tonne extra, something like an additional \$8 million a year for 18 years may be paid under the terms of that contract. I am only guessing at that figure. I do not know the confi-

dential terms of the settlement; but neither do any of the shareholders who have had a bid made for their shares in recent weeks.

Mr Blaikie: You have been pretty accurate with your guesses in the past.

Mr LAURANCE: It was interesting how the Premier ranted and raved when I quoted the figures relating to pastoral leases and he stood up in the House within 24 hours and confirmed them himself.

Mr Blaikie: You were also extremely accurate in your comments about the Tourism Commission.

Mr LAURANCE: The Government saw fit to make some changes in that area very quickly afterwards, so presumably I was very accurate.

The agreement was made with Griffin Coal mining company. It was satisfactory and involved a huge amount of money. A deal was done whereby the benefits of that deal would accrue to both the State and the company after 7 June. Very shortly after that the takeover bid was made.

Mr D. L. Smith: You are indulging in a great deal of self-illusion if you think anyone is taking you seriously.

Mr LAURANCE: I hope that comment is recorded in *Hansard* because I will send a copy of it to “Wondering” of Warnbro.

Mr Bryce: How will you find “Wondering” of Warnbro?

Mr LAURANCE: It has the address supplied.

Mr Bryce: Not to you.

Mr LAURANCE: No, to the newspaper. I suppose it would be possible to send the comment to the newspaper for it to send on to the writer of the letter because that person would be very interested in those comments. It is obviously being treated as a frivolous matter by the member for Mitchell, but it is being treated very seriously by those people who have shares in this company, people who have invested in the company and in the Collie coal contracts because they have had them recommended to them over a long period. They are now having that asset removed from them on terms and conditions of which they cannot judge the fairness or otherwise.

Mr Blaikie: Isn't the member for Mitchell on the Public Accounts Committee?

Mr LAURANCE: Yes, I understand he is. He might be able to investigate this further.

That is the situation and I think it is of concern. The senior officers of the State Energy Commission would not want to be party to this arrangement that has occurred, yet they are bound by the Government to remain silent. The minority shareholders have nowhere to go because they cannot in any way establish what the true, reasonable and fair price of those shares would be. The Premier has shown by accepting this gift that he has broken his own rules. That has been pointed out several times already in the Parliament. But the Premier now has a responsibility to those shareholders to tell them what that value is. We know the value of his free trip from the company.

I remind the House that the Premier said that no Ministers were to receive any gift and should avoid circumstances in which the acceptance of any gift could give even the appearance of a conflict of interest, past, present, or future. Here is a multimillion-dollar deal carried out to the disadvantage of many Western Australians and to the advantage of W.R. Carpenter Holdings, and the Government has assisted the arrangement by not making the information available.

It is a serious charge when the Premier of this State will get involved in a deal such as this. He has a responsibility to come forward and make public the terms and conditions of that arrangement. He came forward and said he was accepting a free gift from the company; he acknowledged that it was a good deal for W.R. Carpenter Holdings and it was a good deal for him because, as a result, he did not have to find \$18 million in this Budget to settle the dispute between the parties.

It is sinister that the Premier was prepared to get involved with that company in this way. He has not satisfactorily explained the situation, but he said that the original policy which prevented him from undertaking such a trip was silly and unworkable. However, when the heat was on in this House he restated that policy, which is virtually word for word what was contained in the original policy. It does not make right the trip he took to Fiji and several other gifts and trips he has accepted from the same source.

Mr Court: He refuses to answer the question about what trips were taken. He told the media, but said that because the list is not complete he will not give it to us.

Mr LAURANCE: He listed 23 holidays taken by him and other Ministers. He quoted from that list to the members, but has refused

to give further information. The members of the Opposition do not want that information, but I have brought forward information concerning a group of people who have been severely disadvantaged. They did not know the extent to which they had been disadvantaged because of the secrecy of this Government. The Premier has accepted a gift that has obviously compromised him and which emphasises how close his association is with this company.

In the interests of fairness and because he, as Premier, represents all of the people in this State, including the minority shareholders of Griffin Coal, he has a responsibility to come forward and indicate that he will not accept further free and compromising gifts from these interests and that he will do the right thing by the minority shareholders. Most of them have already quit their shares so they cannot hold out for a higher price, but they could take action for damages for not being given a fair price. That option may be open to them if they get further information from the Premier which I think he should give them because he has compromised himself in this matter.

I move to another area of Government expenditure in this Budget, Homeswest. A considerable change has been made to the way the Homeswest programme will be administered this year. I accept that some of the changes are very worthwhile and innovative. A considerably greater amount will be put into this area than in the past and that will result in far more homes being built this year.

Mr Read: The present Government is doing a far better job than the last Government. Are you prepared to say that?

Mr LAURANCE: No, I am not prepared to accept that but I will refer to that point in a moment. I have made positive comments about the programme, but because substantial changes have been made, the Government has a responsibility to make sure that no-one gets hurt by those changes. The people being hurt by the changes at the moment are the apprentices employed by the companies who have traditionally built homes for what was previously the State Housing Commission. There are several of these companies and they deserve a better deal. They should have been encompassed in the changed programme for this financial year. There was plenty of opportunity to give those people a fair go at the same time as introducing an innovative and new building programme. There was room for both and the Minister's programme allowed for both.

Much emphasis has been placed on the "select and construct" scheme and I am prepared to admit that this will force-feed the situation. Many people on the Homeswest list will become involved with private housing companies. It has advantages and disadvantages. The prices quoted under the "select and construct" programme are for the basic design house only. The houses do not have a fixed price and, as the Minister pointed out, to be involved in this scheme it is necessary to have considerable marketing experience. The potential buyer will be told that a range of blocks of land and a range of builders to construct the house are available and that he can select his block and the builder. The builder may then tell the purchaser that the price quoted is for the basic design and that price does not cover building on the particular block chosen. He may say that site costs will be incurred when building on that block and that if the person gives him a few hundred dollars extra he can build the house on that block. That is one of the disadvantages of the scheme.

Mr Wilson: Are you saying that builders are saying that?

Mr LAURANCE: No.

Mr Wilson: Why did you say it then?

Several members interjected.

Mr LAURANCE: Is the Minister suggesting that it will not happen? Is he saying that the standard price will be the same on every block of land through the "select and construct" scheme?

Mr Wilson: Are you saying that builders will work underhand and that they will be operating less than satisfactorily?

Mr LAURANCE: They will have marketing representatives who will be on commission. I will restate what I said: Pressures will be placed on those people to select a particular block if they pay the variable site costs. Is that clear, and does the Minister deny it?

Several members interjected.

Mr LAURANCE: I have pointed out the great advantages in the scheme. What will happen is that many of the standard conditions will not be acceptable. There will be negotiations between the builders and the applicants to add a bit more in certain areas; to put a few extra dollars in for a few extra benefits. They will not get a house for the price that the Minister has told them they will get it for under this scheme.

Mr Wilson: Are you saying people should not have some ability to negotiate?

Mr LAURANCE: No, but they will not get the house for that price, will they? I would be interested to know what the position is at the end of the year.

Mr Wilson: They may or they may not. You are inferring certain things which you have no right to infer. You are casting a slur on the builders involved.

Mr LAURANCE: No, because people who have been involved with the scheme have told me many people say to them, "We do not like that stove," and they are told, "Give us \$300, we will put in a different type of stove." These are the disadvantages under this scheme.

Mr Wilson: How is it a disadvantage?

Mr LAURANCE: People will say, "You can have this house for this price; arrange a loan or get it through the commission." When one comes back with the loan it will not buy the house, because one will be told, "There is an extra \$500 for site costs, an extra \$300 for another stove," and so on. Pressure will be applied to those people to accept conditions which did not apply under the previous scheme.

Mr Wilson: I do not accept that pressure will be applied. If you are saying pressure has been applied in the past and it is being applied at the moment, I will have that looked into and I will show you up for implying things about other people's dishonesty which are not founded in fact.

Mr LAURANCE: In the private market there is no problem, but in this market, people will be struggling to make the initial deposit and get into the house.

Mr Wilson: Do not worry, I will do what you have said, I will investigate it.

Mr LAURANCE: I think the Minister will. That is why I am raising it in the Parliament. If the Minister did not, it would be a dereliction of his duty.

There are plusses and minuses in the scheme. I have pointed out some of the plusses and some of the minuses. People will be shoehorned into going beyond their means to get into one of these "select and construct" homes.

I want to refer to the fact that when the Minister put out his terms and conditions for the scheme, he said there would be four schemes. Under scheme No. 1 he will call for 10 builders and two reserves, making a total of

12 building companies. Scheme No. 2 would consist of 10 builders and 2 reserves; again that might involve 12 companies. Scheme No. 3 would consist of eight builders with two reserves, and scheme No. 4 would involve four builders with one reserve.

Let us take one of those—scheme No. 1: 10 builders and two reserves. At least 10, possibly 12 companies should have been involved. How many companies were involved? I will tell you, Madam Acting Speaker (Mrs Henderson). There were only five. Why were only five companies involved? I have nothing against those five companies. They are five good companies. I have had involvement with them. I know them all; they are good.

Mr Read: Have you slipped something to them?

Mr LAURANCE: No.

Mr Read: They are not in that category you are talking about?

Mr LAURANCE: Those five builders comply with the conditions. I will read the conditions. They have to be reputable builders having proven ability and experience in the cottage construction and marketing industry. I asked the Minister whether those five companies met those conditions, or whether he could describe those companies in that way. Why were the other companies not eligible to make up the number he gave? He said 10 would be available, yet he approved five only.

What has happened to the other companies which have been building for the State Housing Commission for a long time? They have employed many apprentices. One company which will not be building these houses has employed up to 120 or 130 apprentices. It will not be building the houses. This company and other building companies will sack their apprentices. This company was discriminated against.

I asked the Minister, "You said you would select 10 builders but you selected only five, why not select the number you said you would select?"

I asked, "Are they not reputable companies? Do you mean to say that there are only five reputable builders in this State who can build up to 300 homes? Are only five builders eligible? Why are all the others who have been building for years not eligible? Is it because they are not reputable?" He replied, "No, they are reputable."

I asked, "Do they not have proven ability and experience in the cottage construction industry?" There is only one other factor, and that is marketing ability. Why can they not obtain marketing ability? Why can they not, as they have for umpteen years before, build up and develop marketing experience if that is all that is required? Most people could not care less whether the organisation has marketing experience or not. They want a home.

Mr Wilson: They are getting more homes now than they ever did under you.

Mr LAURANCE: What is wrong with the builders who have been building in the past? The Minister said he wanted 10 builders.

Mr Wilson: That did not operate under this scheme.

Mr LAURANCE: They are good friends of mine, these five builders, but are they the only good friends the Minister has? What about the other five?

Mr Wilson: You know very well the selection was made by a committee representing the Housing Industry Association and the Master Builders Association.

Mr LAURANCE: It is very unfair to those other builders.

Mr Wilson: You are criticising these very reputable associations.

Mr LAURANCE: I am not criticising the five people who have been selected. The Minister selected those five. Why did he not say he would select only five? He said he would select 10 builders. There is something very sinister in that.

Mr Wilson: Absolute rubbish!

Mr LAURANCE: Those people should have been given a fair chance to become involved. The only reason the Minister can give is that under the "select and construct" scheme his adviser sells land and he is paid a substantial commission for selling the land.

Mr Wilson: What land?

Mr LAURANCE: The land on which the houses in the "select and construct" scheme are to be built.

The ACTING SPEAKER (Mrs Henderson): Order! The honourable member's time has expired.

MR COURT (Nedlands) [10.48 p.m.]: I appreciate the opportunity to make some comments in connection with some of the matters related to this subject. At the beginning I would like to say that this is the second Loan Bill

debate this week where the Treasurer has not been present to take part in this debate. When we are talking about tens of millions of dollars, it is only right that we should have a proper debate.

As has been explained by the member for Floreat, we cannot obtain more details regarding many sections of these estimates during the Committee stage.

Mr Bryce: That is not true. Check your Standing Orders. Just because they have not been used does not mean they cannot be. You have the facility available during the appropriations debate if you wish to use it.

Mr COURT: That is during the CRF debate?

Mr Bryce: That is right.

Mr COURT: But not during this debate.

Mr Bryce: Yes, during this debate. Read Standing Order No. 304 and you will see you have that ability.

Mr Mensaros: I have been advised it is not the subject of debate here.

Mr Bryce: I have checked and double checked with the record.

Mr Tonkin: It is in *Hansard*. I have never seen such an ignorant Opposition in my life.

Mr COURT: One of the matters I want to discuss is the question of the WADC and WA Government Holdings that have each been given \$5 million in this loan fund.

Several members interjected.

The ACTING SPEAKER (Mrs Henderson): Order!

Mr COURT: I have gone to the trouble to make inquiries about what can be explained, as the Deputy Premier said tonight, and to find out what can be debated during the Committee stage of the debate, and it was explained to me that certain sections of it can be debated but other parts cannot.

Mr Tonkin: What parts?

Mr COURT: The parts listed.

Mr Mensaros: Those not subject to appropriation.

Mr COURT: We can ask questions about the section relating to the WADC and WA Government Holdings, but we cannot debate matters relating to the public works section. The WADC and WA Government Holdings have been allocated \$5 million each for this coming year. It would be great to run a business where one could ask for another \$5 million and set about spending that sum with the certainty of

no accountability to this Parliament. We have seen one of the subsidiaries of WA Government Holdings which has been given \$6 million from the Federal Government to buy pastoral leases in the Kimberley. I think we are living in a dream land. It is the same old story, easy come, easy go. We can ask this Government—and we have done so on a number of occasions because we believe there is a very important principle at stake; that is, that millions of dollars of taxpayers' money, particularly through the vehicle of WA Government Holdings, are being spent without any accountability to this Parliament—as many questions as we like about what is going on with that operation. We have not had any answers and we will not get any answers during this debate tonight as to why those funds are required. Does WA Government Holdings want to go into cattle stations, manufacture gadgets, or whatever that company wishes to do, using our funds? Even the member for Mandurah must be concerned—

Mr Read: I am very tired.

Mr COURT: It is a very important loan fund debate and whether we are tired or not is not our prerogative. We have to take the opportunity when we can to debate these matters which the Opposition regards as of extreme importance and we will continue to debate it even when we are tired.

A Government member: You have no consideration.

Mr COURT: It concerned the Opposition that during the debate on the WADC which, as I recall, occurred at around three o'clock in the morning, the Premier made it clear a number of times that the public would be able to buy shares in this company. In fact, he went to great lengths to say how the Government was going to make it possible for shareholders to buy into that company. Of course, that has not been the case with WA Government Holdings. That is one of the misleading things we have debated in this House when we debated the Northern Mining NL legislation which was to purchase an interest in a diamond mine. We all know the story of what happened after that, and we ended up with Northern Mining having its name changed to WA Government Holdings. As part of that legislation, the Government has the ability to put unlimited Government guarantees through that company, and it ends up with a very powerful vehicle with which it can do a great deal, without coming under the scrutiny of this House.



Of course that creates suspicion. We have made the point about certain people in the WADC, and why the current board is running that operation. Okay, we have confidence in the ability of those people, but they could change. What happens when we end up with WA Government Holdings with all its subsidiaries and different people from those now employed to work in those operations? If they need funds, they can go to the Government and say "We need another \$5 million." We cannot ask questions about the ventures it is going to go into and, of course, suspicion will be raised.

The point I want to discuss with reference to WA Government Holdings is that one of its subsidiaries is the Exim Corporation. Exim has been all over the place. It has had a chequered history. It was launched as an export/import operation to help this State's trading position and to gain entry into the export market. We have heard so much rhetoric from the State and Federal Governments about this export business and the need to improve our performance. No-one would agree more than does the Opposition that we have to get our export act together. The last September quarter trade figures are of concern if we analyse the figures and see the problems that have arisen. The fact that the commodity prices are poor is starting to show through. Those industries which we relied so heavily upon—our primary production, mining, and agriculture sectors—are having difficulty performing and keeping up our trade figures because of this problem of falling commodity prices.

We have seen what has happened with sugar and rice and the problems the grain industry is having. The alumina prices, at present, are about half what they were budgeted to be some years back. One can imagine the pressure that situation is putting on those companies concerned. I get the impression that we have a Government which talks about helping our export industry, but which seems to initiate few genuine things to assist it. I can see the State and Federal Governments, in many ways, doing much to destroy our export performance.

I mentioned briefly the question of the changes made with respect to the grants system which make it difficult for small businesses to take advantage of that scheme to enter into the market. It is important that we get a new breed of these smaller businesses becoming involved in our export industries to help our traditional exporters so our trade performance can be improved. We are faced with the problems on

our wharves that we have discussed tonight. We see the immediate reaction on the question of South Africa with economic sanctions.

We have a tremendous amount of trade, not only to South Africa but through South Africa to southern African countries. We must look at this question of the grants, because it is affecting many businesses and Government people say it is a matter of urgency to arrest our falling trade position so at least some people in the Government are recognising the fact that we are having problems maintaining our trade position. On the other hand, the Government makes it more difficult for this country's salesmen and women to break into new markets. This is where State and Federal Governments can assist in helping these small businesses learn about the export business and give them a chance, because often it takes one or two years to learn how to get their product ready for these markets and onto them. The changes to the Federal Government export market development grant scheme will result in thousands of legitimate exporters being forced through lack of capital to discontinue their export operations or lower their export activities.

What happens now is that small businesses must find the first \$5 000 before any assistance is available. This really is a great disincentive for those companies which are contemplating exporting their products. An amount of \$5 000 does not go very far, but at least it is a start. It is a bit of encouragement for them to get out there and see what can be done.

Combined with many other changes to the scheme, it has been estimated by people involved in the export industries that up to 60 per cent of existing exporters will either cut back or eliminate their export activities altogether. Here we are at a time when our trade performance is declining. We all know that the Australian economy and our standard of living depends very much upon our export performance and the foreign exchange earnings that we can achieve. With the pressure on and with the falling commodity prices we certainly need other avenues in which to improve our performance. State and Federal Governments do have a responsibility to create an environment in which exporters can take full advantage of the many opportunities that are being opened up.

The Government started referring to Exim as a body which would help trade, which sounds good, but it is how a Government goes about assisting local businesses to get into the export business that counts. They have tended to go

into business and become competitive with other people and that is not the way it should be done.

The Opposition has made a commitment that we want to get all these different Government bodies which are now fiddling and buying into businesses, out of business. The private sector knows how to do all that. This Government can do many other things to help exporters.

The Opposition has addressed many of these problems, for example, in our small business policy, under the heading of "Exporting". The Deputy Premier might be aware that one of the areas that we believe is important—it takes many years to achieve this—is that people working in our industries have to have a better understanding of the languages and the customs of the different countries that we deal with.

The Deputy Premier and I had the pleasure of attending the Hollywood Senior High School graduation ceremony earlier this week. It was a bit embarrassing to hear of the performance of the dux of the school. The exam results of this year 12 student were something like 92 per cent for mathematics, 92 per cent for science, 92 per cent for French, and 92 per cent for Japanese. I thought how lucky that person was to do so well at French and Japanese. The member for Scarborough would be interested to hear that he was only 15 years of age and was two years younger than the other students doing their TAE. He was the dux of that school. Hopefully more people will come through our school system with such a tremendous background in languages and will become involved in the business sector.

Mr Burkett: Obviously the dux of that school would make a great bank manager!

Mr COURT: He probably would, yes. It always fascinates me to talk to the overseas Department of Trade officials, some of whom have tremendous qualifications. I have been pleasantly surprised to discover that many trade officials speak a number of languages and they have the ability to do a good job representing Australia overseas. That is good practical help where they have an understanding of the country concerned, and how business is conducted in that country. With that knowledge, one goes out and tries to get some of that business.

One of the first things that the State and Federal Governments can do to help our export industries—it is an Australia-wide problem—is

to make it possible for our exports to leave the wharves. The Mudginberri dispute was not a shipping problem. The unions would not even let the products leave the abattoir in that case and as a result the beef industry lost millions of dollars and markets which could not be regained.

Locally we had a disastrous and very sad three-week dispute at Bunbury. Our main WA port, Fremantle, has had a terrible run over the years. Earlier this year the Opposition brought up this question in the House. It was very interesting to see the reaction of the Minister for Transport at the time. Initially he did not want to know much about it or to know that there was a problem, and after the seriousness of the problem was explained to him, how one could get a daily report on the strikes, the hold-ups and the delays in shipping, he eventually admitted to us that there was a problem and that the Government would set up a committee to look into the matter to see if it could do something about it.

Several months have passed and this week when the Opposition for the second time this year raised this issue—it is becoming a major concern to the people trying to export their products—we discovered that the committee did not even get off the ground and the Minister for Industrial Relations has now become involved and is trying to do something about it. He will look at the level of industrial dispute and ascertain the reasons for the disputes. A year has passed and we have achieved absolutely nothing. The situation has remained exactly the same as it has been for some time.

The Minister for Transport showed a great deal of courage in one of his answers to a question tonight in which he admitted that some of the work force on the wharf had put themselves into a privileged position.

Mr Bertram: No, he said your Government put them into a privileged position.

Mr COURT: I do not intend to even argue about who put whom into a privileged position. The Minister will assess the situation as he sees it. I realise it is a very difficult situation. I have a lot of sympathy for any member of this House, whether from this side or the other side of the House, who is trying to resolve the problems at Fremantle because I have spent a great deal of time with the member for Narrogin and others worrying about what goes on at Fremantle and how the wharf operates. The solution will not be easy. I would much prefer someone such as the Minister for

Transport—just one Minister—trying to solve the problem. I do not think it will achieve much. The Government has not done its homework and it has transferred the responsibility for the problem to the Minister for Industrial Relations.

The Government has come to realise that the Fremantle wharf has its own inbuilt problems. Some pretty brave action will be required to change the situation. The problem will be further complicated by the fact that next year the port will operate in a completely different fashion for a year while all the different activities associated with the America's Cup go on. Handling that situation will require some special skills in itself. There is a problem at Fremantle.

I was sad to read in the *Warren-Blackwood Times* of 23 October—these are the sorts of comments I have heard by people shipping out of Fremantle, but this is the first time I have heard them expressed from such a distance—the following—

MANJIMUP-Pemberton vegetable growers shuddered last week as the State lost another vegetable export market.

Wharf disruptions at Fremantle were the cause.

The order formerly supplied by WA producers has been filled by Taiwan.

Considerable losses to producers and exporters have been caused by disruptions at the point of loading.

The newspaper goes on as follows—

Local vegetable growers are somewhat removed from the problem point and they have difficulty establishing where to put the costly blame for the disruptions.

They know at the end of the line they have lost a market. One can only break into those export markets, as was explained to me in some detail last week when I was talking to people who are fruit and vegetable exporters, by establishing contacts over many years. Those people established a market in Singapore and then supplied Malaysia, then moved to Hong Kong and then Brunei. Some are moving into the Middle East and they have built up expertise over the years, but they need reliable shipping because it is a low-cost product which deteriorates quickly. The shipping must be reliable and at competitive prices. It is sad to see this industry having those problems.

One exporter I spoke to said that the last three containers he had packed in his sheds for shipment—into a refrigerated container—had to be diverted as the truck was going to the wharf because there was a hold-up on the wharf. The container load went to a warehouse in Fremantle for a day or so until the dispute was sorted out. The problem then arises that one cannot have too many hold-ups. If the goods are held up for a certain period of time they then have to unpack the container and put the produce on the local market. Those are the problems the exporters come up against. The shadow spokesman on agriculture (Mr Old) and I have visited other producers and discussed these problems with them. All parts of the chain must be working for them to get their produce out. The same applies to anyone who is exporting, whether a commodity goes through the airport where one runs into the problem of the TWU and Mr O'Connor, or through the wharf. We must get to the stage where we have not only reliable means of shipping produce, but also a reasonable price. This is another point the Minister for Transport raised although he did not exactly mention the levy system which operates on the wharves. He said that some sections were in a privileged position. He knows only too well that the levy structure developed over the years has reached a point where whenever the union wants an additional perk or the union's head office over east wants more funds for some reason the union introduces or raises a levy.

It has got out of hand; it has been made too easy and in many cases the blame must go to some employer groups as well as employee groups. It has reached the stage where the cost associated with getting the produce across the wharf is becoming prohibitive. In Western Australia we can produce goods competitively, the cost of transporting them by ship has probably never been cheaper, but the cost of handling them across the wharf prices them out of international markets.

The criticism we have here is that the Minister early in the year initially did not want to know about our criticism. Then he said he would do something with the committee. Nothing much seems to have occurred and now another Minister is becoming involved. We are not getting a great deal of shipping through Fremantle. That in itself is sad because there is no reason Fremantle cannot be a major port for Australia. We have a very good train link from here to the east and there is no reason we cannot encourage more freight to be unloaded

here. If we had a reliable cost-competitive wharf we could have a tremendous service industry in a port with a reputation for being reliable. It could be a gateway for Eastern States markets. Instead we have a situation where ships go out of their way to bypass Fremantle. That is sad. I want to refer now to South Africa. All this talk of economic sanctions smells of hypocrisy. Let us look at the figures involved.

Mr Gordon Hill: What do you think of Malcolm Fraser's appointment?

Mr COURT: I have no time for his being appointed to the committee.

The trade figures for 1984 show that we exported \$64 million worth of goods to South Africa and imported \$26 million worth of goods, so we have a pretty favourable trade balance. Many people do not realise that a lot of our products which go to South Africa pass through that country to the southern African States. We now have the situation where the Prime Minister grandstands while overseas and says we will impose sanctions and stop the airlines flying to South Africa. He wrote a letter to the Premiers, and Mr Cain has said he will impose sanctions also.

Mr Evans: What will Mr Fraser do?

Mr COURT: Hopefully he will go to South Africa and learn a bit about the place.

Mr Gordon Hill: Have you been there?

Mr COURT: No, I have not been there. I would like very much to go there. I always like to visit these countries; I visit different countries as much as I can.

Mr Bridge: The basis of your remarks tonight is dollars and cents. There is a lot more to South Africa than that.

Mr COURT: I am talking about trade to a country. If we want to get involved in talking about politics of all the different countries we trade with we will get into a ridiculous situation because we would not be trading with anyone. There is even disagreement among the Labor Premiers. Premier Cain in Victoria said there would be economic sanctions, but Premier Wran in New South Wales asked why we should be the bunnies. He said that if we stopped trading with South Africa a lot of people in Australia would be put out of work. He realises that a lot of the trade to South Africa goes to other parts.

Mr Bridge: But Fraser has been consistent, hasn't he?

Mr COURT: Yes, with a policy which I have not supported. I am consistent on that point.

The situation is that the Premiers are all over the place. The Premier of Western Australia has not come out and taken any position at all. He probably realises there is quite a bit more at stake than going along with what the Prime Minister has been saying overseas at the conference. The annoying thing about all the talk about South Africa is that it assumes everything in our neck of the woods is in good shape. We have a preoccupation with telling other countries what to do. What right do we have to tell them what to do when we cannot handle the problems in our country?

Mr Bridge interjected.

Mr COURT: The member knows only too well my position on the question of land rights. I want to raise something in a minute to show the concern I have about our preoccupation with one part of the Aboriginal question. It is a concern that is all too often expressed by experts from Canberra, New South Wales, and Victoria, where they are not particularly worried about the Aboriginal problem. It has probably come under discussion in their different Caucus meetings. I do not believe these so-called experts have the same depth of understanding or are required to know as much about the problem as people in States such as South Australia, the Northern Territory, and Western Australia. That concerns me.

Mr Bridge: They have a similar problem in the Eastern States.

Mr COURT: But not to the extent that we have in this State and in the others I have mentioned. In the last couple of years we have ignored the real problems while concentrating on land rights—we have ignored health, education, and housing, among others. It is disturbing to read the reports which have come out in recent weeks—indeed they seemed to come out at the same time—which are quite frightening because they highlight the very real plight that large sections of our Aboriginal population are facing.

In *The West Australian* of 29 October a report into Aboriginal mortality and morbidity in Western Australia was cited. This report was produced by Dr Declan O'Neill and Dr Don Hicks of the Health Department and was made public. It was prepared from Health Department death statistics in 1983, which was the first full year in which aboriginality was recorded on death certificates from hospital and other records. It read as follows—

ABORIGINES are dying at nearly three times the rate of other West Australians and their life expectancy is about 16 years shorter, according to a new government report.

Heart disease caused by obesity, hypertension, diabetes, alcohol-related diseases, injuries and other violence were the major factors in raising the death rate and showed the impact of urbanisation.

The report goes on—

The 1983 data showed that Aboriginal men could expect to live 56.1 years, compared with 72 years for others.

In the same paper for the same day another report highlights the high young Aboriginal death rate, and it quotes Professor Michael Gracey's comments published in the *Australian Medical Journal*. It reads as follows—

VIOLENT deaths among young Aborigines through murder, suicide and motor vehicle accidents, often associated with alcohol, are causing concern among top WA medical researchers.

Researchers have studied different areas, including the Kimberley. I think every member of this House should read this report because it gave me quite a shock.

Mr Bridge: Why should it give you a shock?

Mr COURT: I did not realise that these reports were coming out in this way. I have read a lot of research work which was carried out in the 1950s and 1960s on this problem and I would have thought, looking at this 1983 report, that the situation had improved.

Mr Bridge: All the time I have been in this House I have tried to rouse some compassion in your members. This report relates to those very things that we have sought to rectify for years.

Mr COURT: I am merely telling you my opinion on this subject. These articles came out only recently and it is interesting that they both came out together.

Mr Bridge: I would like you to circulate them.

Mr COURT: I certainly will. The other article was from Mrs Betsy Buchanan from the emergency welfare section of the Trades and Labor Council. She is quoted as saying—

... almost all the Aboriginal families regularly seen by the foundation had chronic health problems.

Many of the children had middle-ear infections, which affected their education and social development.

That might not seem like very much but I have had some experience of middle ear infections. I can remember going up to Princess Margaret Hospital at one time and viewing a ward full of almost 40 Aboriginal children, all of whom had middle ear infections. The doctor explained to me that Aborigines and Islanders, particularly when young, do not have an immunity to this sort of affliction. I lived with a similar problem in my family for ten years and I know exactly what this entails. I know about the problems it causes in families in regard to education and the like. It takes time before children grow out of these problems, but during those years they are very susceptible to them. The editorial in *The West Australian* of 29 October reads as follows—

There are strong feelings, particularly in the north of the State, that neither taxpayers nor Aborigines are getting full value from the money being spent on Aboriginal welfare. There have been recent suggestions that too much money is being wasted by bureaucrats with too little understanding of the real needs of Aboriginal communities.

I do not think any member here would dispute that, but it is easier to say that than to find a way in which these considerable sums of money that are being spent could be better used. That, perhaps, is the challenge that we have—to try to improve this particular situation. I repeat I was shocked when I saw those research figures and they highlight the very real problem which now exists and which people in general—not the member for Kimberley—have tended to brush aside over the last few years because they have been preoccupied with land rights and other issues.

I will just briefly raise one other matter which is of concern. It is a matter I think should be handled in the proper way. I have a particular criticism of the Government because this matter which is now being raised, should have been raised earlier. It is to do with some problems that have arisen in connection with solar hot water systems. It is a problem particularly in the hot northern climate of our State and the problem—without being too scientific about it—is hi-tech. I do not know whether the Minister for Technology read the article in *The West Australian* this morning dealing with comments made by Ian McLaughlan, President

of the National Farmers' Federation, but according to that article, farming is now classified as a hi-tech industry.

Mr Bryce: I think hi-tech is now the flavour of the month.

Mr COURT: I thought the Minister described it as one of the "tonnage" industries? The farmers behind him will know that farming has been a hi-tech industry for some time.

The problem is connected with the solar hot water systems which have a steel tank. These tanks have a corrosion problem, and inside they use a magnesium anode. In very hot climates, however, there is a reaction between magnesium and the iron core which creates hydrogen gas when the tank has not been used for a while. The hydrogen gas builds up. When the occupants come back from holidays, or whatever, and turn their washing machines on, the hot water is drawn from the top of the tank and this mixture of hydrogen and water rises into the workings of the machine and when there is a spark—when the machine changes cycles—an explosion occurs. I have never heard of this problem before, but it has blown up two laundries in the north. I think there has been a problem in the electorate of Murray-Wellington as well. The problem was brought to the attention of the Opposition from a couple of different sources and we have asked questions.

What I am concerned about is that there has been a problem in the north and now the mining companies and the State Housing Commission—Homeswest—make sure that when a house has been left vacant for some time the water is run off to get rid of that hydrogen gas from the washing machine. As far as I know Homeswest was not aware of this problem when it sent a letter out to the people concerned, and I will just quickly read it out.

This letter is to advise you that a special case change is imminent—

The SPEAKER: Order! How long is the letter?

Mr COURT: I wish to read only a paragraph.

The SPEAKER: The member is not allowed to read letters. He can paraphrase them.

Mr COURT: Okay, Mr Speaker. The letter states that all water heaters with magnesium anodes are to be fitted with hydrogen release valves before being accepted by the State Housing Commission—Homeswest. The solar industry has designed a valve which theoretically lets the hydrogen gas out but it does not neces-

arily work particularly when there is a lot of water which causes corrosion. I am concerned that Homeswest has not advised its field staff of the safety measures to be taken on properties prior to reletting.

The mining industry has been aware of the problem. I think it is a consumer affairs matter. The Government should be working in conjunction with the industry to bring the matter to the public's attention so that, if modifications have to be made, they are made.

I am a great supporter of the concept of solar power. If there has to be a modification to a system, let us do it. Someone has been injured in one of these explosions. I think Homeswest or another responsible department has the responsibility of making the public aware of the problems and the measures to be taken to ensure there will be no accidents.

We have asked many questions about this matter. It certainly is not seen as a scare tactic. It has to be looked at in a rational way. However, our questions show there has been a problem and there is a need for a design change. I can imagine the system working in the Pilbara region.

The last point I wish to cover is that relating to the Treasurer's trips. I am concerned that the Treasurer has not told the media or this House that he has prepared a list of the free trips taken this year. The Treasurer is doing himself a disservice because there is talk that there have been other trips. Now that the matter has come out into the open, the Treasurer should give Parliament and the public the information they require so that the matter can be done with. It has been an unfortunate exercise for the Treasurer but it will become an even more unfortunate exercise if he is not prepared, as the member for Gascoyne said, to make all information available.

MR BRADSHAW (Murray-Wellington) [11.33 p.m.]: I agree with what the member for Nedlands said about wharf stoppages. It was interesting when I was in Fremantle a few weeks ago to have a look at a live sheep ship to see the way the wharfies stop work over very minor things. The night before I arrived they were loading sheep and they had about 300 sheep to load or about five minutes more work. When one considers that they load 1 200 sheep an hour, 300 sheep would constitute about five minutes' work. However, it was the last load before knock off. It started to rain so they downed tools and finished work. The truckies had to take the sheep back to the feed lots,

unload them, and then reload them in the morning and return to the ship. One truckie told the wharfies what he thought of them. The wharfies went out on strike. When I arrived the next morning they were trying to work out whether they would go back to work or whether the strike was justified. As it turned out, they went back to work. In the meantime, though, the trucks were lined up with their sheep to be loaded onto the ship. I thought it was intolerable and hard to believe that people of this mentality with only five minutes' work to go could stop work because of a little rain. If the conditions were dangerous or there were worries that a severe accident could occur and they stopped work, everyone would agree, I am sure. But these matters are minor and are difficult to comprehend.

The Murray District Hospital has only one physiotherapist. I asked a question recently of the Minister for Health about the situation existing in other hospitals. He told me that the Rockingham hospital has a physiotherapist for every 31.2 inpatients. The Murray District Hospital has one physiotherapist for every 65 inpatients. It is true, as the Minister said in his reply, that the inpatient rate is lower. However, it is worrying that the Murray District Hospital physiotherapist is not doing her job properly for the benefit of the patients in that area. Besides helping the inpatients she has other duties which include prenatal clinics, exercise for the elderly, and lecturing.

Positions were advertised in *The West Australian* last Saturday advising that the Health Department was setting up a staff development branch, which to me smacks of another extension of the bureaucracy. As I said, the Murray District Hospital is in need of one or two more physiotherapists. The Mandurah Community Health Centre has three full-time physiotherapists and one part-time. I know that cannot be compared with the situation at the Murray hospital because those patients are not inpatients. However, it still seems a little unfair. I am not knocking the fact that the Mandurah area has these physiotherapists. I am saying that it is wrong that the Murray District Hospital has only one.

It seems that money is being wasted by the Department of Health in the setting up of the staff development branch. The department is seeking to make several senior appointments. The first job listed is the position of a coordinator of needs assessment. That job carries a salary of \$39 233. The position of coordinator, management development carries a salary of

\$37 480. The position of coordinator, professional development carries a salary of about \$33 000 as does the position of coordinator, personnel development. Obviously those are four senior positions but more staff will have to be employed. I will not argue whether those positions are needed or not. However, the basic requirement of the Health Department is to provide a reasonable standard of health care. We have too many shiny-bums who are not really developing the health care work and who are trying to work out staff developments for the staff in the Health Department. I am sure the staff is capable of developing its own with all of the coordinating and improvements that are going on but I think it is probably more important that we have people out in the health-care field working to improve the lot of sick people.

Another matter that was brought to my attention recently concerns the way in which job vacancies in hospitals are advertised. On my last visit to the Yarloop Hospital I met with the director of nursing who told me that the new system was that job vacancies in all hospitals must be circulated to every hospital. I asked the Minister for Health a question in this House concerning this matter. Not only does the advertisement have to be circulated to every hospital, but it must be placed on the notice board. Members can imagine the number of advertisements involved and it is very difficult to place them all on the notice board.

As I said, this system has been introduced recently, and I believe it is a complete waste of money. If a person is looking for a job, he will go through the proper channels to find one.

I asked the Minister what cost was involved in sending out these notices and he told me that it was negligible and that forms were distributed once a week. Someone has to prepare the forms and they have to be sent to the hospitals. The Minister should give serious consideration to this matter and decide whether it is economically viable to continue with it. I can see no reason for it.

I refer now to the Tronado machine which is to undergo another test to ascertain whether it is of any value to the community. I am in support of this action.

It is unfortunate that last year, when the Government decided to institute further trials with the machine, there were not sufficient patients to take part in the trial—perhaps I should say that it was fortunate!

One of my constituents discovered 12 years ago that she had breast cancer and was told that she would be required to have a mastectomy. She did not want to undergo this operation and asked her doctor what other form of treatment was available. Her doctor advised her to have the Tronado treatment, which appears to have worked.

Obviously one cannot judge the success of any treatment on one case only, but the person to whom I refer has great faith in the Tronado machine. Either last year or the year before the same woman was required to undergo further treatment, but the Tronado had been taken off the health list and she had to pay to receive the treatment. This is another area which should be considered by the Government. Perhaps it will depend on whether the forthcoming trials are successful, but that may take several years.

I am pleased to see that the Government has provided a reasonable sum of money to dredge the estuary at Mandurah. I personally believe that by dredging a reasonable channel there will be a chance that the problem will be overcome.

The Government has indicated that it is considering what is known as the "Dawesville cut" to provide another access to the estuary from the ocean.

I was staggered when I learnt recently that a person who owns land where the Dawesville cut will go through has plans to build a caravan park on that land. A State Government agency allowed him to go ahead with the development. I questioned the Minister for the Environment on this subject and he has advised me that until the environmental review and management programme has been completed the development cannot be stopped. I understand that the development has started because there was a photo of the developer in the local paper and he was standing on the proposed caravan park site where truckloads of sand had been dumped. Naturally the local shire will not tell him that he cannot continue with the development, which will cost in the vicinity of \$1 million. However, the Government appears to be happy for him to undertake the development and when it is completed it will say, "We need this land for the Dawesville cut." By that time the developer would have spent a lot of time in developing this site and it is not fair that he should be subjected to this kind of treatment. I cannot see why a moratorium cannot be placed on the development until the ERMP has been completed.

It will cost the Government a lot of money to go ahead with the Dawesville cut if the developer proceeds with the caravan park and then finds that the Government requires the land.

It makes one wonder whether the Government is dinkum about the Dawesville cut or whether it is hoodwinking the people of Mandurah. It will be a huge project and like most projects it will finish up costing more than the initial estimate. It certainly will cost a lot more if the caravan park is allowed to develop.

As I have already said, it is wrong that the Government has not held up the work until it receives the ERMP.

While I am referring to the Mandurah-Murray area, I advise members that the Minister for Transport announced about a month ago that the Government would commence work on upgrading the Mandurah-Pinjarra road. In the last couple of months about 10 deaths have occurred on that road. It is a constant worry to those people who use the road and it certainly needs repair. The area is very low lying, and as a result the road has an uneven surface.

The Minister advised that the upgrading of the road would commence at Mandurah. I was surprised at that announcement because the deaths which have occurred on that road have not been at the Mandurah end, but have been midway between Mandurah and Pinjarra. The pressure that was brought to bear on the Government for the upgrading of the road was because of the deaths that have occurred.

I would have thought that the Main Roads Department would commence the upgrading at the point where the deaths have occurred, but that is not to be the case. I wonder whether the Government has the concerns of the people at heart or whether it is looking for votes in the Mandurah area.

Mr Burkett: Knowing the efficiency of the Main Roads Department, I doubt whether it would do anything unless it was correct. I think you would have to give full marks to Mr Don Aitken.

Mr BRADSHAW: I do not think Mr Aitken would make the decision about the upgrading of a road in that area. It would be a decision made by the engineers.

Mr Grill: There are no political aspirations as to where the upgrading will start. The traffic on the Mandurah road is heavier than that at Pinjarra.



Mr BRADSHAW: I appreciate where the heavy traffic is and it is not where the deaths have occurred. I know that some of the accidents have been caused through negligence.

Mr Read: A lot of them have occurred near Alan Bond's daughter's farm. There is no point in starting the upgrading there.

Mr BRADSHAW: The road is very uneven.

Mr Read: It is not a bad road. Do you travel on it very often?

Mr BRADSHAW: I would probably travel on it more than the member for Mandurah.

Mr Read: I used to travel on it every day when I was teaching and I had no trouble with it.

Mr BRADSHAW: I have not had any trouble driving on it.

A further point I would like to raise in connection with the Mandurah-Pinjarra road concerns the speed limit. I believe that a standard speed limit should be placed on that road. At the present time there are about a dozen different speed limits and I very rarely reach the maximum speed on any section of it.

As members can appreciate, if the speed limit is 100 or 110 kilometres an hour, the average motorist wants to drive at that speed. Inevitably, one such motorist will have a motorist in front who travels at a much slower speed and this can lead to aggravation. If there were a standard speed limit on that road, the anxiety of a motorist wanting to travel at, say, 110 kilometres per hour would be taken away.

Some time ago I wrote to the Main Roads Department about the speed limit on this road, but to date I have not received a reply. Therefore, I do not think it has investigated my suggestion about the speed limit. If one is lucky he may travel two kilometres on that road at the maximum speed limit only. I must admit that I rarely travel at 100 kilometres or 110 kilometres an hour on that road because of the amount of traffic.

Another thing that has come to my attention since coming into this job is dual inspection fees at abattoirs. The export abattoirs have to pay a State inspection fee as well as a Commonwealth inspection fee. When I first heard about it I found it hard to believe that it was illegal to sell meat in Western Australia if it has been inspected only by a Commonwealth meat inspector and not also by a State meat inspector. We sell that meat to America, the Continent, and other countries. In fact, the Americans send inspectors to inspect our abattoirs on a regular basis to make sure that they are up to a certain standard. They have the ability to wipe out an abattoir if they find that it does not come up to that standard, yet we have a dual inspection fee situation. All it does is add to the cost to the producer or to the consumer. At Harvey abattoir an agreement has been reached whereby the State inspector does not turn up. However, the inspection fee has to be paid regardless.

Mr Read: A lot of them have occurred near Alan Bond's daughter's farm. There is no point in starting the upgrading there.

Mr Grill: Aren't you aware that we are doing away with that?

Mr BRADSHAW: Yes, I know, and I think that is a good idea. I am trying to point out that I hope we do not end up with a situation similar to that in New South Wales where inspections are left in the hands of the Commonwealth Government. I believe the Commonwealth inspector should have responsibility for the export abattoirs in Western Australia and the State inspectors should have responsibility for the non-export abattoirs. I am worried that costs could soar in non-export abattoirs if they are put in the hands of Commonwealth inspectors. At this stage, State inspection fees are cheaper than those of the Commonwealth. I know that a committee has been formed, but I do not know why it is needed. I think it would be a straightforward matter to make the decision to get rid of dual inspection fees. It will cost money to have a committee formed.

Mr Evans: This problem has been going on for 15 years.

Mr Troy: What about the responsibility of local authorities?

Mr BRADSHAW: I know that local authorities also play a part. I know that the problem has gone on for quite a few years, but it seems strange to me that it has taken this long to get to the stage where the dual inspection fee system will be done away with. It is not good that we have had the problem for so long. I am not quite sure why we need a committee to look into the matter to decide how the system will be done away with.

I was disappointed that Waroona Primary School missed out on its allocation for funding in the Budget. The Minister visited the area last year and the way he carried on over the primary school was a sad affair. He continually abused the Waroona Shire Council, I believe unnecessarily. He called the councillors a mob of country hicks. He said that to a reporter.

Mr Pearce: I did not.

Mr BRADSHAW: The shire council believes it; it was told that by a reporter. The Minister can say what he likes, but the reporter told the council that that is what he said.

Mr Pearce: I had a meeting with the shire council and the whole matter has been amicably settled. You have been trying to stir it along, that's all.

Mr BRADSHAW: I have not been trying to stir it along. While the Minister was in the area, he accused the shire council of being responsible for the mix-up because it had rezoned the block. I asked him in Parliament whether he had made that statement and he said that he had not, but when he talked to the council he apologised for the statement. I do not know whether that was a case of his lying to the Parliament. What in fact happened was that the Education Department wrote to the shire council and asked it to rezone a particular block of land so that a primary school could eventually be built on it. The only good thing to come out of it so far is that the land has been resumed. Possibly in the near future a primary school will be built on that land. That will improve the situation for the youth of Waroona. They have had unsatisfactory teaching amenities for many years, having been taught in decrepit buildings. The rooms are too small and the time has well and truly passed when they should have been knocked down and a new school built.

The fact that we have had an allocation in the Budget for the new school at Australind is welcomed. The area is growing at a dramatic rate. There is a lot of pressure on the two Bunbury high schools, and by building this new school at Australind, some pressure will be taken off those schools. Pressure will also be taken off the people who live in Australind, because the travelling distance to the high school will be reduced.

That is one of the good things the Minister has done in the Murray-Wellington electorate. He has allocated some money for the Pinjarra Senior High School.

Mr Pearce: What about the Clifton Park School; you have not mentioned it?

Mr BRADSHAW: What is happening there?

Mr Pearce: An allocation has been made to the Clifton Park School.

Mr BRADSHAW: That is good to hear because it will take the pressure off the Eaton Primary School which the children from Clifton Park currently attend. If the Clifton Park Primary School is built by 1987, I am sure the parents will be most grateful. Clifton Park

is a strange area; it is surrounded by the golf course on one side and blocked in by SCM Chemicals on the other. It is an area with very few facilities and the construction of a primary school will give the area a sense of identity and well-being. It is a pleasant area but I think the people feel somewhat isolated. The school will perhaps also provide a meeting place and hall which the area currently does not have.

Mr Read interjected.

Mr BRADSHAW: I know that some of the people in my electorate go to the member for Mandurah and I can understand that because he is a member of the Government. I can remember just before I was elected being with people from the Yunderup area. They came to speak to me about their problems before the election but after the election when they found that my party was out of Government they went to see the member for Mandurah. Obviously people go to the person from whom they believe they will get the best results.

Mr Read interjected.

Mr BRADSHAW: It could be the case. It is up to them to decide and I have discussed it with them. The Minister is reported as having accused me of political bias. They may not have been his exact words but that is what was meant. It is strange for that reference to be made in this case because Waroona is probably the least political shire council in my electorate and, indeed, in many others. To my knowledge, it has never invited any member of Parliament to its Christmas functions and it tries to keep away from members of Parliament if possible. Until recently, when the member for Brand was elected, the shire has had Liberal members of Parliament. According to the newspaper, the Minister has accused that council of political bias.

Mr Read: In this case, they were not biased but they felt they had more chance of success by going through the Federal member.

Mr BRADSHAW: I do not think so. I was the member who got the Minister down there in the first place. He came a couple of weeks before the election. Going back to the history of it, I asked the Minister in February last year to visit the area and he agreed to do so. The year went by and eventually one day I saw him in the House and asked him when he would make the visit. He said he would do so next year. He said that Wendy Fatin had asked him to go there. It can perhaps be understood why the Waroona Shire Council has become agitated.

Mr Read interjected.

Mr BRADSHAW: I asked the Minister to go to that area long before the member for Mandurah did. The member was keen for the Minister to visit Mandurah, not Pinjarra. I appreciated the Minister's visiting Pinjarra even though he did not promise to build a new high school there. It is a pity that he did not say the Government would build a new high school because the administration area of that school is rather derelict, as the member for Mandurah is aware, because he used to live next door to the school. A building next door to the school had been condemned but is now part of the school buildings. On that basis one can imagine what some of the classrooms are like. The receptionist in the administration area is located on the front verandah and it is time that money was spent on this school, either by upgrading and renovating the existing school or by building a new school. Some funds have been put aside to carry out repairs and renovations but they will be only superficial and a great deal more needs to be done.

A sum of \$400 000 has been allocated for the Murray District Hospital and this is long overdue. The roof of the hospital is leaking badly and the ceiling has holes in it. The hospital is badly in need of upgrading and a total of \$700 000 will be spent in the next 12 months; \$400 000 this year and \$350 000 next year.

To some extent the Government is not doing the right thing by building a new hospital in Mandurah. A district hospital can provide all the facilities required for an area. One large country hospital—not large compared with Sir Charles Gairdner Hospital or Royal Perth Hospital—can provide amenities such as physiotherapists, speech therapists, and ancillary health services. However, if fewer patients use the hospital and it is downgraded, these services tend to be lacking. By having a small hospital in Mandurah and another small hospital in Pinjarra, some of the facilities provided in larger hospitals will not be available. It would have been better to develop one regional hospital.

I can understand why the people of Mandurah want a hospital, but in the present circumstances the hospital is only 15 minutes' drive from Mandurah. Many people living in Perth would expect to travel 15 or 20 minutes to a hospital. The people in Mandurah are no worse off than the people in Perth, many of whom could be 30 minutes' drive or more from

their nearest hospital. I see nothing wrong with leaving the Murray District Hospital as the main hospital for the region.

It is a pity I missed out on a pair. The Pinjarra music and drama club had a world premiere of a musical.

Mr Tonkin: A world premiere?

Mr BRADSHAW: Yes, not bad for Pinjarra.

Mr Tonkin: Who wrote it—somebody in Pinjarra?

Mr BRADSHAW: I must admit I am not sure.

Mr Tonkin: Somebody from Mandurah?

Mr BRADSHAW: The Minister for the Arts may know, because he gave \$2 500 for Harry Beck to do the musical score for it. It is a pity I missed out on a pair because I was invited along tonight. There was to be a little reception before seeing the musical. From past experience I can say the Pinjarra music and drama club does everything to a high standard.

The Benger Drainage Board has impressed me since I became a member. I have been going to meetings in Bunbury. The Premier was at a meeting and he used the drainage board as an example of a QANGO which should be removed. He said it did not meet on a regular basis.

I believe it was doing a good job. It was not costing the taxpayers any money whatever. About 20-odd farmers in the Benger swamp used to charge their own rates. If anything needed doing they would pay for it.

That QANGO went out and a consultative committee, I think it is called, was set up. This will cost taxpayers money because it works with Government employees.

The Benger Drainage Board was meeting on a regular basis. I asked whether this new committee had met and I was told the authority had not finished forming it. The Benger Drainage Board went out of action in March and I asked this question in August. Obviously the new committee had not met in that time. The previous Benger Drainage Board met on a quarterly basis and everything was sweet.

Nobody knows what the present position is. The Water Authority does not know when the board will be called for the draining of the swamp. It seems to be up in the air. The Benger Drainage Board has been running successfully since 1917. The present change is quite disrupt-

tive. Nobody seems to know where he stands. Farmers want to get that swamp drained but nobody has been given any instructions.

The Bunbury College of Advanced Education, which is opening soon, will be a great attribute to Bunbury. Somebody who applied to do a degree in nursing which was advertised a couple of months ago approached me. When she applied she received a letter saying she could not sit for a mature age entrance examination, even though the advertisement said she could. When she challenged that, she received another letter which said the course was not starting in February as mentioned in the advertisement. One of the reasons given was lack of financial standing. It is a sad state of affairs when an education programme is advertised as being available, yet when one applies one discovers the course will not start.

**MR TONKIN** (Morley-Swan—Leader of the House) [12.15 a.m.]: I want to make a couple of points tonight. The reason for bringing on the debate which the Opposition disagreed with was that it had been promised earlier in the day. The Acts Amendment (Meat Industry) Bill—

Several members interjected.

**Mr TONKIN**: We had promised to deal with the Bill. Members know very well that on occasions when we expected Bills to come on, many did not and members opposite moaned because of that. We could have let the meat industry Bill carry on. It would have gone on for another two or three hours and the Leader of the Opposition would be starting to speak at midnight. We would have had more moaning and whingeing from the Opposition.

**Mr Blaikie**: A man from Denmark came specially to listen to that meat industry Bill and that is how you have insulted him.

**Mr Clarko**: There is something new in what you did. You moved from a situation where you had a debate running smoothly, where the Minister was here, to a Bill where the Minister was not here.

**Mr TONKIN**: I will come to that in a moment. We promised to give the Leader of the Opposition an opportunity to speak today. We brought it on just after 8 o'clock. If we had brought it on at 10 o'clock or 11 o'clock, the Leader of the Opposition would have objected.

**Mr Clarko**: What you have done is quite unfair.

**Mr TONKIN**: If we had waited longer it may not have come on at all today. We told the Opposition it was coming on. The Opposition has often complained when we have said a Bill will come on and it has not.

**Mr Blaikie**: A man came all the way from Denmark. He is from the Primary Industry Association and he has an interest in the meat industry legislation, as do one or two other people. You should be ashamed of yourself.

**Mr TONKIN**: If members like to look back in the record they will find innumerable examples every year.

**Mr Clarko**: Do not make an excuse for your Treasurer who was not here.

**Mr TONKIN**: Much has been made of the Treasurer's not having been here. He had not gone home to bed, he was at a function, and a very important function indeed.

**Mr Clarko**: The function finished at 10 o'clock.

**Mr TONKIN**: Presumably the Treasurer should be here to reply to the debate.

Several members interjected.

**Mr TONKIN**: How is one part of it if one does not reply to it? Presumably the Treasurer would be required to reply to it.

**Mr Clarko**: You reply on the basis of what you have heard.

**Mr TONKIN**: That is the point the Opposition is making, that the Treasurer should be here so that he can reply to the debate.

**Mr Clarko**: It is fair enough for him not to be here if he has other things to do. He was not here so we should not have had the debate. He should have said, "We cannot take it, we will do it when everybody is here."

**Mr Bryce**: We have faithfully recorded notes to take to him.

**Mr Clarko**: It is not treating the Budget with respect.

**Mr TONKIN**: The Opposition is making the point that the Treasurer should have been here to reply to the debate.

**Mr Blaikie**: And to listen to it. Give the Leader of the Opposition the courtesy of listening to him.

**Mr Gordon Hill**: Let the Leader of the House speak.

**Mr TONKIN**: The point I am making is that on the last two occasions the then Treasurer Sir Charles Court brought the General Loan Fund Bill to this House—in 1980 and in 1981—he

did not bother to reply to the debate. The Bill just went through. There had been speakers from the Opposition side, and when it came to the debate, the Bill went straight through and he did not say one word. Members can see the way the Opposition changes the rules. We might as well have a cardboard cut-out sitting here if he is not going to reply to the debate. He did not think the comments made were worthy of a reply.

It is amazing how the Opposition changes the rules when it is on the other side of the House. Sir Charles Court did not even bother replying to the debate. What is the point of having a Treasurer who sits there and does not reply to the debate? Those are the facts. He did not show any courtesy to the House and did not bother to stand when the debate was on. There is no record he was here because *Hansard* does not show that. He might as well have been home in bed because he made no attempt to reply to the debate. The Opposition talks about the Treasurer's not replying to the debate but Sir Charles Court, whom the Opposition continually lauds as a great man, in his last two years in this place, did not bother to reply to the debate on this Bill.

**MR TUBBY** (Greenough) [12.22 a.m.]: I would like to make a few comments on this General Loan Fund Budget debate. I am certainly going to make my contribution and I will not be talked out of it by anybody even at this hour of the night.

I have looked through the Budget Estimates concerning my electorate and the lack of funds allocated is rather noticeable.

I expected that to be the case this year because I admit that last year and the year before a considerable amount of money was spent in my electorate. In many cases these were commitments instituted by the previous Government and honoured by this Government. So there was not a great deal that could be expected, but I do not see some considerable funds have been allocated, in many cases to finish off the overlap of funds from one year to another and to clean up those payments.

The figure that is most noticeable—and I think the wording must be wrong—is for the upgrading of the Greenough regional prison—the sum allocated is \$750 000. I find it very hard to believe that this prison, which has been open for some 12 months only, and is an excellent structure indeed, was not finished off in every way. I see this as possibly the Government's commitment in the loan repayments as

the prison was constructed by the joint efforts of loan raising by the various councils surrounding that area. They raised the funds through their loan buying powers as a group and the Government agreed to meet the loan commitments. I presume this \$750 000, rather than being for upgrading, would be a loan commitment.

**Mr Carr:** I think it is upgraded in terms of a level of security which was not previously provided.

**Mr TUBBY:** I do not doubt that the level of security has been upgraded, but I know when Hon. Joe Berinson, the Minister for Prisons, was there to commission the prison, a number of comments were made about the beautiful set-up and that it was a credit to all concerned. It was necessary to lock the gates to keep people out rather than keep them in. It is rather amusing to see people wanting to get out of there because the accommodation inside would be equal to anything one would get on the outside. The Minister for Police and Emergency Services would agree that that is correct.

There is also the police station at Perenjori. That building has been completed and there is another allocation of funds.

**Mr Carr:** That is now finished. It will be opened in three or four weeks.

**Mr TUBBY:** Another area of interest to me—and I wondered why it was listed—relates to the Rural Housing Authority vote of \$2.318 million. Last year it was only \$661 452. I would have thought that with the serious downturn in the rural industry and the number of people leaving the industry, there would be less requirement for funds to be allocated to rural housing than perhaps there has been before. We have no areas that are being newly developed. Development is a thing of the past so far as the rural industries are concerned at this stage until we see a considerable upturn—we hope that is not too far away. By that time there will be many surplus homes in the rural industries. The demand for assistance from the Rural Housing Authority will be severely depleted in the years to come and I think there has been an overcommitment in the Budget for that amount to be allocated with respect to the rural housing industry. I will certainly be interested when we come to that division to find out the reason for that considerable allocation.

**Mr Blaikie:** It could be that the Government is out of touch with the rural scene.

Mr TUBBY: That could be so because the Premier has admitted that the Government has not been listening to what has been said, and the serious situation that now exists in the rural industries is a message the Opposition has been endeavouring to convey over the last few years it has been in Opposition. It is a situation that was coming up and the Government should have been prepared for it and should not have been carried away with the very good season we had last year as far as production was concerned.

I know I personally urged the Government to take advantage of that because it was creating a holding situation with the good season. We are now planning ahead and trying to overcome that. The Opposition was spot on when it said that the season would not overcome the problems which were more deep-rooted than the Government would believe.

I am disappointed to find that the Government is making rushed decisions to cater for mortgage sales which we forecasted some 12 to 18 months ago. It is only when it actually happens and farmers have to demonstrate—not in a way that they normally do—to get the message through to the Government that their problems are taken seriously. The farmers mean business.

Mr Blaikie: The horse has bolted and the Government has woken up to find there is a problem.

Mr TUBBY: That is right. It is a very good lesson to the Government. The Opposition has experienced members on this side of the House and we were able to forecast what was going on because we have a thorough understanding and knowledge of the industry. I hope in the future—and I do not say this to discredit the Government—that it will take note of what the Opposition has to say because the Opposition is not trying to belittle the Government in any way. We are only trying, in a genuine way, to represent the industry we are so involved in. It has been a good lesson to the Government that it may be seen in a better light in the future if it does listen to some of the messages the Opposition endeavours to convey.

I mention some of the developments that have taken place in my electorate. I am very proud that the Northampton District High School has been completed. The Northampton district is very proud of that school. Those people have waited a long time and have gone through a lot in order to see that school situ-

ated where it is. There were many differences of opinion within the district as to where the school should be sited. I was a person who perhaps was seen to be going against the grain of many of my constituents in Northampton because I felt the most sensible thing to do was to have the school sited where all the sporting facilities were available so that there would be maximum usage of available sporting facilities rather than having duplication. Northampton experiences considerable difficulty in obtaining an adequate water supply and it seems ridiculous for the school to develop ovals and sports grounds when only a short distance away the community provides the same facility. It was a very good decision that the school should be sited alongside the sports ground to maximise the use of available facilities. I hope a satisfactory arrangement will be worked out whereby the Education Department will contribute to the costs of upkeep or maintenance of these sports grounds because of the responsibility it carries to provide these facilities from its own resources.

Mr Blaikie: I have seen that facility. It is a credit to the community. A facility like that helps a small community get decent facilities which they normally would not be able to afford.

Mr TUBBY: That is correct. Excellent facilities are now provided and I am sure the school will reap the benefits of the decision that has been made.

Another school in my electorate of which I am very proud is the John Wilcox Senior High School. It is only just inside my electorate, only a stone's throw from the member for Geraldton's electorate. This school has now been upgraded to become a senior high school, and all the facilities that accompany a senior high school have been provided. It is an excellent school and I am very proud indeed to have that facility within my electorate. In many schools these days additions are perhaps not in keeping with the overall standard of the school. We have heard criticism in this House in regard to what is normally expected. I agree that in many places additions have been rather elaborate. I am very pleased indeed that the decision has been made for the additions to be in keeping with the existing standard at the John Wilcox Senior High School. They will be considerably better than the facilities which existed previously. This school will serve that area for a long time. The way the area is expanding, it may not be long before we are looking for another high school, perhaps in the

northern area in what is known as the Waggrakine area. It may not be long before we call out for that type of development because of the growth that is taking place.

Mr Clarko: I made the decision to upgrade it, in your company, in 1982.

Mr TUBBY: The honourable member was not easy to convince.

Mr Carr: You reluctantly responded to a severe twisting of the arm by both the member for Greenough and myself.

Mr Clarko: I was ahead of the department, as you know.

Mr Carr: You were still well behind us and the community.

Mr Bryce: You made a couple of good decisions.

Mr TUBBY: It was the decision of the member for Karrinyup when he held the portfolio of Minister for Education. I know the decision was not easy, and I knew that the member for Geraldton was putting pressure on him because the John Wilcox School served a considerable area of his electorate. It was a great decision.

I was very disappointed to notice that in the Budget for health there is still no allocation for the replacement of a kitchen at the Mullewa District Hospital. This is something for which I have been pressing very hard for 10 years. As a matter of fact, it is 10 years to the day since I became a member of Parliament.

Members: Happy anniversary!

Mr MacKinnon: Hear, hear! Congratulations.

Mr TUBBY: By only an hour it has entered the eleventh year.

Mr Clarko: You have done a good job.

Mr MacKinnon: Hear, hear!

Mr TUBBY: Some 10 years ago a decision was made to upgrade the Mullewa District Hospital.

Mr Bryce: It is only a week before the anniversary of my by-election. I am not being facetious. I am being serious.

Mr Rushton: Yours is a very sad occasion.

Mr Bryce: My anniversary is on 7 November. Some very fine members of Parliament have come to this place as members of the by-election club.

Mr TUBBY: I thank the Deputy Premier for that comment. He does not often issue compliments like that. I certainly appreciate the compliment if he includes me in that category.

Mr Bryce: Yes, I do. I think I must be getting old and mellow. I think that is the trouble.

Mr TUBBY: It was decided to spread the cost of the redevelopment and additions to the hospital over three stages. The department indicated the priorities that should be given to the development of this hospital. The kitchen is an old weatherboard attachment to the hospital; the remainder of the hospital is brick. The priority for the second stage was the provision of additional wards. The third priority was the office and reception area. However, because of the pressure being applied for ward space the hospital board some years ago decided that a higher priority was needed for additional ward accommodation and it was agreed to move that number two priority to number one priority and transfer the kitchen renovations to number two. However, the years have passed. Because of its dilapidated condition and lack of funds the kitchen was renovated. It certainly made a big improvement but it is showing signs of considerable deterioration at this stage. I was hoping to see within the Budget this year an allocation of funds to allow for the replacement of that kitchen. The problem was certainly accentuated by the additional wards which were provided, which placed a considerable additional load on the catering requirements of that kitchen. Because of the high proportion of Aboriginal people in Mullewa and the great need for strict health requirements, I see the replacement of that kitchen as a very urgent priority indeed.

Perhaps the Minister for Education may be able to clear up this matter for me, but I have not been able to find an allocation in the Budget for the provision of airconditioning and a water supply for the Palatine mission at Tardun. He indicated to me some eight or nine months ago that consideration was being given to the provision of airconditioning and water supply. I know it is not a major development, but I regard it as being of sufficient consequence to have received a substantial allocation in the Budget. I am a little disappointed that it has not received an allocation although I have heard that tenders may be called and that an allocation may be provided. I was speaking to the brother in charge, and he is getting very concerned, with summer coming on. These urgently-needed facilities have still not been supplied. The Palatine Mission brothers have provided wonderful brick accommodation and facilities for the children attending the mission school but the rooms supplied for the education of the children cer-

tainly are not in keeping with the remainder of the buildings provided by the Christian Brothers. The schoolrooms are what we call demountable types, or "matchboxes". The brothers have joined them together and have done a marvellous job to make them look something. However, I have been there during a heat-wave and the conditions the children work under are shocking. They told me last year it was so hot that the wax crayons were melting and all they had was a solid block of wax.

In my speech on the Budget two nights ago I referred to the plight of the Hemsley family who live at Greenfield near Geraldton. I was unable to complete the recording in *Hansard* of a resume of what has taken place with regard to their problem. Rare flora was found on their property, and this has led to a sad sequence of events which obviously is no nearer being solved than it was four years ago. I was reading a résumé of what had taken place, and I will carry on with that now so that it can be recorded in *Hansard*. It is as follows—

The Director of the Department of Fisheries and Wildlife, Mr Bowen, advised us that no cash compensation was available at that time. He said cash compensation would take years to settle. He suggested we accept a land exchange to expedite matters.

The first offer made to us was that the areas to become Crown land totalled 67 ha, they would give us 35 ha in exchange. We would not accept this offer as a large gravel deposit was included in the land they were taking from us. We had negotiated to mine this gravel, proceeds to be farm repayments.

The department eventually offered a more equal land exchange which we accepted to expedite finalisation.

Four and a half years have passed, and the terms of the land exchange have not been finalised. We were informed last week, that the Lands Department will only now be starting to survey as they had made errors.

The government has been promising for over two years that the matter would be settled in the near future. Today they cannot define "near future." It appears the future is no nearer than it was two years ago.

Only recently I asked questions of the Minister for Conservation and Land Management as to the interpretation of "near future", and he was unable to indicate what it was. This is a very sad situation after the 4½ years of hell that this family have been through. The résumé goes on as follows—

We have had to pay for any errors caused by ourselves, but why should we have to pay for errors caused by the government.

At present our situation is:

The government has taken away our earning capacity in the gravel.

The government has rendered our land titles useless until this exchange is finalised.

4½ years ago we had to take short term bridging finance and commercial bills at a very high rate of interest.

We have now lost a fishing boat, our home, large quantities of our mohair goats; all sold in an effort to meet interest payments. It hasn't been successful.

Mr Tonkin: How long is the letter?

Mr TUBBY: Not very long; there is another short section. It is very important that it be recorded. To continue—

Had the land exchange been completed quickly, we had intended to sell off part of our farm to consolidate our debts.

We have no other assets to sell, so no interest payments have been made for quite some time. The interest just keeps compounding on the principal. Our original loan has now doubled, even with all our efforts of selling our assets.

We have no hope of meeting loan payments, and we cannot sell our farm even if we wanted to, because we have no titles until the land exchange is completed.

I do not think it is a joke. The Leader of the House should know it is a very serious situation.

Mr Tonkin: I certainly was not laughing at you or your letter.

Mr TUBBY: I hope not. It is not a letter; it is a résumé from Mrs Hemsley, and it goes on as follows—

Our compensation matter has seen 2 different governments, 4 different Ministers, and the Department has been divided into 2 departments and the division concerned with our case called Conservation and



Land Management. These changes have caused so much confusion that nobody can understand our predicament.

That is a fact. I have seen the file, and I think the member for Geraldton has seen it as well. To continue—

The present Minister has twice refused to return our gravel deposit to us, as it has rare flora growing on it. We can respect his decision if we can get financial assistance, so we don't lose our farm.

We had a meeting with the Premier begging him for help.

I read the report of that meeting. Mrs Hemsley wrote a further note to me as follows—

Reg,

I have made a quick calculation with regard to the value of the gravel.

The Act reads that compensation will be paid for loss of use and enjoyment for 5 years as the loss continues.

The land exchange compensates for loss of use of land, but full loss has not been compensated for.

Town of Geraldton notified the Minister in 1981 that they were in dire need of gravel and would require a minimum of 20,000 cubic metres from us per annum. This we had also verbally negotiated with them.

Therefore we had lost on one contract alone:—

20,000 cubic metres at \$4.50 per cubic metre, i.e., \$90,000 per year for 4½ years.

How can the generosity of the Minister waiving our \$50,000 fishing licence fee compensate for this demonstrated loss?

If we can get no satisfaction are we supposed to donate this amount of \$405,000 to the W.A. Government?

Sincerely

Ann

That was the letter Mrs Hemsley wrote to me. It is a very serious situation indeed. It is very sad that the stage has not been reached following a promise made 2½ years ago that this astounding situation would be cleared up within three months.

When this undertaking was given by the Premier—that he was going to have his brother finalise and handle the matter—he indicated that he had not received that request. The Hemsleys thought they had only to wait those

three months. That was three years ago and they probably thought that by now the property would be sold. However, both of these people have been working very hard simply endeavouring to survive, and hoping that this complex case will be decided very shortly. One can see how complicated the situation is simply by the résumé which I have quoted, and it is obvious that it will be a long time before either any land changes hands, or these people will even be able to sell their property. They are facing a very difficult situation indeed.

The Morawa district celebrated its 75th anniversary the weekend before last. John Barnett, the ABC rural broadcaster and weatherman who is so well-known to us all, was invited to Morawa for the weekend. He paid that district a great compliment. He went up there expecting to see everybody downhearted and in the doldrums because of the poor rural situation, but he was absolutely amazed at the resilience of the people and the way in which they were determined to celebrate the 75 years that that district has been operating.

People in Morawa are certainly very proud of the achievement and development that has occurred over those 75 years and I was very proud to go back. Being the son of one of those original pioneers who went to Morawa in 1910, I have spent my lifetime in that area. It was very pleasing to see a number of the original pioneers there for that occasion, renewing old acquaintances and catching up on what had happened in the many years that have passed since they left the district.

I commented on the rural situation in an interview with the local manager of the ABC in Geraldton. He called on me, as a person who has spent my entire lifetime in that area, to give a rundown of what had made the district of Morawa what it was and is. As he put it, there is now a very serious situation in the rural sector, but there has not been a mortgagee sale in that particular district as yet. Although I do not think there has been a mortgagee sale, I know that that record will not be in place for long because I know that there are quite a number of farmers who, I would say, are going to be taking off shortly what will probably be their last harvest because of the serious situation they are now in. It is very sad to see that happen, but that is the situation.

John Barnett indicated that he was truly amazed during the weekend—which was a three-day weekend—at the activities that were carried out. Mr Barnett is a man who loves to get out into the country areas and mix with

country people, and I know that in his Sunday morning radio session—I do not know whether many members listen to it—he usually talks about the north and his great love for it. However, despite all the activities of that nature he has witnessed in this State, by far the best as far as atmosphere and hospitality of the people were concerned were the activities that went on in Morawa during the celebrations. He thought they were absolutely amazing.

Mr Bridge: That is the very point I have been making in this Chamber all the time. The people are in good spirits out there in the State. Everybody is happy.

Mr TUBBY: They are not happy, but they were determined to celebrate on this occasion. Many country people in that area are wondering whether they will be there to celebrate any more such occasions. I know I put on the record during the interview I had with Mr Paul Thompson of the ABC in Geraldton—and that 20 minute interview with him will be put onto a special tape and sealed in a container that is to be buried this year and unearthed in 25 years' time—that the situation in Morawa is a very difficult one. I indicated that I thought the products country people produce—that is, the food and fibre products—were the essentials of life. Although there may be a severe shaking out, these essentials will always have to be produced and it will be a very sad day when there are no farmers in WA producing these basic necessities.

I hope that the shake-out that will take place, and is taking place, will not make too much of an impact on those districts because they have provided wonderful facilities for their citizens. It would be a very sad day indeed to see all that development and achievement going to waste. A lot of the highly productive land will not pass back to nature because I believe that if it is not to be used for grain growing, it will be used for the raising of stock. It may not carry the type of stock that we normally graze today; it may be, as has been demonstrated, that Angora goats can be a very profitable enterprise. They may well do even better in that area than sheep and cattle currently do.

I am very pleased that this week we have seen the end of a very disturbing and sad situation in the Geraldton area. The member for Geraldton's district and mine overlap and I know of the anxiety people in Geraldton have suffered over the last five years, and particularly over the last few months. I know the people of that area were very appreciative of the efforts that were made to catch the

Geraldton rapist. They were appreciative also of the funds made available by the Government which enabled the town to remain lit up at night, something which comforted many people and relieved their anxiety. It certainly made a very big difference to the town and the area, and the people at least felt a little more secure. I believe also that the police have done a marvellous job in following up leads, which sometimes faded out, and I, on behalf of the people of my area, would like to express my sincere appreciation for the work done by the police and the enormous hours they put in.

Thank goodness it appears they were in the right place at the right time—2.15 a.m.—in an area which they knew the person they were looking for frequented.

It is pleasing to think that the police believe they have got the man they were looking for. I hope that will be confirmed in the near future so that the atmosphere in Geraldton can return to the relaxed lifestyle in which people once lived.

Mr Tonkin: The trouble is, you will never be sure, will you?

Mr TUBBY: I think we will know in the very near future as things get back to normal. The events have certainly been a great strain on people living in Geraldton.

I was interested to read that a very good friend of mine and a chap I went to school with was the gentleman who assisted the police officer in capturing the man.

I will have a little more to say when the Budget is discussed in Committee.

Debate adjourned, on motion by Mr Bryce (Deputy Premier).

#### **BILLS (6): RETURNED**

1. Construction Industry Portable Paid Long Service Leave Bill.  
Bill returned from the Council with amendments.
2. Reserve (No. 36636) Revestment Bill.
3. Skeleton Weed and Resistant Grain Insects (Eradication Funds) Amendment Bill.
4. Authority for Intellectually Handicapped Persons Bill.
5. Acts Amendment (Authority for Intellectually Handicapped Persons) Bill.
6. Medical Amendment Bill.  
Bills returned from the Council without amendment.

**ACTS AMENDMENT (RESOLUTION OF  
PARLIAMENTARY DISAGREEMENTS)  
BILL**

*Council's Message*

Message from the Council received and read notifying that it had declined to read the Bill a second time.

**BILLS (8): ASSENT**

Message from the Governor received and read notifying assent to the following Bills—

1. Commercial Tenancy (Retail Shops) Agreements Amendment Bill (No. 2).

2. Occupiers' Liability Bill.
3. Acts Amendment and Repeal (Transport Co-ordination) Bill.
4. Liquor Licensing (Moratorium) Amendment Bill.
5. Local Government Grants Amendment Bill.
6. Acts Amendment and Repeal (Statutory Bodies) Bill.
7. Wildlife Conservation Amendment Bill.
8. Law Society Public Purposes Trust Bill.

*House adjourned at 1.06 a.m. (Friday).*

## QUESTIONS ON NOTICE

### TRADE

#### *South Africa: Bans*

1270. Mr COURT, to the Minister for Industrial Development:

- (1) What effect will the Federal Government's economic sanctions against South Africa have on Western Australian industry exporting to African countries?
- (2) Does the State Government support economic sanctions against South Africa?
- (3) If "Yes", will compensation be paid to those companies affected, particularly if staff are to be laid off?
- (4) Does the Government support the union bans currently in place in Western Australia on exports and imports with South Africa?

Mr BRYCE replied:

- (1) Not yet known.
- (2) to (4) The Government has not yet considered this matter.

### AMERICA'S CUP

#### *Contracts*

1349. Mr MENSAROS, to the Minister for Transport:

In view of the Minister for Tourism's reply to question 1053 of this session, would he please detail contract works given out by the Government in the Fremantle area in connection with the America's Cup?

Mr GRILL replied:

- (1) Breakwater construction, northern boat harbour.
- (2) Breakwater construction, Fishing Boat Harbour.
- (3) Construction new land-backed wharf and associated roads, Fishing Boat Harbour.
- (4) Supply and placing sand fill for total harbour development.
- (5) New electrical supply to northern section, Fishing Boat Harbour.

(6) Hardstanding works associated with the Mews Road Wharf, new land-backed wharf, and other associated work within the harbours.

(7) Toilets and service buildings in both harbours.

1358 and 1360. *Postponed.*

### PRISON: CANNING VALE

#### *Security Systems: Electronic*

1379. Mr MacKINNON, to the Minister representing the Minister for Prisons:

- (1) Is it a fact that some electronic security systems have been installed at Canning Vale prison complex?
- (2) If so, when were these systems installed?
- (3) What was the cost of the installation of these systems?
- (4) Are the systems currently in operation?

Mr GRILL replied:

- (1) Yes.
- (2) Installation is not yet completed.
- (3) (a) Canning Vale Prison—estimated \$150 000;  
(b) C. W. Campbell Remand Centre—estimated \$482 000.
- (4) No, although testing is being conducted.

### PRISONER

#### *Brian William Edwards: Imprisonment*

1386. Mr MacKINNON, to the Minister representing the Minister for Prisons:

- (1) When was Brian William Edwards convicted of wilful murder?
- (2) What were the terms of his imprisonment?
- (3) Where is he currently imprisoned?

Mr GRILL replied:

- (1) 14 April 1980.
- (2) Death. This was commuted to strict security life imprisonment on 16 December 1980.
- (3) Fremantle Prison.

1388. *Postponed.*

## CHEMICALS

### *Sodium Cyanide Plant: Notice of Intent*

1403. Dr DADOUR, to the Minister for the Environment:

- (1) On what date was a notice of intent submitted to the Environmental Protection Authority by the proponents of the proposed sodium cyanide plant?
- (2) On what date did the Environmental Protection Authority notify the proponents that an environmental review and management programme would not be required?
- (3) What research has been carried out into the operation of sodium cyanide plants in other parts of the world?
- (4) Is research data on sodium cyanide plants available to the public from the Department of Conservation and Environment?
- (5) What are the minimum environmental protection measures a sodium cyanide plant would be required to meet?
- (6) What agency or agencies are responsible for ensuring that such minimum environmental protection measures are complied with?
- (7) If such measures are not complied with, what body or person can take action to ensure compliance?

Mr DAVIES replied:

- (1) 21 September 1984.
- (2) 29 November 1984.
- (3) and (4) This plant will use the most modern technology which does not involve the storage of significant quantities of hydrogen cyanide and is not comparable to older plants elsewhere in the world.
- (5) to (7) The plant must meet the standards set by the licensing requirements of the Clean Air Act and the Rights in Water and Irrigation Act, and be approved by the relevant local authority which will be advised by the EPA in respect of environmental aspects.

## TRANSPORT: RAILWAYS

### *Electrification: Steering Committee*

1404. Dr DADOUR, to the Minister for Transport:

- (1) Has anyone been appointed to the steering committee for the electrification of suburban rail?
  - (2) If "Yes", who has been appointed?
- Mr GRILL replied:

- (1) Yes.
- (2) Chairman, MTT—Chairman; Commissioner of Railways; Director of Economic and Financial Policy, Department of Treasury; and the Coordinator General of Transport.

1405 and 1406. *Postponed.*

## WILDLIFE

### *Birds: Indigenous*

1407. Mr P. J. SMITH, to the Minister for the Environment:

What is the number of separate species of endemic birds found in—

- (a) the South-West Land Division;
- (b) Western Australia?

Mr DAVIES replied:

- (a) Ten;
- (b) twelve.

1408 to 1412. *Postponed.*

## HOUSING: GOVERNMENT EMPLOYEES' HOUSING AUTHORITY

### *Units: Kojonup*

1413. Mr PETER JONES, to the Minister for Housing:

- (1) How many housing units does the Government Employees' Housing Authority have in Kojonup?
- (2) Are all presently occupied?
- (3) How many are allocated to the Education Department?
- (4) What other Government departments and instrumentalities occupy Government Employees' Housing Authority units in Kojonup?

Mr WILSON replied:

- (1) 13.
- (2) Yes.
- (3) 11.
- (4) The Police Department occupies the remaining two units.

#### EDUCATION: TEACHERS

##### *Accommodation: Kojonup*

1414. Mr PETER JONES, to the Minister for Housing:

- (1) Has the Education Department sought additional Government Employees' Housing Authority housing in Kojonup for the 1968 school year?
- (2) If so, what additional accommodation is being sought?

Mr WILSON replied:

- (1) No.
- (2) Answered by (1).

#### EDUCATION: HIGH SCHOOL

##### *Kojonup District: Enrolment*

1415. Mr PETER JONES, to the Minister for Education:

- (1) With regard to the Kojonup District High School, what is the estimated enrolment for 1986?
- (2) What teaching staff will be required for 1986?
- (3) Will additional teachers' housing be available for 1986?
- (4) If so, what additional units are being considered?
- (5) If no additional housing units are to be provided for 1986, where does he anticipate the teaching staff will be accommodated?

Mr PEARCE replied:

- (1) Primary 294; secondary 114; total 408.
- (2) 29.8 teachers.
- (3) No.
- (4) Not applicable.
- (5) As at present, in GEHA and private rental housing. However, a departmental officer will be visiting Kojonup next week to discuss housing requirements with the school principal and teaching staff.

#### ENERGY: HYDROCARBONS

##### *Exploration: Stratigraphic Slim-hole Drilling*

1416. Mr PETER JONES, to the Minister for Minerals and Energy:

- (1) Is stratigraphic slim-hole drilling for hydrocarbon exploration undertaken in Western Australia?
- (2) Is this method used extensively elsewhere in Australia and in other countries?
- (3) If this method of exploratory drilling is not permitted in Western Australia, for what reason is it prohibited?
- (4) Is it considered that this method of exploratory drilling is less costly than more conventional drilling methods?

Mr PARKER replied:

- (1) Yes, on occasions. Conventional stratigraphic slim-hole drilling has always been an accepted practice.
- (2) Yes.
- (3) Conventional slim-hole drilling using oil drilling equipment presents no problems. Slim-hole drilling using mineral drilling equipment may be approved, subject to compliance with petroleum safety Memorandum No. 2/1985, which states—

Mineral drilling rigs may be used in drilling operations provided all requirements of the Directions as to Drilling Operations are met, and—

- (i) casing, rotary shouldered tubulars and well-head equipment conform to API Standards;
- (ii) senior rig personnel (the rank of drillers and above) are trained and experienced in well control in accordance with Clause 18 of the Directions; and
- (iii) the Director is satisfied that the well can be controlled in the event that any water, oil or gas zones are penetrated.

- (4) Yes.

1417. *Postponed.*

# HEALTH: HOSPITAL

## *Bentley: Assessment Centre*

1418. Mr JAMIESON, to the Minister for Health:

- (1) When will the assessment centre at Bentley Hospital be completed?
- (2) How many beds will be in total in the three units, hospital, geriatric, and assessment, after the completion of the assessment centre?
- (3) Are there to be any additional buildings constructed in the current financial year at the Bentley Hospital site?
- (4) What plans for future development at Bentley are being considered by the department?

Mr HODGE replied:

- (1) Construction is due for completion on 22 November 1985.
- (2) 166 beds plus 8 one-day-stay beds.
- (3) No.
- (4) (a) Funds have been allocated this financial year to identify the likely future role and function of the various metropolitan non-teaching hospitals. Any future development plans will be dependent on the outcome of these studies.
- (b) Consideration is also being given to the need for hydrotherapy facilities at Bentley Hospital.

# TAXES AND CHARGES: STATE TAXATION DEPARTMENT

## *Inspectors: FID Returns*

1419. Mr COURT, to the Minister representing the Minister for Budget Management:

- (1) How many inspectors in the State Taxation Department are assigned to checking financial institutions duty returns?
- (2) How many organisations have been inspected in—
  - (a) the financial year 1984-85;
  - (b) July 1985;
  - (c) August 1985;
  - (d) September 1985?

Mr BRIAN BURKE replied:

- (1) and (2) The Commissioner of State Taxation has indicated that his department believes it inappropriate for information about the level of inspection activities to be publicised. However, the Minister for Budget Management will consider providing the information on a confidential basis if the member raises the matter with him.

# EDUCATION: TERTIARY

## *WA Institute of Technology: Investment Funds*

1420. Mr COURT, to the Premier:

- (1) Will the Western Australian Development Corporation be taking over the management of surplus investment funds of the Western Australian Institute of Technology?
- (2) If "Yes", did the Western Australian Development Corporation win this work by competitive tender?
- (3) Why has the Government decided to take this business off private sector managers?

Mr BRIAN BURKE replied:

- (1) to (3) The Western Australian Institute of Technology has made no arrangements with WADC in relation to the management of surplus investment funds.

1421. *Postponed.*

# EMPLOYMENT AND TRAINING

## *Work Experience: Union Membership*

1422. Mr BRADSHAW, to the Minister representing the Minister for Industrial Relations:

- (1) Can the Government give any assurance that what happened in Victoria when a 15-year-old student on work experience was persuaded to join the Builders Labourers Federation will not happen in Western Australia?
- (2) Is he aware that there is a fear that this could happen in Western Australia and therefore business and other organisations are concerned to have students on work experience?

Mr PARKER replied:

- (1) Under Western Australian industrial law, work experience students are excluded from the definition of employee and are therefore not subject to award provisions and have no entitlement to award wages. However, employers are not precluded from paying reimbursements to students in excess of legal entitlements, and the Government cannot prevent employers from making such payments.
- (2) I am not aware of any concerns which have been expressed in this regard.

1423 and 1424. *Postponed.*

#### WATER RESOURCES: DAM

##### *Harris River: Construction*

1425. Mr BRADSHAW, to the Minister for Water Resources:

- (1) Has the final decision been made to construct the Harris River Dam?
- (2) If the decision has been made to construct the Harris River Dam, has the site been chosen?
- (3) Was there more than one site under investigation?
- (4) Will the dam built be the largest possible for the sites available?

Mr TONKIN replied:

- (1) The State Government has decided to proceed with the construction of a dam on the Harris River, subject to an environmental clearance and the availability of finance.
- (2) The Water Authority has selected a site 5 km upstream from the confluence of the Harris and Collie Rivers.
- (3) Yes, two sites were under investigation.
- (4) No.

#### WATER RESOURCES: DAM

##### *Kent-Styx Rivers*

1426. Mr STEPHENS, to the Minister for Water Resources:

- (1) Has the Kent-Styx Rivers junction been pegged and reserved for a future dam site?

- (2) If "Yes", what are the plans for its development?
- (3) What is the proposed capacity?
- (4) What are the plans for the utilisation of timber in the area which will be flooded by the dam?
- (5) Which communities would be served by the dam?

Mr TONKIN replied:

- (1) and (2) The Kent-Styx Rivers junction lies within the Kent River water reserve which has been proclaimed under the Country Areas Water Supply Act, principally to protect the quality of the water resource through the application of controls on the clearing of indigenous vegetation.

Routine investigations have identified a dam site just downstream of the Kent-Styx Rivers junction, but the Water Authority has no plans to develop the site.

- (3) to (5) These issues have not been addressed.

#### FORESTS

##### *Jarrah: Area*

1427. Mr STEPHENS, to the Minister for Conservation and Land Management:

- (1) How many hectares of jarrah forest are there in—
  - (a) State forests;
  - (b) other?
- (2) What is the estimated volume of timber available in the above areas?
- (3) At the current rate of logging, for how many years will these areas be commercially viable?
- (4) Is there a management plan which will provide a sustainable yield of jarrah, and if so, what is it?
- (5) In each of the years ended—
  - (a) 30 June 1983;
  - (b) 30 June 1984; and
  - (c) 30 June 1985,
 what was the volume and/or tonnage of jarrah cut in the State?
- (6) What amount was exported—
  - (a) overseas;
  - (b) interstate?



- (7) Are there any plans to limit exports to either area, and if so, to what extent?
- (8) Is he aware that felled logs are apparently being deliberately mutilated to prevent spot millers utilising them?

Mr DAVIES replied:

- (1) (a) 1 428 000 ha;  
(b) approximately 220 000 ha does not include private property.
- (2) 14 800 000 m<sup>3</sup> available for general purpose milling.
- (3) Approximately 25 years.
- (4) Yes. See "General Working Plan for State forests in Western Australia No. 87", part 1, folio 29. I hereby table a copy.
- (5) (a) 480 017 m<sup>3</sup>;  
(b) 500 822 m<sup>3</sup>;  
(c) 590 691 m<sup>3</sup>.
- (6) (a) 1983 not available;  
1984 not available;  
1985 not available;  
(b) 1983 13 385 m<sup>3</sup>;  
1984 not available;  
1985 not available.

The Department of Conservation and Land Management does not keep this type of statistic—this information is all that is available from the Australian Bureau of Statistics.

- (7) No.
- (8) No. If the member has any evidence I would be pleased to receive it.

(See paper No. 264.)

## ROADS

### *Alexander Drive-Thongsbridge Street: Closure*

1428. Mr CASH, to the Minister for Lands and Surveys:

- (1) Further to question 2678 of 13 March 1985 concerning the closure of portions of Alexander Drive and Thongsbridge Street, Menora, can he advise when the Crown grant will be issued?
- (2) As the original request for the road closure was made on 26 September 1984, does he consider the amount of time taken to attend to this request to be reasonable?

Mr McIVER replied:

- (1) The closed road alienation certificate will issue within 2 to 3 weeks on receipt of purchase money and fees requested on 17 October 1985.
- (2) No. However, I have to have regard for the fact that as it is simply correcting a minor encroachment, at no stage has this transaction been urgent and I am aware that it has had to take its turn within the high volume of survey drafting and examination tasks currently being handled by the Lands and Surveys Department.

1429 and 1430. *Postponed.*

## COMMERCIAL ARBITRATION BILL

### *Discussions*

1431. Mr MENSAROS, to the Minister representing the Attorney General:

- (1) Have the proposed provisions or the provisional drafts of the Commercial Arbitration Bill 1985 at any time before or during the Attorney General's discussions of the Bill been submitted for comments to the Institute of Arbitrators, Australia?
- (2) If so, were such comments received and were they in acceptance of the proposed provisions?
- (3) If not, why not?

Mr GRILL replied:

- (1) to (3) The Commercial Arbitration Bill 1985 was introduced into the Legislative Council in February 1985. In August 1985 the Institute of Arbitrators, Australia, submitted comments on particular clauses of the Bill. On 3 October 1985, the Attorney General provided the institute with a detailed reply.

## CONSERVATION AND LAND MANAGEMENT

### *Informal Agreements*

1432. Mr RUSHTON, to the Premier:

- (1) Does he intend to continue the practice of using informal agreements to arrive at decisions on conservation and land management measures?

- (2) Does this not thwart the process of public participation required under the Conservation and Land Management Act?

Mr BRIAN BURKE replied:

- (1) Yes, where desirable.  
(2) No.

#### HOUSING: LAND

##### *Clifton Hills: Use*

1433. Mr RUSHTON, to the Minister for Housing:

- (1) Referring to question 1189 of 1985, for what purpose is part of Lot No. 290 Connell Avenue, Clifton Hill, Kelmscott, now proposed to be used?  
(2) Is it to be used for—  
    (a) housing;  
    (b) recreation;  
    (c) public open space?  
(3) Are any plans for its use now being drawn?

Mr WILSON replied:

- (1) and (2) The land is currently zoned rural and can only be utilised for the purposes allowed for that zoning by the relevant schemes.  
(3) No.

#### GOVERNMENT BUILDINGS: PERTH TECHNICAL COLLEGE SITE

##### *Redevelopment: Tenders*

1434. Mr PETER JONES, to the Premier:

Was he, any of his Ministers, or the Parliamentary Secretary to the Cabinet made aware, or knew of, the persons and companies interested in tendering for the development of the Perth Technical College site in St. George's Terrace?

Mr BRIAN BURKE replied:

The short list of companies and consortia tendering for the development of the Perth Technical College site was announced in April 1985.

#### WA DEVELOPMENT CORPORATION

##### *Parliamentary Secretary of the Cabinet: Role*

1435. Mr PETER JONES, to the Premier:

What duties, responsibilities, or association does the Parliamentary Secretary of the Cabinet have in relation to the Western Australian Development Corporation?

Mr BRIAN BURKE replied:

The Parliamentary Secretary of the Cabinet has no duties or responsibilities in relation to the Western Australian Development Corporation.

#### SIR LENOX HEWITT

##### *Business Interests: Response*

1436. Mr PETER JONES, to the Premier:

- (1) Will he make available the reply received from Sir Lenox Hewitt regarding his various business interests, and about which he expressed public concern on 10 May 1985?  
(2) If not, why not?

Mr BRIAN BURKE replied:

- (1) and (2) The correspondence is between Sir Lenox and the Government in relation to his role as a consultant, and hence will not be made public. However, if the member has any specific concerns and raises them with me, I will consider having them investigated.

1437. *Postponed.*

#### QUESTIONS WITHOUT NOTICE

##### MINISTER FOR EDUCATION

##### *Charter Flight: Carnarvon*

384. Mr BARNETT, to the Minister for Education:

Could the Minister throw further light on the incident last Saturday related to the failure of his charter flight to arrive?

Mr PEARCÉ replied:

I thank the member for some notice of this question, and I am in fact well able to throw further light on this inci-

dent which led to some entertainment in the House yesterday. It has become something of a serious matter for me in that although I have told the House, as I always do, the absolute truth about this matter, in the Press and in another place some questions have been raised about my credibility, particularly as the firm concerned has taken it upon itself to go to the Press and to the Opposition in a way which seeks to publicly discredit—

Mr Laurance: That is not true. The member for Lower North Province went to the company and asked about the facts.

Mr PEARCE: I wonder if the member for Gascoyne could explain how the member for Lower North Province was able to determine precisely which company it was.

Mr Laurance: I presume he made some inquiries.

Mr PEARCE: He did not make any inquiry of me.

Mr Laurance: After you had criticised them publicly—

Mr PEARCE: I did not criticise the firm publicly because I was unaware of the circumstances under which it failed to honour its commitment and who was responsible. I was very careful not to name the firm in any public sense, and in the radio broadcast in Carnarvon I said "the charter firm". I did not refer to the firm by name. The only circumstance which has brought this firm's name into the open is that Mr Lockyer asked a question in Parliament yesterday.

Mr Hassell: The only other Minister who has dorothy dix questions asked which get him into trouble is the Minister for Parliamentary and Electoral Reform.

Mr PEARCE: This question is not getting me into trouble. In fact it is going to lead to an apology from an Opposition member because I am going to produce some corroborative evidence of my story, and that evidence includes the Opposition in a way which we will find out in a moment.

When I told the House yesterday that in fact there were people who were able to affirm that I was at the airport

at the time I mentioned, I indicated that I had spoken to an officer of the Department of Aviation. I had my office ring the Department of Aviation today and Mr Alan Mulgrue, an officer of that department, is able to confirm that the officer to whom I spoke recollects the conversation in which I sought to discover where the aeroplane was. Thus I have in fact corroborative evidence.

The Opposition knows that well, too, just as it knows the truth of that because its members also sought today to find out what was going on. The Opposition contacted the Department of Aviation to seek the same information, and it was told what I have just told the House. Mr Mulgrue told my office that that was so; that is, he told my office what he had told the Opposition. So the Opposition knows full well that the Department of Aviation is able to confirm my story. I can explain completely what happened, and I will do so in a moment.

Let me come back to the Opposition's question because Mr Lockyer, the member who in fact sought to throw mud at me—which has had the effect of publicly naming this derelict company and thus deflecting all the mud onto it—said in the other place last night that if the Government could provide corroborative evidence, he would apologise to me.

Not only do I have the corroborative evidence, but the Opposition has it also. I expect that if Mr Lockyer is a person of any integrity he will rise in the adjournment debate this evening in the Council and make an apology. I will go to the Legislative Council at 6 o'clock this evening to hear his apology.

Several members interjected.

Mr PEARCE: I do not expect Mr Lockyer to apologise, because he is not a person of integrity.

#### *Withdrawal of Remark*

Mr HASSELL: It is contrary to Standing Orders and highly disorderly to make

comments like the Minister for Education has made about a member in another place.

The SPEAKER: The Leader of the Opposition's point is taken. It is not proper for members in this place to reflect on members in the Legislative Council.

Mr PEARCE: I certainly withdraw my comments, but I restate my previous remarks that if Mr Lockyer is a person of integrity he will make an apology.

*Questions without Notice Resumed*

Mr PEARCE: I had my office speak to the pilot involved in this incident. He is Mr Kim Parker, who is a reliable pilot and has flown many Ministers on many occasions. He is not a pilot with Austair, but was hired by it on this occasion. He was asked to undertake this flight, I assume, because none of Austair's pilots was available.

He arrived at the airport at 6.45 a.m. and went straight to the hanger. He handed in the flight plan, and then expected to meet an officer from Austair. The officer never turned up. The pilot waited in the plane and he can confirm that a representative from Austair did not turn up to make the necessary removal of myself from the point at which the company had arranged to meet me and take me to the waiting plane through No. 1 gate. I have no doubt that the pilot filed his flight plan.

Mr Hassell: Hammer away at small business just to make a point about how clever you are.

Mr PEARCE: What I am hammering away at is the Opposition, and not a small company at all.

The Opposition sought to raise issues relating to my credibility, as it has done to the credibility of a number of members on the frontbenches; and, as on every other occasion, it has shown itself as not knowing what it is talking about. It has not only been false in its allegations, but it has also been malicious.

The facts are clear. The company was derelict. What I was forced to do was because of a question asked in this House; and I hope we have heard the

last of that from the Opposition on this matter. I look forward to hearing an apology from Mr Lockyer.

**PORTS AND HARBOURS: FREMANTLE**

*Disputes: Increase*

385. Mr HASSELL, to the Minister for Transport:

Following the Minister's answer to question 1289 in which he stated that there had been 35 industrial stoppages at the Port of Fremantle between 1 July 1984 and 30 June 1985, and 29 stoppages between 1 July and 24 October this year—

- (1) Is the Minister aware that these stoppages are at a rate of more than three per fortnight and are increasing at a rate which is causing considerable difficulty and financial suffering for importers and exporters in Western Australia?
- (2) If the Minister is aware, what specific action is he taking to ensure there is no further industrial disruption at the Port of Fremantle?

Mr GRILL replied:

- (1) and (2) This is a question that should have been directed to the Minister for Industrial Relations, but as far as it concerns my portfolio I will answer it.

The figures I have given the Leader of the Opposition are correct and they tell a story, but they do not tell the whole story. The fact about the number of stoppages being high is of concern to the Government.

However, the duration of these stoppages has been very short indeed. The majority of these stoppages have either been authorised or unauthorised stop-work meetings of short duration. After all, the number of stoppages do not indicate a high level of disputation at the wharf. They do not indicate a high level of work hours lost.

In fact, the estimate made by the staff of the Fremantle Port Authority is that probably the number of man-

hours lost is lower than during the period when the Opposition was in Government. I do not have the exact figures to back that up, but I do have the estimate of the officers from the authority. The Minister for Industrial Relations intends to obtain some figures on the subject, which might be more definitive. I am not saying that we are not concerned about the stop-work meetings and other disputes, but certainly the picture the Leader of the Opposition is endeavouring to paint—that is, that there is a high number of man-hours being lost—is simply not correct.

Mr Hassell: Are you aware of the concerns of the companies? Have you received as many representations about the situation as we have?

Mr GRILL: I am aware of the concerns expressed by the companies. I believe that I am closer to the companies than is the Leader of the Opposition and, generally speaking, I am a lot closer to those people engaged on the waterfront.

I am not saying that there is no concern, but the level of concern is nowhere near as great as the Leader of the Opposition is trying to make out. The stoppages have been such that they have been of short duration.

The Minister for Industrial Relations has requested a full investigation for the reasons for and level of industrial disputation at the Fremantle waterfront. Hopefully the results of that investigation will be received by the Minister shortly, and then we will be in a position to speak with some clarity on the subject. Until then, it is wrong of the Opposition to endeavour to paint an horrendous picture about the disruption at the waterfront.

Mr Hassell: Didn't you form a committee to investigate this situation six months ago?

Mr GRILL: There was talk about a special committee some months ago.

Mr Hassell: The situation was bad enough for you to pursue a special committee.

Mr Peter Jones: You told us the membership of that committee.

Mr GRILL: It was not a committee appointed to investigate this subject.

Mr Peter Jones: It was appointed to investigate the disruption at Fremantle.

Mr GRILL: I think members of the Opposition will find that there was talk about appointing a committee to investigate the question of industrial disruption. That committee has not been set up pending an investigation by the Office of Industrial Relations into the level of industrial disruption which, as I have said before, is nowhere near as high as the Opposition is endeavouring to suggest. Once that report is received by the Minister for Industrial Relations I think we could probably deal with the subject with at least some clarity. In the interim period I do not think it deserves the Leader of the Opposition or the Opposition generally to paint a picture of horrendous disruption on the waterfront because that is not the case.

It is quite wrong and counter productive for the Opposition to run down—as the Leader of the Opposition has done over the last few days—the Fremantle Port Authority and to besmirch its character around Australia and overseas. What we will find when the report is received by the Minister for Industrial Relations is that the level of industrial disputation, while not being as good as it should be, is certainly no higher than at any other major port in Australia. It is probably a lot lower than the level of disputation when the Opposition was previously in power.

Mr Court: Do you think it is serious when our vegetable producers lose export contracts because of these disputes?

Mr GRILL: Yes, I think it is. One of the things that has come from recent discussions between representatives of the maritime and stevedores unions, the growers and exporters, and me, is that those ships to which the member referred in the latest dispute of any magnitude at Fremantle were exempted and sailed, having had the produce loaded.

That is a breakthrough and such an arrangement was not in place previously. I hope that it continues.

## ENERGY: GAS

*North-West Shelf: Land Requirements*

386. Mrs BUCHANAN, to the Minister for Lands and Surveys:

What plans does the Minister have to overcome the strong demand for residential and industrial land at Karratha which has been caused by the go-ahead being given to stage two of the North-West Shelf gas project?

Mr McIVER replied:

To ease the pressure caused by the recent go-ahead being given, the Department of Lands and Surveys will release a total of 113 blocks. Seventy-six residential lots and three patio lots will be offered at a department auction at Karratha on 7 November, and 33 light industrial blocks and one special industry lot are available for lease.

The member for Pilbara has brought to the attention of the department the intensity of the demand for land at Karratha. As mentioned, the demand has been precipitated by the offshore gas project stage two announcement. Karratha is on the threshold of an exciting new era of development, and confidence in the town is reflected in the current level of retail, commercial, and industrial activity, led by the \$12 million shopping centre being built in the town centre.

The auction will exhaust the Department of Lands and Surveys' supply of vacant serviced blocks at Karratha, and discussions will continue with the Department of Resources Development regarding trends in project housing requirements and also with the Shire of Roebourne on general land demand. This will ensure that future needs for serviced land are met and included in the 1986-87 development programmes.

## TRADE: IMPORTS

*Port Bypass*

387. Mr HASSELL, to the Minister for Transport:

- (1) Is the Minister aware that goods destined for Western Australia on the vessel *Anrho Asia*, which recently bypassed the port of Fremantle be-

cause of the industrial disruption, were taken to Melbourne and will be six weeks late arriving at Fremantle?

- (2) If the Minister is aware, what action has he taken to ensure that a similar situation does not arise at the port of Fremantle in the future?
- (3) Will the people who have been inconvenienced by this incident and suffered financial loss as a result of the incident be able to seek financial recompense from the militant perpetrators of the dispute?
- (4) Will the Minister give his backing to those who seek to recover financial recompense from those responsible for the losses?

Mr GRILL replied:

- (1) I am aware of the reports to this effect and I think I indicated in my earlier answer that two ships bypassed the port of Fremantle as a result of a stoppage which took place a week or two ago. I do not know how long that cargo will take to return to Fremantle and I do not know what the cost will be. I do not think the Leader of the Opposition expects me to know either the extent or the cost of the delay.
- (2) to (4) These disputes at the waterfront around Australia happen from time to time. It is most unfortunate when ships have to bypass ports and cargoes are held up. I lament these happenings as much as the Opposition does.

However, this industrial disruption and disputation on the waterfront will not go away just by the wave of a wand or, in the case of the Opposition, by the use of the confrontationist tactics it has used in the past. The Opposition should look at its record in this respect. It allowed a situation to develop on the waterfront over a long period, through neglect and inept industrial relations practices, whereby there is a situation of confrontation and very little conciliation; and the various parties, including shippers, stevedores, wharfies, and other people engaged in unions, are more likely to simply take action by way of strike or other forms of disruption rather than follow a pattern of conciliation. That situation is being changed right now.

Mr Hassell: In what way? What are you doing about it?

Mr GRILL: During the period when the Opposition was in power it extended to a whole range of people on the waterfront conditions, hours of work, and payments that are very hard to justify.

Mr Hassell: The Opposition did, or the Industrial Commission?

Mr GRILL: The Opposition allowed a situation to develop in which a group of people were given conditions and wages which could not be applied generally in the work force in Western Australia or elsewhere. If we are talking about hard decisions being made and definitive action being taken, the Opposition had a long time to do both things. What did it do? It did nothing. Generally the level of industrial disputation in this State has fallen by 50 or 60 per cent while this Government has been in power.

Mr Hassell: There have been three stoppages a fortnight in Fremantle for the whole year, and the rate is increasing since 1 July.

The SPEAKER: Order!

Mr Hassell: They are simple figures—

The SPEAKER: Order!

Mr Hassell: Ships are bypassing the port of Fremantle—

The SPEAKER: Order! The Leader of the Opposition will decline to interject while the Minister is answering the question, particularly after I have called order three times.

Mr GRILL: The facts are that the Opposition's record was absolutely lamentable in that area and in any other area one would care to name. On the waterfront for a long period of time the Opposition showed a record of neglect and buckling under to thuggery from unions such as the painters and dockers union without lifting a finger. The Opposition now talks about using the big stick. The question must be asked, why did the Opposition not use a big stick and adopt this much-vaunted policy of industrial relations—the confrontationist policy which it now puts forward? When in power the Opposition members were

cowards in relation to the maritime unions. They put the unions in a privileged position in comparison with other sectors of the work force in our community.

We eschew policies of confrontation. By means of conciliation we hope we can ensure the success for Fremantle in respect of industrial disputation that we have had in respect of industrial disruption in the rest of the community.

## HEALTH SERVICES

### *Mandurah: Budget Allocations*

388. Mr READ, to the Minister for Health:

In addition to the most welcome decision of the Government to establish a Government hospital in Mandurah, there are a number of other health service needs of significance to Mandurah which I have raised with the Minister on previous occasions. Can the Minister advise if allocation has been made in the Budget for any of the items which I have brought to his attention?

Mr HODGE replied:

I am pleased to advise the member that in addition to the \$3 million development for the first phase of construction of the Government hospital in Mandurah, there are a number of other Budget allocations for improved health services in Mandurah.

An amount of \$170 000 has been allocated to provide the staff for a casualty service which will commence early in the new year and will be conducted from the Mandurah Health Centre pending the construction of the first phase of the Mandurah hospital.

An amount of \$67 000 has been allocated to the St John Ambulance Association in Mandurah to provide four ambulance officers for this vital health service to Mandurah residents.

A further \$47 000 will increase staff numbers at the Mandurah Health Centre to improve community services, particularly to the elderly.

This is a total of \$284 000 for improvements to various public and community-based health services in

Mandurah over and above the \$3 million provided for the construction of the hospital.

### TRADE: IMPORTS

#### *Port Bypass*

389. Mr HASSELL, to the Minister for Transport:

- (1) Is he aware that cargo destined for WA on the vessel *Encounter Bay* which bypassed the Port of Fremantle recently due to an industrial dispute at the port was taken to Melbourne and will be two weeks late arriving in Fremantle?
- (2) If the Minister is aware of this, I ask him now for the fourth time in relation to this issue to explain what precise steps are being taken by the Government to ensure that a similar situation does not arise again at the Port of Fremantle?
- (3) I ask him again, this time in relation to the *Encounter Bay*, whether the people who have been inconvenienced and have suffered financial hardship because of this incident are able to seek financial recompense from the militant unions involved?
- (4) If they can seek that financial recompense for their small business operations, will he give them his backing and the backing of the Government in supporting that recompense?

The SPEAKER: Questions (3) and (4) are out of order.

Mr GRILL replied:

- (1) and (2) The last question was a re-run of the question the Leader of the Opposition asked two questions ago.

The Minister for Industrial Relations and I are concerned at the number of stop-work meetings and other stoppages that have been held at the Fremantle waterfront. In fact, today the Minister for Industrial Relations met over lunch with the unions concerned and discussed the question. They maintain that the duration of those stoppages at times is no more than a matter of minutes. In terms of man hours lost it is quite possible, on the estimate made by the Fremantle Port Authority, that the level is less than during the period of the previous

Government. I do not know how long that freight will take to return to Fremantle.

Mr Hassell: Will you investigate it?

Mr GRILL: I do not think it will bear investigation or that my investigation would see the situation return to normal any more quickly. No shipper has put that request to me. A paper will be prepared by the Minister for Industrial Relations shortly, and hopefully a number of steps will be taken to reduce the number of stoppages.

#### *Point of Order*

Mr HASSELL: Mr Speaker, I understand that one of my questions is out of order, but the last question was whether the Minister would back any action if it were taken. That is a question as to his policy. Do you rule that out of order?

The SPEAKER: I ruled the last two questions out of order because one sought legal advice and the other was hypothetical.

#### *Questions without Notice Resumed*

### PORTS AND HARBOURS: REGIONAL

#### *Privatisation: Opposition Policy*

390. Mr D. L. SMITH, to the Minister for Transport:

- (1) What would be the consequences if the Opposition's policy to privatise regional ports was implemented?
- (2) Does the Government intend to implement this policy?

#### *Point of Order*

Mr HASSELL: Mr Speaker, on the basis of your earlier ruling, this question must surely be out of order. I understood the question to be purely hypothetical so, based on your ruling, it should be ruled out of order.

The SPEAKER: Do you have any further argument to put? If not, I indicate that the question is quite in order because the member referred to the Opposition's policy on privatisation. He has asked the Minister to comment on that policy in respect of a particular area which affects the Minister's portfolio. It is not for the Speaker to determine what the Opposition's policy is.



*Questions without Notice Resumed*

Mr GRILL replied:

- (1) and (2) The privatisation of regional ports will lead to exploitative pricing and a consequent suppression of trade. Such privatisation—as advocated by the Opposition—would be to the detriment of not only port customers but also the entire region a particular port served. Despite the enormous diversity of ports around the world, private ownership is a rarity—with the exception of company ports serving a single corporation. It is not difficult to see why private ports are a rarity. The geography of ports dictates that customers are more or less captive, so that the temptation for exploitative pricing would probably prove to be irresistible.

By contrast, Government or municipal ports set prices at the lowest level compatible with the financial constraints in which they operate. The net effect is a realistic approach to securing new business, a high standard of service to port customers, and spin-offs to the area of which the port is a vital part.

This Government's aim is to minimise Government intervention in port affairs while, at the same time, recognising its responsibility for the efficient operation of the port system in the context of the State's financial and economic management.

Ports are facilitators, and their efficient service to the people and companies engaged in trade is the entire reason for their existence. Consequently, a close and responsive relationship with their customers is crucial. This relationship is well served by our existing decentralised system of port authority administration.

**PORTS AND HARBOURS: FREMANTLE**

*Disputes: Committee*

391. Mr HASSELL, to the Minister for Transport:

- (1) Why did the Minister and the Government not proceed with the committee of employers, shippers, and unions which he announced to the Parliament in the autumn session as having been

set up to deal with the then high incidence of disruption at the Port of Fremantle?

- (2) What other action, if any, has been taken between then and now, other than that which he has mentioned today, in relation to the continuing high level of stoppages at the Port of Fremantle.

Mr GRILL replied:

- (1) Mr Speaker—

Mr Brian Burke: How many of the stoppages were paid stopwork meetings?

Mr GRILL: Some of them were.

Mr Hassell: That is a good answer; they are paid stoppages.

Mr Brian Burke: That is in their award; you gave it to them.

Mr Hassell: When they are paid stoppages you don't count them in the statistics. That distorts the situation even more.

Mr Brian Burke: They are in the statistics. I wonder how many were those sort of meetings, because you did not object to them then.

Mr GRILL: I indicated that we intended to set up a committee to endeavour to handle some of the problems relating to industrial disruption in Fremantle. As indicated earlier, we did not go ahead with the setting up of the committee at that stage. That is not to rule out the setting up of such a committee; in fact, I think it will probably be set up. In the interim, as I have indicated, the Minister for Industrial Relations is making inquiries—

Mr Hassell: Is concerned, is making inquiries, will produce some statistics or a paper within a few days.

Mr GRILL: Would the Leader of the Opposition like to answer the question?

The Minister will have in his hands fairly shortly a definitive paper about the level of industrial disruption at the Fremantle waterfront, and then we can probably lay to rest some of the Opposition's concerns. As I have said before, the likely result of the inquiry—not that we consider the present level of industrial disruption is good—will be that the level will be clearly shown to be less than applied under the previous Government.

- (2) There has been a meeting between me and the shippers of perishable produce which was followed by a meeting with the maritime and stevedoring unions in relation to special fast-tracking of those perishable items. As a result there is now in place a system whereby those perishable items are loaded, and on the last occasion when ships of this nature were held up in the port due to an industrial dispute, the ships carrying perishables were allowed to leave. I think we can extend that process. I have no doubt the Minister for Industrial Relations will be endeavouring to do that so that commodities are not held up in Fremantle.

### ARTS

#### *Funding: Changes*

392. Mr TROY, to the Minister for the Arts:

Will he detail the changes which will occur in future arts funding?

Mr DAVIES replied:

I thank the member, who comes from an electorate where there is a strong arts community, for some notice of the question, and advise that we are establishing a national precedent in arts funding. Whereas allocations previously have been made yearly, they will in future be on a three-yearly basis for certain organisations. The money will be given to the organisations each year, but they will know ahead of time the basic amount they will receive. This will allow arts groups such as the WA Opera Company to plan ahead and coordinate their priorities in a much better manner.

The triennial funding decision arose from a proposal by the WA Arts Council that its resources and allocations from the sports-culture Instant Lottery should be combined and basic funding set down to give the arts community a stronger footing on which to plan activities.

Triennial funding has been the aim of arts groups for more than 10 years and has national support and significance. We have had telegrams of congratulation from people in the Australia Council; they have been unable to do this.

Triennial funding is the logical outcome of growth in the arts in the past three years and represents the Burke Government's confidence in the strong future of the arts. I believe other State Governments and the Federal Government might now reassess funding arrangements. The grants have been published, and I will not repeat them here, but they will serve as a basis for funding for 1986-88, subject to the maintenance always of Government funding to the arts.

### SPECIAL EVENTS FOUNDATION

#### *Establishment*

393. Mr MacKINNON, to the Premier:

- (1) Has the Government set up a special events foundation?
- (2) If so, when was the foundation set up?
- (3) Who are the members of the foundation?
- (4) What is its purpose?
- (5) What Government funding will be made available to the foundation?

Mr BRIAN BURKE replied:

- (1) to (5) I do not think the Government has set up a special events foundation. Cabinet did address the question of sponsorship for events associated with the America's Cup, and I think the name of it is a "special events trust." I am not positive about that and I am not positive about the detail that would answer the remaining parts of the question. If the Deputy Leader of the Opposition puts it on the Notice Paper—

Mr MacKinnon: How long ago was it set up?

Mr BRIAN BURKE: I am not sure whether it has been set up yet, but the Cabinet discussed it two or three weeks ago.

Mr MacKinnon: And you appointed a chairman?

Mr BRIAN BURKE: Not to my knowledge; I am not sure whether we have appointed a chairman. In any case, I do not have the detail readily available. If the member puts the question on the Notice Paper, or if he writes to me, I will give him the details. I know Cabinet made a decision to set up

what I think was called a special events trust, and it has to do with the expense of sponsorship and the problem of finance for events associated with the America's Cup and for other special events.

**TRANSPORT: AIR**

*Freight: Brunei-Singapore*

394. Mr OLD, to the Minister for Transport:

- (1) Has the Government been negotiating with a company called Transcorp for weekly cargo flights Perth-Brunei-Singapore-Perth, and if so is Exim involved in a proposal to bring a trade mission from Brunei to Western Australia?
- (2) If that is the case, have local organisations such as the WA Chamber of Commerce and Industry (Inc) been in any way involved or will they become involved in this trade mission?

Mr GRILL replied:

- (1) and (2) The Coordinator General of Transport and my office have encouraged the granting of a licence to Transcorp, and some months ago we were very pleased to hear that the Federal Minister for Transport had granted the licence. Since that time I have not been personally involved, although members of the staff of the Coordinator General have been involved in endeavouring to promote trade with Brunei.

I know it was one of the objectives of fostering that particular service. There was a concomitant desire to ensure the service had some produce to go along with it. I understand talks have been held with Exim. I do not know how far they have gone, and I have no knowledge of the delegation to which the member refers. It would probably make good sense that such a delegation should be involved with the various chambers of commerce in Western Australia.