

# Legislative Assembly

Wednesday, 15 June 1988

THE SPEAKER (Mr Barnett) took the Chair at 2.15 pm, and read prayers.

## PETITION

### *Prostitution*

MR HOUSE (Katanning-Roe) [2.16 pm]: I have a petition which reads as follows -

We the undersigned, in view of the fact that:

1. God tells us in the Holy Scriptures that sexual relations outside of marriage is a sin.
2. Those who commit or permit such actions are liable for God's judgment.

We petition you to:

1. Keep prostitution illegal
2. Reverse the Government's policy of the containment of prostitution.
3. Enforce the laws against prostitution as they now stand.

And your petitioners as in duty bound, shall ever pray.

The petition bears 19 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 31.]

## PETITION

### *Radio Broadcasting - 6PR*

MRS BEGGS (Whitford - Minister for Racing and Gaming) [2.17 pm]: I have a petition which reads as follows -

To the Honourable Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, condemn the decision of the State Opposition to block the sale of 6PR to the TAB

By lodging an objection with the Australian Broadcasting Tribunal, the Leader of the Opposition, Mr Barry MacKinnon, is using 6PR and the industry as a political football in a matter which has nothing to do with the industry.

A radio station committed to comprehensive race broadcasts and general support of the racing industry is vital to the future of the industry in Western Australia and this can only be guaranteed if the sale of 6PR is allowed to proceed.

If the Western Australian Trotting Association is forced to return the sale money and 6PR is sold to interests not sympathetic to the welfare of the racing industry, this would be a crippling blow to the industry and all those who depend on it.

Both sides of the Parliament supported the Bill to permit the sale of 6PR to the TAB and we urge that Parliament condemn the stance of the Opposition and do everything possible to ensure the will of the Parliament is carried out.

Your petitioners therefore humbly pray that you will give this matter your earnest consideration and your petitioners, as in duty bound, will ever pray.

The petition bears 94 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 32.]

A similar petition was presented by Mr Marlborough (143 persons).

[See petition No 33.]

## PETITION

### *Pornography - Sex Shops*

**MR COWAN** (Merredin - Leader of the National Party) [2.22 pm]: I have the following petition addressed to the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled -

We, the undersigned petitioners are concerned about the recent proliferation of Sex Shops and 'Adult' Video/Book Shops operating within shopping centres throughout Western Australia. The ready availability of extremely offensive and degrading, violent and sexually explicit videos and publications in our community is a matter of grave concern to all responsible citizens, particularly the parents of young children and teenagers and those who rightly deplore the exploitation of men, women and children.

Extensive research highlights the destructive and desensitising role of such materials in undermining moral values and encouraging deviant and violent tendencies in our society. Indeed, such materials are a major factor in fuelling the increased incidents of crimes of physical violence and sexual abuse in our community.

Further, the distribution of explicit materials which depict and condone various degrading homosexual and heterosexual activities can only assist the spread of the deadly AIDS virus, Hepatitis 'B' and other sexually transmissible diseases.

Your petitioners therefore request the Parliament

To approve amendments to the local government district town planning scheme so as to prohibit the operation of sex shops and 'adult' video/book shops within shopping centres.

And your petitioners, as in duty bound, will ever pray.

The petition bears 463 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The **SPEAKER**: I direct that the petition be brought to the Table of the House.

[See petition No 34.]

## PETITION

### *Radio Broadcasting - 6PR*

**MR BURKETT** (Scarborough) [2.23 pm]: I present a petition from residents of metropolitan Perth praying -

To The Honourable Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, condemn the decision of the State Opposition to block the sale of 6PR to the TAB.

By lodging an objection with the Australian Broadcasting Tribunal, the Leader of the Opposition, Mr Barry MacKinnon, is using 6PR and the industry as a political football in a matter which has nothing to do with the industry.

A radio station committed to comprehensive race broadcasts and general support of the racing industry is vital to the future of the industry in Western Australia and this can only be guaranteed if the sale of 6PR is allowed to proceed.

If the Western Australian Trotting Association is forced to return the sale money and 6PR is sold to interests not sympathetic to the welfare of the racing industry, this would be a crippling blow to the industry and all those who depend on it.

Both sides of the Parliament supported the Bill to permit the sale of 6PR to the TAB and we urge that Parliament condemn the stance of the Opposition and do everything possible to ensure the will of the Parliament is carried out.

Your petitioners therefore humbly pray that you will give this matter your earnest consideration and your petitioners, as in duty bound, will ever pray.

The petition bears 67 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 35.]

## STANDING ORDERS SUSPENSION

### *Bills - Second Reading*

MR PEARCE (Armadale - Leader of the House) [2.25 pm]: I move, without notice -

That so much of the Standing Orders be suspended as would prevent the second reading of the following Bills being moved this day, namely -

Acts Amendment (Parliamentary Superannuation) and Transitional Arrangements Bill 1988, and  
Motor Vehicle (Third Party Insurance Surcharge) Repeal Bill 1988.

In seeking to get these Bills to the second reading stage expeditiously we are just giving members of the House more time to consider the matters before they come on for a vote.

Question put and passed with an absolute majority.

## STANDING ORDERS SUSPENSION

### *Bills - Introduction and Second Reading*

MR PEARCE (Armadale - Leader of the House) [2.26 pm]: I move, without notice -

That so much of the Standing Orders be suspended as would prevent the following Bills being introduced without notice and taken to the stage that the second reading is moved on the same day, namely -

Agriculture Bill 1988, and  
Electoral Amendment Bill 1988.

The purpose of this motion is the same; that is, to give the second reading speeches today to allow members more time for consideration of these matters.

Question put and passed with an absolute majority.

## BILLS (7) - INTRODUCTION AND FIRST READING

### 1. Electoral Amendment Bill.

Bill introduced, on motion by Mr Pearce (Minister for Parliamentary and Electoral Reform), and read a first time.

### 2. Agriculture Bill.

Bill introduced, on motion by Mr Grill (Minister for Agriculture), and read a first time.

### 3. Acts Amendment (Parliamentary Superannuation) and Transitional Arrangements Bill.

### 4. Motor Vehicle (Third Party Insurance Surcharge) Repeal Bill.

Bills introduced, on motions by Mr Peter Dowding (Treasurer), and read a first time.

### 5. Stock (Brands and Movement) Amendment Bill.

### 6. Supreme Court Amendment Bill.

Bills introduced, on motions by Mr Grill (Minister for Agriculture), and read a first time.

### 7. Ozone Depleting Substances Control Bill.

Bill introduced, on motion by Mr Blaikie, and read a first time.

**GOLD BANKING CORPORATION AMENDMENT BILL***Second Reading*

Debate resumed from 19 May.

**MR COURT** (Nedlands - Deputy Leader of the Opposition) [2.36 pm]: At the outset of this debate I indicate that the Liberal Party is not happy with this legislation. We believe that the great Gold Bank concept, which was hailed by the former Treasurer, is proving to be full of rhetoric in many of the aspects advocated by him and his Government. I will spend the time available to me going through many aspects of the Gold Bank legislation in some detail. However, I want to make it very clear to this House at the outset that, in a State which produces approximately 80 per cent of the country's gold, it is important that there is a part of Government which specialises in gold and what can be described as the gold culture.

Traditionally in this State gold activities have been handled, from the point of view of the Government, by the Western Australian Mint, the State Batteries, GoldCorp - which the Government recently set up under the Western Australian Development Corporation - and, after its introduction last year, the Gold Bank legislation. We agree that it is a good concept to bring together and concentrate on those issues which affect the gold industry, but we believe the steps that are being taken to establish a special bank under Federal banking legislation are totally unnecessary. This is particularly so when it is done at a time when the Federal Labor Party itself has been considering getting out of the Commonwealth Bank, a bank which it owns.

This State already has the R & I Bank which in turn owns the Primary Industry Bank of Australia Ltd, which has a Federal banking licence. In recent years the R & I Bank has also taken an interest in another new bank, the IBJ Australia Bank Ltd, in which it has now reduced its interest to about five per cent. It is said that the R & I Bank tends to concentrate on so-called retail activities and does not have the necessary expertise in the gold area. Looked at from another point of view, the R & I Bank has a history of assisting the primary producers in this State, and currently it is involved in gold loans to assist local gold producers. People say that it does not do a good job of handling the gold industry because it does not have the proper expertise involved.

**Mr Peter Dowding:** Who says it doesn't do a good job?

**Mr COURT:** The Treasurer was not at the briefing this morning. I said that there is criticism that it does not do a good job with gold loans. I do not want to embarrass the Government, but I will explain it to the Treasurer later. The criticism is that to specialise in that level of activity requires certain skills and personnel. I will expand on that shortly.

The people involved in GoldCorp and the proposed Gold Bank are dedicated. Many of the staff are South Africans and they have been involved in briefings. Any criticism the Opposition has about the Government's activities regarding this concept are not criticisms of the people involved in the operations. In a broader sense the Opposition has a certain difference in philosophy from the Government, and that philosophy is that it does not believe the Government should go along this route to establish another bank when in recent years there have been many new banks in the private sector which have become involved in these activities. The Government already has the means by which it can carry out those banking activities if it wants to do it in the name of a Government bank.

The concern of the Opposition about this legislation is that when the Gold Banking Corporation Bill was debated last year we raised a number of queries with the former Treasurer who was handling the legislation. We tried to obtain assurances as to whether the Federal Treasury and the Reserve Bank had agreed on the different proposals that had been put forward. The debate was most extensive in both Houses and the Opposition raised various questions and was given an assurance by the Government that all the necessary provisions were in place. In fact, the Opposition was ridiculed for raising those questions.

**Mr Peter Dowding:** Can you tell me when the debate was held?

**Mr COURT:** The Treasurer gave his second reading speech on Thursday, 29 October last year. Most of the Opposition's queries were raised during the Committee stage.

We now have a situation where six months later we are being told that this legislation is required because the Government could not obtain the necessary approvals. The Opposition

is opposed to the State Government now wanting to establish, not so much a State bank as it previously was; that is, a State bank under State legislation, but a State owned bank under the Federal legislation.

During the former Treasurer's second reading speech on the Gold Banking Corporation Bill he made the comment that the legislation proposed to consolidate and integrate all the commercial activities of GoldCorp Australia, the Western Australian Mint and the Western Australian State Batteries within a single corporate structure, namely the Gold Banking Corporation. He said that Gold Banking Corporation would provide international banking and investment services in gold, silver, other precious metals, foreign currencies and so on under the name of Gold Bank of Australia as the holding operation for the group. That was the basis of the legislation and it is interesting that the Government has been using the name Gold Bank quite readily, even though it is now saying that it will not use that name officially until it has the approval which is required under the Federal legislation to establish the Gold Bank. As we are aware, this legislation introduces transitional arrangements to enable the Government to use the name Gold Banking Corporation until it can obtain the necessary approval under the Federal Act.

Of course the assurance we were given last year did not come to pass and the senior staff of GoldCorp - Mike Naylor and others - have been wearing a path backwards and forwards to Canberra trying to reach an agreement with the powers that be.

The legislation which was introduced last year set up GoldCorp which is the trading division of Western Australian Development Corporation. GoldCorp was promoting Australia as a gold producer and was trying to move into the value added areas such as the coin program, and it was to establish a new refinery at Perth and at Kalgoorlie. At the time the Government made a song and dance about the fact that it would establish a certain sized refinery at Kalgoorlie which would be adjacent to a large international hotel. Like many of the promises the Government makes that has not come to pass. The Government made a great play about it and I think that somewhat reluctantly it has established a refinery at Kalgoorlie, but the promise of the international hotel that was to be built on top of one of the mines has not come to pass.

Another thing the Government was going to do was rationalise the State Batteries, which, by and large, has been completed.

Mr Peter Dowding: You should at least say there is one major hotel in the country which would not have been built if it had not been for this Government. I refer to the Lord Forrest Hotel at Bunbury.

Mr COURT: Does the Government want us to praise it for that? I am talking about Kalgoorlie.

Mr Peter Dowding: You are being less than generous by saying that.

Mr COURT: We can debate the Government's real estate deals on another occasion.

In the former Treasurer's second reading speech he said that the banking services developed by GoldCorp are fundamentally banking services and products which traditionally are provided by a bank. Again I must ask why the Government can do it better than other banks. It is very interesting to look at some of the information relating to State banks. Recently the Opposition received a report in which there was a comparison of the performance between State banks and private sector banks. Last night in answer to a question the Treasurer referred to the R & I Bank's performance. The report we have received has examined -

Mr Peter Dowding: Who was the report from?

Mr COURT: I believe it comes from the Australian Bankers Association. The Treasurer may have a copy of it.

The report stated -

A general point of principle for all state banks should be that they compete on equal terms and conditions to other banks. This is presently quite clearly not so for either prudential controls, taxation or dividend policy.

While State banks "co-operate" with the Reserve Bank on prudential controls, they are not subject to the Statutory Reserve Deposit requirements whereby 7% of trading

bank deposits are lodged with the RBA and earn only 5% per annum. This "costs" banks around 0.6% per annum on current interest rates and gives a significant competitive advantage to state banks.

Further on it states -

State banks are also not subject to company tax of 49% although they usually pay the income tax equivalent to State Consolidated Revenue. However, this profit payment is unrelated to State Government capital employed or the Government guarantee provided to the banking operation.

It goes on to say -

In recent years, R & I Bank of WA has paid around 15 to 20% of net profits as dividend to the WA Government compared with a dividend/ profits ratio of around 30 to 40% for the major private banks.

It further states -

More generally, private banks - unlike state banks - must achieve a competitive mix of dividend yield and capital return or face the consequences in the marketplace of a declining share price.

That is an interesting comparison between the two. It also states that -

Despite these competitive advantages, state banks are relatively poor performers in terms of profitability. As a group, return on average total assets was 0.49% in 1986 compared with over 0.8% for all other banks. In the case of R & I Bank of WA, return on assets was lower than that of state banks as a whole at 0.31% in 1986 and 0.33% in 1987.

The summary of the comparison between the performance of State banks and private banks is -

The above clearly indicates that despite significant competitive advantages, state banks are inefficient relative to the private banks and are not giving an adequate return to their shareholders (i.e. state taxpayers). State Governments should demand of their banks that they earn a comparable rate of return to private banks - after taking into account their SRD exemption, tax benefits and government guarantee. If they prove unable to achieve this, then perhaps State Governments should invest their scarce funds in other more profitable areas.

Mr Peter Dowding: I did not think you wanted us to invest our funds in more profitable areas. I thought the Liberal Party insisted that generally they be invested in less profitable areas.

Mr COURT: Many people are wondering where the Government gets the funds to make some of the deals it has recently. At a time when even the Federal Labor Party is seriously considering whether it should put more money into the Commonwealth Bank, as part of the privatisation debate, and, if not, whether it should sell part of the bank or merge it with another bank, this State Government wants to start from scratch, setting up a company and embarking on another banking exercise.

One of the big items these days is gold loans. Many people are saying that gold loans are an important activity in which the new bank can become involved. We must remember that the Government, through the R & I Bank, is becoming involved in providing gold loans. Before GoldCorp becomes a bank it will provide gold loans. An article appeared in *The West Australian* this morning relating to the world conference in Vienna and it stated -

Gold loans - to which WA lays claim as the inventor - have emerged as one of the major topics of discussion at this year's World Gold Conference here.

Again, there is no doubt that this form of financing is an innovative way of financing projects. In fact, at the briefing on the Kaltails project the Government explained that it would use gold loans to fund the project. However, we do not require a new bank in order to do that.

Mr Peter Dowding: What briefing was that, and who was it given by?

Mr COURT: We had a briefing on Kaltails from the Deputy Premier, two officers from the

DRD and two officers from GoldCorp. We were able to cover the Kaltails project and the gold banking legislation.

It has been suggested by different people that the R & I Bank does not have the skills required to go heavily into the gold banking business, and that it does not have the gold culture necessary. As I said to the Treasurer, there is no reason why the R & I Bank cannot develop that culture because it was designed to assist private industries. A warning was given recently by someone involved with the Bank of England. He was concerned about the various people moving into the area of gold loans, because although it appeared to be simple and a safe way of investing money, he warned that many newcomers could get their fingers burned. If companies want to specialise in this gold area, which one would expect financial institutions in this State to do, they must make sure that they have very good people working in those financial institutions to ensure that the amount of gold in the ground is as the company claims. They must make sure they have competent, capable mining engineers who can look at the proposal for putting the company into operation and ensure that the reserves are there, and that the appropriate plan is in place to enable it to produce. All the people involved must know what is going on in the industry. Some problems have arisen because companies have gone ahead with the gold loans and they have not been able to produce gold at the end of the day because the reserves suggested in the initial report did not exist.

It is intended to fund the Kaltails project with a gold loan, whereby an organisation borrows the physical gold at the price of the day and can then immediately sell that gold for cash. Under the agreement the company must return that physical gold to the lending company and pay a small fee of about three per cent. In the case of the Kaltails project, the gold will be borrowed and cashed, and the money used to set up the plant and go into operation to produce the physical gold. If the price of gold goes down the project will be well off because the gold returned will have a lower value. Of course the risk goes in both directions. That exercise could be carried out by a number of financial institutions in this State. It requires the proper expertise, but the R & I Bank can quite easily obtain that expertise and also many other private sector businesses have moved into that area.

With regard to the Gold Note, great play was originally made of this issue, but the Government has been running into problems with the Reserve Bank which has insisted that it will only approve the Gold Note if it is covered by Federal banking legislation and meets prudential requirements. Again, within the R & I Bank is another bank, the PIBA, which has a Federal banking licence. Why, therefore, does the Government want to start from scratch with an additional banking licence? Why does it want to go through the heartache of trying to get a licence when one is already available? Why cannot that bank be used, thereby avoiding the trauma through which the Government is presently going?

Mr Peter Dowding: The simple answer is that we have an organisation with a speciality.

Mr COURT: What speciality?

Mr Peter Dowding: Its speciality is gold.

Mr COURT: What about Westpac, and the ANZ Bank?

Mr Peter Dowding: Their speciality is not gold.

Mr COURT: Come off it, they are large bullion dealers.

Mr Peter Dowding: Of course they are, but their speciality is not gold, and this is the first integrated gold activity anywhere.

Mr COURT: That is the language we got this morning, vertical integration, exploring and producing and so on. The Government works on the assumption that it is the only group which can do this job.

Mr Pearce: If you want to buy general goods you go to Myers and if you want to buy a frock you go to a boutique.

Mr COURT: That is an absolutely ridiculous comparison. I do not want to be personal with the Leader of the House, but it has been said that since the leadership challenge last year he has not kept his standards up as much. Someone said to me the other day they expected the suede jacket to come back soon.

Mr Pearce: I was cut to the quick when I read the remarks about me by the member for Cortesloe in the book *Burkie*.

Mr COURT: I am being diverted from my subject. The Minister made the comment in his second reading speech that the capital requirements would have to be changed for this legislation. It was said in the original legislation that Gold Bank was going to be set up with \$10 million capital. This has now to be increased because under the new requirements of the Reserve Bank it has to put in a minimum of \$25 million. I ask the Treasurer whether this \$25 million we are now talking about is an adequate amount of capital just for the first year of operation or is it anticipated that more than the \$25 million referred to in these figures will be required?

Mr Peter Dowding: Do you mean by that question whether, if the bank does well, it will grow, or whether \$25 million is sufficient for its current plans?

Mr COURT: I am asking whether a viable bank can be put into operation with that amount of capital, which is a minimum of \$25 million. The Reserve Bank has put out a paper called "Supervision of Capital Adequacy of Banks". I suggest that any member interested in knowing what are the new capital requirements of banks read this paper.

Mr Peter Dowding: That incorporates banks with a range of functions outside the limited range that the Gold Bank is dealing with.

Mr COURT: That is the way that all banks have gone. The paper says -

1. For some time the Bank has adopted a capital-to-total assets ratio for measuring the capital adequacy of banks. This approach worked well when Australian banks had broadly similar balance sheet structures and when off-balance sheet business - notably conventional commitments, guarantees and contingencies - was not large in relation to balance sheet footings.
2. More recently, with deregulation and securitisation of financial markets and the entry of new banks, the character of banking, in Australia as abroad, has changed dramatically and off-balance sheet business has grown significantly. As a result the Bank has been considering changes in capital adequacy arrangements to reflect more specifically the role in off-balance sheet business of Australian banks and to take better account of relative riskiness of assets and of risks in off-balance sheet activities. This work has culminated in the development of a risk-based measure of capital adequacy.

This bank, which is now being established under Federal legislation, will have to meet the new standards that are being laid down, and that has been outlined in the Minister's speech.

I want to comment briefly on privatisation. I went to find some Press cuttings about the stance taken by the Liberal and Labor Parties on privatisation of the Commonwealth Bank, and the file was very thick. I did not realise the argument had been so strong over the past year. The Liberal Party has stated as its position that it does want to sell off the Commonwealth Bank.

Mr Peter Dowding: Sell off the Commonwealth Bank?

Mr COURT: Yes, or privatise it. The Labor Party has been divided about the issue and has put forward a number of different points of view. At one stage the Labor Party was recommending a merger of the Commonwealth Bank with a private bank, rather than floating off the bank to the private sector. The Government has been arguing about what to do with Qantas, Australian Airlines, and the Commonwealth Bank. One of the problems is that when we look at the borrowings required this year to upgrade the fleets of Qantas and Australian Airlines we find that the Government is locked into putting more money into them, which is what occurs in any growing business and with any financial institution.

In the case of Gold Bank we are starting off at the bottom to get the business on its way. I believe the Government wants to become involved even further in owning more financial institutions. Since this Labor Party has been in Government we have not had creeping socialism; we have had rampant socialism in the way this Government has been involved in business activities. This legislation is aimed at putting into place certain transitional requirements. Gold Bank is going to be trading as Gold Banking Corporation because it cannot use the word "bank" until it actually receives official approval.

Mr Peter Dowding: You cannot call yourself a bank until you are a bank, and you cannot be a bank until you have approval to be a bank; and until you have approval to be a bank you



are not a bank. So the whole thing is absolutely ludicrously secure, but we acknowledge that and are trying to find a way around it.

Mr COURT: The Treasurer knows only too well why there have been tight controls over what might be called a bank. We debated this when we were debating the FID legislation. There was concern because a lot of people thought that merchant banks were banks as defined under the Federal Banking Act 1959. They thought merchant banks were fully secured banks, meeting the necessary prudential requirements, which was far from being the case.

The Minister refers in his second reading speech to the fact that bank status is conferred upon an applicant financial institution by the issue of an authority to carry on the business of banking as a bank pursuant to the Commonwealth Banking Act 1959. Does this mean the Banking Act 1959 or the Commonwealth Banking Act 1959?

Mr Peter Dowding: My copy of the second reading speech says the Commonwealth Banking Act.

Mr COURT: Are not banks set up under the Banking Act 1959?

Mr Peter Dowding: Is that not a Commonwealth Act?

Mr COURT: As I understand it, the Banking Act set up the new central bank, and the Commonwealth Bank was set up as we know it today with its own legislation. I think it might be a misprint in the second reading speech. The Commonwealth Bank used to be the central bank, and then in 1959 two Acts were passed, and I think this Gold Bank is being set up under the Federal Banking Act.

Mr Peter Dowding: For "Commonwealth" read "Federal". I will check that, but I think it is section 66 of the Banking Act, which is a Federal Act. It is described in this speech as the Commonwealth Banking Act.

Mr COURT: The Government is saying we need to have this vertically integrated structure which specialises in -

Mr Peter Dowding: It is as I thought; it is the Banking Act 1959, which is a Commonwealth Act.

Mr COURT: The Government must have this vertically integrated bank and this is the only way, supposedly, at the end of the day, that it can go about making more money for the Government. The private sector is making the profits, why cannot the Government make profits? It can go out there and help the local producers who want to develop in the gold industry. The most important thing members opposite could do to help the gold industry would be, firstly, not to go ahead with the gold tax which is to come in in 1991. The second thing they could do is stop their own campaign to try to establish their own State gold tax or community levy, or whatever they want to call it.

In the newspaper this morning we read that the head of GoldCorp Australia, Donald Mackay-Coghill, also over in Vienna at the conference, has said that he wants the new Gold Bank to have a tax holiday for five years. It is remarkable that the Government's Gold Bank is saying it wants a tax holiday for five years so it can build up its reserves at the same time that the Federal Labor Government is saying that we are going to have a new gold tax on the industry. Of course, the people who depend upon the industry must be wondering what is going on.

Mr Greig: Typically double standards.

Mr COURT: It is very much a double standard - I was going to say a gold standard. I would like the Treasurer to say whether it is correct that the Gold Bank is going to push for a five year tax holiday, because I understand that under this legislation it has to pay an amount of tax equivalent to what its liability would be under tax laws, and as well it has to pay a dividend. It is now saying that it wants to have a five year tax holiday; so people talk with forked tongues. They say they want to be competitive and have the same requirements as other people in the industry, and that they want to set up under this Federal banking legislation, but on the day we are actually debating this legislation in Parliament the head of the proposed new bank says he wants a five year tax holiday. That certainly needs to be clarified.

Getting down to the detail of the legislation, it says that the proposed new bank is set up under the Federal Banking Act and that it has to meet all those requirements, but a Government guarantee is still provided for in the legislation. In the original legislation, which we are amending, subsections 22(1) and (2) provide for this guarantee. If Gold Bank is to operate as a bank under this legislation, if it is to meet those requirements of the Reserve Bank and if it is to base its transactions on the security of gold, why does it need a Government guarantee? I ask the Treasurer if he could also give us an answer to that: If the new bank will be meeting the prudential requirements set down by the Reserve Bank, why does the Government guarantee have to continue?

Another question which I hope the Treasurer will be able to answer is one we asked when we were debating the last legislation; that is, when the Government has issued these Gold Notes will one be able to get physical gold for them and where, internationally, will one be able to present the Gold Notes and get physical gold? Where in Australia, for example, will one be able to get physical gold?

Mr Peter Dowding: Why are you asking that? I guess I can find out, but what do you want to know for?

Mr COURT: I want to know whether, if the Government is to issue Gold Notes, one can get physical gold for them. For example, if one is in London or New York, will those major centres recognise the Gold Notes the Government is issuing?

Mr Peter Dowding: But why do you ask that question?

Mr COURT: Because the whole guts of the Gold Bank is that the Government is saying it will be dealing in physical gold - that is the big play it is making; that it will be holding gold. Does the Treasurer not think it is a reasonable question? It is the guts of the bank.

Mr Peter Dowding: I do not understand why you are worried about it.

Mr COURT: Well, I want to know whether, if I had a Gold Note, I could get the gold for it.

Mr Peter Dowding: Do you have one?

Mr COURT: No.

Mr Peter Dowding: Why are you worried then? That is for the buyers of those notes, is it not?

Mr MacKinnon: We are worried about the reputation of Western Australia.

Mr Peter Dowding: How could that be affected?

Mr COURT: It would be affected if you could not deliver the gold.

Mr Peter Dowding: All right, I will ask, but I do not see that it has anything to do with the performance of the bank.

Mr MacKinnon: It is central to the whole operation.

Mr COURT: It is what the legislation is all about.

Mr Peter Dowding: Are you saying to me you are worried about whether this bank will actually work efficiently?

Mr COURT: No, I am just saying that it is obviously one of the biggest concerns the Reserve Bank has. It all boils down to the credibility and the reputation that a financial institution has.

Mr Peter Dowding: The Reserve Bank is concerned for other reasons. What it says is that it does not really understand the gold business.

Mr COURT: Is the Treasurer saying that the Reserve Bank, which deals in gold, does not understand the gold business?

Mr Peter Dowding: That is right; that is what the chairman told me. He said that is one of its real concerns and, if it is to get into the business of providing the prudential support the main bank would imply, it would have to learn an enormous amount about the gold business because the expertise might reside here in GoldCorp but it does not reside in the Reserve Bank.

Mr COURT: I am absolutely staggered. Why is this legislation before the House?

Mr Peter Dowding: Because we have the expertise here.

Mr COURT: Legislation has already passed through this Parliament. If the Treasurer is saying that he and his people at Gold Bank have the expertise, why does it have to go under the Federal Reserve Bank, if he is saying the Reserve Bank does not have the expertise? The Treasurer has just said the Chairman of the Reserve Bank does not understand the gold banking industry. I think that is an incredible statement.

Mr Peter Dowding: Because GoldCorp wants to be able to demonstrate to the world that it is complying with the appropriate prudential requirements. That is important to its whole marketing strategy. That is not a difficult thing to see, is it?

Mr COURT: I cannot believe that the Reserve Bank, which has been dealing in gold -

Mr Peter Dowding: If you cannot believe it, ask the chairman. I will go and ask the officer. You keep talking and I will ask him about the physical gold.

Mr COURT: We are certainly very interested in that. While we are debating this legislation I would also like the Treasurer to give us an indication as to how he sees the performance of what is currently the GoldCorp part of it, and the Western Australian Mint and the Westmills operations, that are running the State Batteries. I was interested to read in an article in the weekend Press about the Western Australian Development Corporation and John Horgan, wherein it was mentioned that the Government had saved \$7 million by closing down the State Batteries. I understood that the batteries were losing about \$3 million a year; it is estimated that now they are losing \$1 million a year. Four batteries are operating, and that part of the operation has been able to raise funds. It was explained to us this morning that they have had a one-off liquidation of some of their assets, mainly selling off some tailings dumps. That has given them a bit of money which has enabled them, cash flow wise, to build the refinery at Kalgoorlie, for example, and to spend \$6 million or \$7 million to start their expenditure on the Perth refinery.

Can the Treasurer give us a simple explanation of what are the profit producing sections of the current operations of GoldCorp, Westmill and the Western Australian Mint? For example, does the gold coin program provide a significant cash flow for the Mint? It has spent a lot of money promoting the gold coin operation.

Mr Peter Dowding: Does the member want to know something about that? I am told the statement by the Leader of the Opposition, critical of the WADC and its performance, has been circulated by the people who are in competition with GoldCorp - the Maple Leaf and the American Eagle. That statement is being circulated internationally.

Mr COURT: I have asked the Treasurer a question. Can he tell us whether this great Gold Bank operation will make big returns? As I have said, the Government has had a one-off sale of assets relating to tailings at State Batteries. How will funding be provided for the development of the Perth Mint? I would be interested to know because I can see this whole operation being drained of funds for some time. If the Treasurer can tell me otherwise, well and good.

As part of the vertically integrated operation the Government talks about developing a range of jewellery - the Government's first foray into jewellery related to the Goldrock operations, and I do not believe the Government will make the same mistake twice. We have already had people in the jewellery industry in Perth saying, "That is our speciality; that is the industry we are in. Why should the Government be in that industry?"

In answer to question 382 the Government spelled out that it intends to become a big player in this value added area. This is completely against the Opposition's philosophy. The Government wants to become involved in more and more activities carried out in the private sector; we believe the private sector does this more efficiently. The Government with its truly socialist thinking, talking about vertically integrated operations, now has Gold Bank involved in that area.

Regarding the confusion between GoldCorp Australia and the New Zealand based group Goldcorp Holdings Limited I asked question 576 as follows -

Is there any confusion between the Government's GoldCorp Australia and the New Zealand based group Goldcorp Holdings Limited, which operates mainly on the east coast of Australia?

The answer was -

GoldCorp Australia management cannot recall having received any complaints from clients or potential clients about the similarity in names, but there does appear to be potential for confusion.

I was confused when reading an article in a financial newspaper about Goldcorp Holdings and what it was involved in. The article was about real estate and other things and I did not realise GoldCorp had become heavily involved in Queensland. It seems strange to me that the Government is using a name which is used by another company in Australia. Has the Government done its homework? Perhaps the Treasurer could tell us whether the Government has registered the name GoldCorp throughout Australia.

Mr Peter Dowding: I do not know.

Mr COURT: I think this is an important point because you are trading as GoldCorp.

Mr Peter Dowding: I am not trading, the organisation is.

Mr COURT: The Treasurer is responsible for WADC operations.

Mr Peter Dowding: There is a board of the most eminent Western Australian business people -

Mr COURT: The Treasurer should not try to sidetrack me. At the end of the day -

Mr Peter Dowding: That is up to them.

Mr COURT: By the way, did the Treasurer check the WADC report? The Treasurer asked me to verify it and said if I was wrong I would have to apologise.

Mr Peter Dowding: I will deal with that in due course; you will apologise.

Mr COURT: I gave the Treasurer the details.

Mr Peter Dowding: I will come back to that when I am ready.

Mr COURT: Why can the Treasurer not do it now?

Mr Peter Dowding: I do not have the papers with me.

Mr COURT: That is self explanatory.

Mr Peter Dowding: The member has a leader who cannot even remember a letter he wrote two days earlier, so the member should not criticise me.

Mr COURT: I do not mind if the Treasurer apologises inside or outside the House. I gave him the evidence.

Mr Peter Dowding: And you were wrong.

Mr COURT: I am right.

Mr Peter Dowding: We will see.

Mr COURT: Again, I ask the Treasurer to clear up the question whether GoldCorp is registered around Australia or does Goldcorp Holdings Limited have its name registered in other States? If so, does this cause legal problems? The situation is very confusing.

Under the new legislation the board is to be increased in size to meet Reserve Bank requirements. Perhaps the Treasurer may be able to give an indication of who is being considered for appointment to the board. In the Minister's second reading speech the main concern and the reason the legislation has been introduced is that the Government must now get approval under Federal legislation. I admit that is a grey area. Under our Constitution it is stated -

Part V - Powers of the Parliament.

51. The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to -

And then subparagraph (xiii.) reads -

Banking, other than State banking; also State Banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money;

I understand that interpretation. If we look at the history of R & I Bank operations in the States one sees it has been able to set up a branch overseas and different problems arise there. The Treasurer has said that local people have more expertise in this field and in the whole subject of gold and the Gold Bank. That is good, but I ask the Treasurer why does the Government need to take a particular route? Why go to all the trouble of operating and setting the bank up under Reserve Bank requirements?

Mr Peter Dowding: That is fundamental to the whole reason for this amendment.

Mr COURT: Six months ago the Opposition was ridiculed for asking questions. The Opposition said the Government did not need Reserve Bank requirements as the powers are there under the Constitution, and we have the expertise. Now the Government says we should take a different route.

Mr Peter Dowding: I said it is highly desirable.

Mr COURT: It was not highly desirable six months ago; now it is. The Treasurer said today that the Chairman of the Reserve Bank says they do not understand the gold banking industry to the same extent as we in this State understand it.

Throughout Australia Governments of both political persuasions are seriously considering their involvement in business activities. The days of the good old socialist thinking that the Government should own airlines, banks and other businesses is becoming a thing of the past. The Labor Party is concerned about the whole privatisation debate and has said it will make some changes with Qantas and Australian Airlines. Not only in Australia but also in other countries, Governments are getting out of businesses. In this State with its preoccupation with becoming more and more involved in different businesses - and Gold Bank is one example - the Government is starting to compete more and more with the private sector. An analysis of private banks versus State banks shows that private banks are more efficient and more competitive. I do not understand why the Government wants to take the course of action outlined in this legislation. It is also hard to understand why it wants to go through a very long, difficult and expensive process of starting up a new Federal bank when already it has not only a State bank but also a Federal bank licence.

At the beginning of my comments I said it was important that there be a group of people in Government who are specialised in the field of gold just like there are people in Government specialised in the iron ore industry and the agricultural industry. I accept that we must have those people with the so-called culture that goes with a certain industry. However, it does not mean that officers of the Department of Agriculture must be farmers and become involved in all areas of agriculture. Just because they are officers of the department does not mean they understand the price fluctuations in the wool market better than anyone else. It is a nonsense argument to say that the Government can do these things better than anyone else.

Mr Peter Dowding: These are private sector people.

Mr COURT: Who owns Gold Banking Corporation?

Mr Peter Dowding: The people involved are private sector people.

Mr COURT: That is a nonsense argument. It is a Government bank and it is owned by the taxpayers of this State. Does the R & I Bank have private sector people in it?

Mr Peter Dowding: You equate it with the Agriculture Department.

Mr COURT: I can equate it with any Government department. The Government is saying that it knows best and that it knows the banking industry better than anyone else and, therefore, it must become involved in it. I think it is a clumsy attempt -

Mr Peter Dowding: Are you saying that Gold Banking Corporation is clumsy?

Mr COURT: I have five minutes left and I want to wind up my comments. It is clumsy because when the principal legislation was introduced last year the Opposition expressed concerns about it. It asked a series of questions and was given clear cut assurances that the approvals from the Reserve Bank and Treasury officers were in place. Now, six months later, the Treasurer says it is desirable to go down this path. It is sloppy and no attention has been given to detail.

Mr Peter Dowding: By whom?

Mr COURT: By this Government and by the Treasurer who is responsible for the Government.

Mr Peter Dowding: Are you saying that the board of directors is sloppy?

Mr COURT: The Gold Banking Corporation does not have a board of directors. I am saying that this Government, the Treasurer and the Ministers -

Mr Peter Dowding: The people who run WADC comprise the board.

Mr COURT: At the beginning of my speech I went out of my way to say that the people involved, particularly the large South African contingent, are good operators, but the Government has introduced this legislation. The Government is trying to say that by having more involvement in the industry it can better help the local producers. The best way in which the Government can help local producers is to stop all the talk in relation to the gold tax. I would like the Treasurer to give a clear explanation regarding the five year tax holiday the Government is talking about and which has been reported. It is bad enough having the Government competing with other people in the industry, but now it is talking about a five year tax holiday and it is of concern to the Opposition.

The five year tax holiday was mentioned in an article in this morning's newspaper and it stated -

On the tax holiday, Mr Mackay-Coghill said this was proposed to allow the Gold Bank to quickly expand its capital base which on establishment will be about \$48 million.

The Treasurer's second reading speech states that the capital base will be \$25 million, but the article in this morning's newspaper stated that it will be \$48 million. Perhaps the Treasurer can verify this figure. Is the \$25 million sufficient or will it need \$48 million?

The Opposition does not accept this Government's continuing movement to become further involved in the business sector. We have a banking industry which performs remarkably well and we have people involved in the gold industry who also perform well.

The argument continually thrown at the Opposition by the Government is that we need a vertically integrated gold operation and it is an argument which, if it is carried through to other industries, will lead this State back to the days of having fully nationalised industry. The Opposition does not support that concept.

The Treasurer has many questions to answer. It is a major step to be establishing a State owned bank under Federal Government legislation. We are aware of the trauma concerning the deregulation of the banking system and the problems foreign banks have experienced when trying to break into the Australian market. The Government says it has the answers, it knows more than the Reserve Bank and it can do a better job. The Opposition cannot trust the Government especially considering the way in which it has been running financial institutions in recent years. We cannot trust the Government becoming involved in another financial institution when its recent dealings have been, to say the least, rather suspect.

MR COWAN (Merredin - Leader of the National Party) [3.37 pm]: It is clear to me that the reason behind this amending Bill is to ensure that Gold Banking Corporation, as it was known, conforms with the requirements which were released recently by the Reserve Bank in its discussion paper. I have not had the privilege of reading that discussion paper, but I would be interested to know how many of these amendments actually relate to the changed provisions which have been included in the discussion paper or to what already existed under the Reserve Bank's requirements and were missed by the people who drafted the principal Bill in the first instance. I am not saying there is anything sinister about it. It indicates a degree of laxity in not properly preparing the legislation.

Mr Peter Dowding: That is not fair.

Mr COWAN: I had a lot of difficulty following the legislation and one sees, in the limited experience I have had, a lot of amendments coming into this place to correct what one first thought one was doing. I am not being critical -

Mr Peter Dowding: It is not correct. What was said at the time was that the WADC's proposal to establish this organisation did not need the Reserve Bank's approval. However, it was intended to deal with the Reserve Bank with a view to getting approval, but the

legislation would go through on that basis. After it went through the Reserve Bank gave a lot of consideration to it and has now suggested that in order to give its approval it wants some change. We do not need its approval.

Mr COWAN: I recognise that as a State bank the Gold Banking Corporation does not need the approval of the Reserve Bank. The Treasurer knows what was stated by his predecessor when he introduced the principal Bill. He said -

It is proposed to adopt and conform to prudential controls of the Reserve Bank of Australia applying to trading banks including, for example, the capital adequacy ratio and the prime assets ratio. Discussions have already been held with Mr John Brady, Head of Supervision at the Reserve Bank of Australia. It is also proposed to adopt modern commercial banking practices in respect of the banking and non-banking business of Gold Bank, the latter of which will be undertaken by the subsidiaries Western Australian Mint and GoldCorp Australia.

While it is recognised that as a State operation it does not need the approval of the Reserve Bank it was made clear in the second reading speech that the intention was to conform with the requirements of the Reserve Bank. All I am saying is that the Reserve Bank has, since the Act was passed, issued a discussion paper and in that paper it outlined what it regarded as the requirement to which all banks must conform if they are to have the approval of the Reserve Bank. I asked whether these changes were a consequence of recommendations contained within the discussion paper or whether they had been missed in the attempt to conform to the Reserve Bank requirements.

Mr Peter Dowding: No. In fairness to everybody we should not say that they have messed this up and that is why the Bill is back here.

Mr COWAN: I am not being critical, but the three amendments are fairly minor.

Mr Peter Dowding: We have had those sorts of comments from the Liberal Party and your question can easily be answered by saying that these changes arise from extensive negotiations with the Reserve Bank which were signalled.

Mr COWAN: The Treasurer will have nothing left to say in his reply to the second reading debate. I have no objection to the provisions contained in this amending legislation. I recognise that if the Gold Bank is to have international status, its credibility will certainly be enhanced by its conforming to the requirements of the Reserve Bank of Australia. There is no question of that. Any organisation seeking to establish a credible reputation in the international banking business would want to be able to say that it operates within the requirements of the Reserve Bank of Australia. That is perfectly natural. I accept the need for these changes and I understand that they have been brought about to ensure conformity with the requirements of the Reserve Bank.

The National Party does not oppose the amendments which remove the word "Banking" from the name of the operation and which provide those interim operational functions. It takes no exception to the additional membership of the board and recognises the need for the increase in the paid up capital of the Gold Bank from \$10 million to \$25 million. The debate on where those shares will be placed occurred last year when the principal Act was presented and I will not wander down the various paths taken by the Deputy Leader of the Opposition, other than to say that the National Party supports all these amendments.

One point needs some clarification, and it does not relate specifically to the amendments but has some bearing on Gold Banking Corporation; that is, the statement by Don Mackay-Coghill which was reported in *The West Australian* in relation to the tax holiday.

Mr Peter Dowding: Before you launch into that, I am informed that the report is incorrect.

Mr COWAN: That might be as well, according to my information. In the May economic statement, I understand that the position being created could not in fact -

Mr Peter Dowding: It is not a tax holiday. In the course of a conversation there was a suggestion of the possibility that if they needed that money they could ask the State to forgo the receipt of it for a certain period.

Mr COWAN: In that case I would like further clarification of the intention of the corporation. I conclude by saying that in the company of the Treasurer I attended the formal

commissioning of a goldmine on the perimeter of Southern Cross, where they were producing and processing hourly 170 tonnes of ore which was yielding on average 2.5 grams per tonne - that is a substantial production of gold. Quite clearly, notwithstanding the imminent tax on gold, the interest in goldmining under the new procedures and processes developed of late will ensure that it will play a major part in the economy of this State. Just as with every other industry, it is appropriate that we try to get as much value added processing as we possibly can. There is no question that the functions of Gold Banking Corporation will be very important in ensuring that we get a full measure of value for gold, which will mainly be exported.

I fully approve of the concept of Gold Banking Corporation. I approve of its conforming to the standards set by the Reserve Bank because it must be understood that the majority of its actions will be international business undertakings. What happens in the State of Western Australia, apart from the production and refining of gold, will not be important, but the sale of the product on international markets will be important and any company undertaking that task will require the best possible credentials. The National Party supports these amendments.

**MR LIGHTFOOT (Murchison-Eyre) [3.48 pm]:** I rise this afternoon to speak against the amendments, and that comment obviously needs some clarification. On several occasions late last year I had very interesting discussions with people whom I thought were very good executives of GoldCorp and Westmill with regard to the then Gold Banking Corporation Bill 1987. I, among others on this side of the House, was assured that this was not to be in effect another State bank. I very much regret lending my weight - whatever it may be - to the Bill in its form last year. I say that because Western Australia simply does not need another State bank. It is another manifestation of national socialism that this Government seems to be hell bent on creating during its tenure of the Treasury benches.

I am not opposed to vertical integration - if I may use that term - of the gold mined in this State or the gold mined in other States but fabricated in other ways for value added dollars in this State. On many occasions I have urged this House to take cognisance of the iron ore industry where we ship out iron ore, of the aluminium industry where we ship alumina powder and billets of aluminium, and the wool industry where we scour very little of our wool. It seemed to be a bright light when the Government had negotiations with the South African experts - they have a tremendous amount of expertise and the State is lucky to have both the South Africans and the other experts in this field who work for GoldCorp and other sections of State instrumentalities involved in the gold industry.

One aspect which warranted support from us was the gold coin. That represented value added dollars to the cost of those bars of gold that we would normally ship overseas or sell here in Western Australia or other parts of the nation. The gold coin has done very well and I congratulate the Government on seizing that initiative.

The idea of the Gold Note was not particularly innovative, although I thought it was at the time. I understand that West Germany has had a similar Gold Note for a decade or more. Notwithstanding that, it was good to see some value added dollars to goldmining here in Western Australia. The Deputy Leader of the Opposition asked the Treasurer whether the Gold Note could be repatriated in gold in other parts of the world, and that was a valid question. We were told that a Gold Note bought here from Gold Banking Corporation could be repatriated as legal tender in other parts of the world such as Hong Kong, London, Paris, Zurich or New York. That was an excellent idea and allayed fears about security when carrying gold on and off planes. That method was fraught with danger, as we have seen in recent years in Kalgoorlie, where a substantial amount of gold was stolen during transmission from Kalgoorlie to Perth. I endorse that idea, but I do not endorse the fact that we are to have another State bank which we do not need. The R & I Bank serves us very well and the Primary Industry Bank of Australia Ltd, which is its wholly-owned subsidiary, enhances and broadens the scope of that bank.

The goldmining industry in Australia started in earnest in the 1850s and was responsible, during the 1890s and at the turn of the century, for Australia having the highest standard of living in the world. It is an important industry for Western Australia and I do not want to do or say anything in this place which may harm it. The goldmining industry of Western Australia opened up vast pastoral areas. Pastoralists came after the miners and, as a result,



decentralised this massive State; they stimulated industries such as engineering, fabrication, transport, railways and water. It gave us a massive per capita income in Western Australia.

The idea of enhancing the goldmining industry instead of just importing ingots appealed to me in its original concept of having value added dollars put on those ingots. We now find that, in spite of assurances given to me, Gold Banking Corporation and its subsidiaries have been, are, or intend to be involved in pristine areas of exploration, and other areas of mining, when we were assured it would not be involved. In other words, it seeks to be involved in grass roots areas of mining exploration, competing with free enterprise industries again on a national socialist basis and blackmailing, if I can use that word, Anglo American Pacific, a listed company in Australia, into divesting itself of 50 per cent of the massive Kaltails project in Kalgoorlie. We now find that from the grass roots, through to the refining industry, even to carbon stripping where the fine gold is recovered from active carbon, Gold Banking Corporation is involved in Kalgoorlie, so much so that one company, if it has not gone broke, is certainly pulling out of the goldfields because of the unfair competition.

I was for some years chairman of the mines, fuel and energy subcommittee of the Liberal Party and was responsible for writing that policy. Part of the policy that I recommended to our joint policy committee was that we should retain the Perth Mint. I am not opposed to the Perth Mint, and do not have strong philosophical opposition to Government being involved in industry, providing that industry enhances private enterprise. The Perth Mint did. It was, and still is, a very responsible and respected gold refining entity throughout the world, and refines gold as fine as any other mint. It is a great credit to the men and women who run that instrumentality.

However, I could not go as far as to endorse the Government being involved, as it is now, in all the aspects of goldmining and the proposal that it become involved, if it is not already, in base metal mining as well. That reeks of national socialism and is another dimension of 'Western Australia Incorporated'. There are many corporations in Australia which are only too willing to act like the crooks in the 1930s which held hands with the leader of that appalling National Socialist Party in Germany. It is not good for Western Australia, Australia or succeeding generations for us to be seen by our allies to be doing that.

I recall very clearly that the goldmining industry was on its knees metaphorically. There was one mine left in the whole of the goldfields, a subsidiary mine called Mt Charlotte which was partly owned by Western Mining Corporation, and that was on the very edge of closure in 1972. A decision was made to close it, the decision was reversed, and Mt Charlotte went on to become one of the best, most cost effective, lowest grade, biggest tonnage underground operations mines in the world. I am thankful, on behalf of the people of Kalgoorlie, that Western Mining made the decision to keep the operation going.

Gold boomed again in the late 1970s. It was quite obvious that we needed downstream facilities. I saw Gold Banking Corporation and GoldCorp as providing that incentive, and even the leadership if it were a pioneer industry, so that private enterprise could take advantage of it. It has now switched around, as I have said, and both of those Government instrumentalities and Westmill are competing with private enterprise on a most unfair basis.

We heard the member for Nedlands, the Deputy Leader of the Opposition, say that we will be asked to concur with a five year tax holiday. That is fine, but we must remember that the Federal Treasurer has given clear notice, as a result of the tax incentive supplied to him by the member for Kalgoorlie, irreverently called the Taylor tax, that he will impose a tax on the goldmining industry on 1 January 1991.

Mr Peter Dowding: Get off yourself. No one believes that.

Mr LIGHTFOOT: There is no question that the member for Kalgoorlie provided the impetus to do that.

Mr Peter Dowding: Nobody believes that.

Mr LIGHTFOOT: If the Treasurer wishes to interject he should take his medicine, but I will not stick strictly to talking about gold. The member for Kalgoorlie quite clearly opened the door to the Federal Treasurer's imposing a tax on Western Australians. Members should not believe that it is a tax on all of Australia; it is not, because the State of Western Australia produces well over 70 per cent and almost 80 per cent of the nation's gold so we will be asked to foot the bill for that gold tax in 1991 to provide money that will be spent in

Canberra, Sydney and Melbourne. That is analogous to the Boston Tea Party. I find that quite immoral, that a Government in the east is imposing a tax that largely affects this side of the continent because we are relatively weak in numerical terms, comprising only eight per cent of the nation, to provide money that will be spent in Melbourne and Sydney to prop up the Labor Government.

This is a tax on Western Australia, an unfair tax that will lead - and, in fact, has already led - to the "sweet spot" mining of gold. I had a lunch time meeting at which I was informed that one large multi-million tonne ore body will be ripped into before 1991 so that the company can take advantage of the present tax free status of gold. That was not necessarily the reason the company had to do that - to make dollars - but if the tax is introduced in 1991 that multi-million tonne ore body would simply not be viable. This will not affect the bureaucrats in Sydney, Canberra or Melbourne - it will not affect Mr Keating, either.

Mr Peter Dowding: Get on with the Bill.

Mr LIGHTFOOT: It will not affect Mr Keating because the money will come from the west. That is one example of what will happen to the goldmining industry in Western Australia. The Treasurer just echoed in a rather high pitched voice, "Get on with the Bill." If that is not about this Bill, I do not know what is - having Gold Banking Corporation existing to enhance the goldmining industry. If the Treasurer thinks that I am not talking about the goldmining industry, he should go back to school. I intend to continue on this course.

I have said previously that I thought the Gold Banking Corporation was a great advantage to the industry. I wonder what sort of advantage it will be for the industry when it starts to stumble after 1991. It is fair to say that the goldmining industry in Western Australia is feeling something like people feel in Hong Kong in the lead up to 1997. They will simply not invest in Hong Kong as it will return to the Chinese after 1997. That is exactly what will happen to the goldmining industry here.

Gold Bank, as it is referred to, may not survive after 1991 because of the deprivations of the gold tax. It needs, in order to survive, to be a State bank with prudential controls competing with private enterprise. I think I have probably hit the nail on the head there. I do not think that Gold Bank or GoldCorp will survive after 1991 in its present form. It will certainly need some sort of propping up.

I return to the vertical integration of the goldmining industry, which is something I endorse. I compliment the executives of GoldCorp who spoke openly to me about it last year. By 1990 we will probably be mining in excess of 200 tonnes of gold each year in Western Australia. That will be brought about first by the rapid annual growth of the goldmining industry, which has been stabilised by the tax free status of gold. It has allowed us to mine a much lower grade of gold because tax did not affect the income from those rewards and we are opening up large areas of the industry using big equipment to take out big tonnages of low grade ore.

We want to see some advantages added to those ingots of gold instead of just sending them overseas. The Deputy Leader of the Opposition asked the Treasurer - who would perhaps like to interject now - how one could repatriate gold with one's Gold Notes overseas, and if it could be done in what cities are they to be repatriated; how can one convert one's Gold Notes and where?

Mr Peter Dowding: Look at the Act; there is power to do that.

Mr LIGHTFOOT: The Treasurer is hedging.

Mr Peter Dowding: I will answer when I am ready, then.

Mr LIGHTFOOT: There is no answer. The fact is that the Treasurer does not have that in place eight months down the track, yet it is one of the major initiatives that we supported. We supported that Bill substantially on its innovative introduction of that Gold Note and now the Treasurer is unable to answer my question. What a disgraceful fraud that has been committed on the public of Western Australia and on the people who supported the Gold Banking Corporation Bill initially. As I have said before, we need that value added aspect for employment and for the longevity of towns such as Mt Magnet, Cue, Meekatharra, Leonora, Laverton, and Menzies, and most of all for the big provincial capitals of Kalgoorlie and Boulder. I say again that I am not opposed to that.

I will now refer to a brief extract relating to the future growth prospects of the goldmining industry. This is a pre tax announcement. An article states that exploration could continue to grow in the goldmining industry by 36 per cent annually; that investment could further increase by 40 per cent annually; that production could reach 200 tonnes by 1990 - and production levels imply employment of an additional 3 000 people in the years 1987 and 1988. The continued growth will have important indirect effects including an increase in output elsewhere in the economy of \$160 million and additional indirect employment of 5 100 people. No one could suggest that this is not an important industry.

I refer to *Hansard* of Wednesday, 18 November 1987 where I am reported as saying the following in respect of the Gold Banking Corporation Bill -

As my colleagues have said, some clauses in the Bill must be amended to curtail those areas in which the bank should not be involved. If the Gold Bank Bill is eventually endorsed by this Parliament there should be no involvement by the WADC. Over the preceding four years that body has been held in not very high esteem, not just by this side of the House but by businesses in general.

I reiterate that statement and do not resile from it. I went on to say -

I do not think that the Gold Banking Corporation should be tarnished or should have, in any shape or form, a millstone in the form of the Western Australian Development Corporation around its neck - I mean by equity and by directorships. I also suggest that the Industrial Bank of Japan should not be involved in this Western Australian innovative initiative.

Dr Gallop: You have a somewhat exaggerated view when you read your own speech.

Mr LIGHTFOOT: That is the member's view. He has also read some of his speeches on occasions, and I can understand his vehemence.

I endorse the involvement of the Gold Banking Corporation in the areas which enhance industry and do not compete with private enterprise. I endorse the aspect which refers to the refinement of gold, which it does very well and competes with anyone in the world. I endorse the aspect of gold coins and other numismatic involvement and the proposed involvement of the Gold Banking Corporation with the Gold Note. Outside that there is very little I can endorse. I cannot possibly endorse the carbon stripping plant in Kalgoorlie, which has already sent or is shortly to send one competitor to the wall. I cannot endorse the manufacture of gold chains and jewellery by GoldCorp. Those things can probably be done better and more cheaply by private industry.

Finally I would like to pose the question again: If this is not to be a specialist gold bank, why do we need another State bank when we already have one which is operating adequately, and apparently efficiently, if we do not include the massive contributions it has been forced to make to the rescue of Rothwells, Teachers Credit Society and other institutions? Why do we need another State bank?

I oppose the Bill.

MR PETER DOWDING (Maylands - Treasurer) [4.13 pm]: What an extraordinary person the member for Murchison-Eyre is! On page 6088 of *Hansard*, when he was dealing with this Bill, he said, "The Bill gives the bank the right to do all those things which banks generally do", and he supported the Bill. What an extraordinary performance to walk into this Chamber today! Talk about a chameleon! He changes colours so vividly and so rapidly that he does not sink into the background; he reinforces to all of us that he changes his mind depending on the way the wind is blowing.

His contribution today did not assist this Chamber; it attacked his own personal credibility. Let me spend a couple of minutes dealing with some of the points raised.

Mr Lightfoot: Spend a couple of minutes talking about your private life.

Mr PETER DOWDING: The member is awful. I am not surprised members on the other side of the House would not give him a seat.

Mr Lightfoot: That has nothing to do with it.

Mr PETER DOWDING: I think it has. It is a fair reflection of the way in which your colleagues think of you.

Several members interjected.

The ACTING SPEAKER (Mr Thomas): Order!

Mr PETER DOWDING: Let me go through a couple of points which were raised by the Deputy Leader of the Opposition.

Mr Clarko: You say something to the member, he replies, and you wonder why. You must be as thick as two planks.

Mr PETER DOWDING: Maybe I am, but I can tell the member something. He did not support his getting a seat either.

Let me deal with the substantive matters.

Mr Cash: Let us go back to the Bill.

Mr PETER DOWDING: That is the most sensible thing the member has said so far.

Mr Cash: There has been no sense in what you have said in the last three minutes.

Mr PETER DOWDING: Belt up and I will!

Several members interjected.

The SPEAKER: Order!

Mr PETER DOWDING: There is no point in trying to debate the whole issue again. What was discussed last time was the setting up of a bank to do two things. It was proposed to conduct a series of activities using people who had an international reputation and who we have been very lucky to attract here. They are people of the highest ability in the gold industry worldwide.

Mr Lightfoot: No-one is disputing that.

Mr PETER DOWDING: The member for Murchison-Eyre has done enough damage. He should put his ankle in there too.

Several members interjected.

Mr PETER DOWDING: I will if you want me to.

Mr Court: Tell us a bit about South Africa.

Several members interjected.

The SPEAKER: Order!

Mr PETER DOWDING: It is on their ability that this organisation will sink or swim, not on the ability of the Government of the day. It is this Government which has had the integrity, the credibility and the guts to go ahead and allow the establishment of an organisation to take advantage of a window of opportunity.

Mr Court: Can you say that again? Could you explain what you have just said about the people who will be the success story? If that is the case, why do those people have to be in a Government operation?

Mr PETER DOWDING: This is an operation which has been set up as a result of the tremendous foresight and business acumen of people on the board of the WADC, who are all business people. It is as a result of the entrepreneurial ideas and the flair of the previous Premier, who is largely responsible.

Several members interjected.

Mr PETER DOWDING: Let me get on with it or we will keep being sidetracked. It is not right to say, "Someone else can do it; the R & I Bank or Westpac could do it."

Mr Lightfoot: I am not trying to say private enterprise could not do it.

Several members interjected.

Mr PETER DOWDING: Members opposite are obviously so stropky over the member for Murchison-Eyre having made such an ass of himself.

Several members interjected.

Mr PETER DOWDING: Does the member want to hear my speech or does he want to hear his again?

The SPEAKER: Order! I will just say this once more, because it is obvious I have not said it often enough, or perhaps some members were not here. It is important to have some form of interjection during debates, because it adds some flavour, but incessant interjections used entirely to stop the person on his feet from speaking or putting across a point of view are, in my view, disorderly, and if any member chooses from now on to adopt that tactic I will feel free to insist that for the balance of the debate on that topic he does not interject at all, as is the requirement in the Standing Orders.

Mr PETER DOWDING: Mr Speaker, I understand we want to get through the second reading of some Bills before -

Several members interjected.

Mr Pearce: We are doing that to accommodate members opposite. We can do it during private members' business.

Mr PETER DOWDING: Do members opposite want to do it now or during private members' time?

Mr Cash: Just go back to the Bill.

Mr PETER DOWDING: Members opposite do not want us to do that. Keep going and we will do it during private members' time. Is that what the member is asking me to do?

Mr Clarko: He did not say that.

Mr PETER DOWDING: That is what he is asking. Perhaps I should ask the Deputy Leader of the Opposition.

Mr Court: The arrangement we made was that private members' business is at 4.30, and you want some second readings through before then.

Mr PETER DOWDING: Okay, so we will not do what the member for Mt Lawley wants. I seek leave to continue my remarks at a later stage of the sitting.

[Leave granted for speech to be continued at a later stage of the sitting.]

Debate thus adjourned.

Mr Cash: That will give you an opportunity to talk to somebody and get some facts.

Mr Peter Dowding: We are only doing it to oblige you.

The SPEAKER: Order!

Mr Court: Are you saying we should not have private members' Bills?

The SPEAKER: Order! I will not tolerate this. If members wish to behave like that, they can leave the Chamber.

## ACTS AMENDMENT (PARLIAMENTARY SUPERANNUATION) AND TRANSITIONAL ARRANGEMENTS BILL

### *Second Reading*

MR PETER DOWDING (Maylands - Treasurer) [4.22 pm]: I hope we do not intrude too much into the opening of private members' time, but there was an agreement. We have just wasted five minutes with a silly discussion with the member for Mt Lawley. I move -

That the Bill be now read a second time.

The main purpose of this Bill is to address the superannuation issues that arose following enactment last year of the Electoral Reform Act.

Members will recall that the Electoral Reform Act provides for an extension of the terms of future Parliaments from three to four years. In addition, that Act provides that after 21 May 1989, members of the Legislative Council will hold office for four-year terms instead of the six-year terms which applied in the past.

The introduction of four-year terms for all members of both Houses of Parliament has no adverse effect on the superannuation entitlement of members of the Legislative Assembly, or the 17 members of the Legislative Council elected for terms of office due to expire on 21 May 1989. However, this is not necessarily the case for the remaining 17 members of the

Legislative Council who were elected for terms which were not due to expire until 21 May 1992.

In order to commence the new system of four-year terms for both Houses, the term of office of this latter group of members will now cease on 21 May 1989. This is three years earlier than the members would have expected when they were elected.

The Government has therefore decided that members of this group who are not members of the Legislative Council after 21 May 1989 should receive some recognition in their superannuation entitlement that the terms for which they were elected have been reduced by three years.

The principles underlying the proposals contained in this Bill are that if a member of the Legislative Council:

- Was elected before 12 July 1987 when the Electoral Reform Act received assent;
- vacates his or her seat at the close of 21 May 1989 and thereupon ceases to be a member for the purposes of the Parliamentary Superannuation Act; and
- was elected for a term due to expire on 21 May 1992,

that person, called a "transitioned" person in the Bill, will be deemed to have contributed to the fund for three additional years. As it is possible that affected members may or may not have pensionable status under the provisions of the Parliamentary Superannuation Act, it is necessary that the proposals in the Bill cater for both categories.

Affected members who are qualified for pension will have their basic pensions increased by calculating their entitlements as though they had completed an additional three year's contributory membership of the fund. In the case of an affected member who is pensionable and has held a higher office, the benefits flowing to the member for pension purposes will be calculated in two steps.

First, the pension to which the member would have been entitled up to the close of 21 May 1989 will be calculated. This will include recognition of the higher office. To this benefit will be added a further amount representing the additional basic pension calculated for the extra three years of notional contributory membership.

Currently, members who are not entitled to pension on leaving the fund receive a payment equal to twice their contributions and accrued interest. It is proposed that "transitioned" members who do not have pension entitlement will receive the benefit mentioned above and, in addition, will receive a supplementary payment.

Mr Lightfoot: You are a disgrace. You are mumbling.

The SPEAKER: Order! That is not necessary.

Mr PETER DOWDING: The member for Murchison-Eyre must have eaten something funny for lunch. I take it that he is interested in this?

The supplementary payment will be equal to twice the amount of contributions they would have paid into the fund had they remained in office until 21 May 1992. For the purpose of calculating the supplementary payment, the basic salary payable to members on 21 May will be used.

Mr Lightfoot: You are mumbling. Stand up and read it like a man.

Mr PETER DOWDING: Why does the member not read his own copy?

The SPEAKER: Order!

Mr PETER DOWDING: The member for Murchison-Eyre is really off the planet. Has the member for Murchison-Eyre been drinking?

In 1986, Parliament reduced the qualifying time for a full pension from 15 to 12 years, or the duration of four complete Parliaments. With the adoption of four-year terms for all members, the Bill now proposes that the number of complete Parliaments in which a member must serve before automatically qualifying for pension will be reduced from four to three.

This Bill also proposes to amend the Parliamentary Superannuation Act and the Salaries and Allowances Act, the need for which does not arise as a consequence of the electoral reforms.

I now turn to those matters. In late 1987, the Salaries and Allowances Act and the Parliamentary Superannuation Act were amended to give the Salaries and Allowances Tribunal the jurisdiction to determine the commutation factor to be used to convert pensions to lump sum payments.

Mr Blaikie: Could you please speak up?

Mr PETER DOWDING: I have a very sore throat. Does the member for Vasse not have a copy of this speech?

Several members interjected.

The SPEAKER: Order! If there were a little less noise in this Chamber, we would all hear adequately.

Mr Pearce: The Premier has the 'flu and his throat has been affected. I will have photocopies of the speech run off and made available.

Mr PETER DOWDING: I am also trying to oblige the Opposition because it asked the Government to get through these Bills before 4.30 pm.

Mr Cash: Just get on with it.

Several members interjected.

The SPEAKER: Order! I will not tolerate the sort of behaviour which has been adopted by one or two members of the Opposition in the last five or 10 minutes. It is totally unacceptable and it is unparliamentary in the extreme. I will take serious action against members if they continue to act in this manner. Some members ought to be ashamed of themselves.

Mr PETER DOWDING: The tribunal subsequently conducted an examination of the relevant issues before making a determination. This led the tribunal to the view that the use of a single commutation rate regardless of the age of the member at retirement is inequitable. In addition, the present system is considered by the tribunal to disadvantage the financial position of the fund as it does not necessarily offer an attractive alternative to an indexed pension, particularly for younger members.

These views could not be accommodated under the present legislation, which restricts the tribunal to determining a single commutation factor for all members regardless of age. The Government supports the tribunal's views on this matter and the measure contained in this Bill seeks to give the tribunal the authority to determine a more flexible commutation system.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Court (Deputy Leader of the Opposition).

## **MOTOR VEHICLE (THIRD PARTY INSURANCE SURCHARGE) REPEAL BILL**

### *Second Reading*

MR PEARCE (Armadale - Leader of the House) [4.29 pm]: On behalf of the Treasurer, I move -

That the Bill be now read a second time.

This measure is a straightforward case of this Government abolishing a tax and justifiably taking full credit for a decision which will affect all motor vehicle owners.

The Treasurer has previously outlined the rationale for the Government's strategy on taxes and charges in 1988-89 and the abolition of the third party insurance surcharge of \$5 is part of that strategy. Put simply, the strategy is linked to the strong performance of the State Government Insurance Commission, which is expected to return a dividend to the Government of about \$26 million, the estimated overall cost in 1988-89 of the Government not increasing the main State charges affecting ordinary families, as well as the abolition of the surcharge on motor vehicles.

Now is not the time to dwell on the SGIC, even though its investment strategies will play a significant role in helping the Government to hold down public sector charges while at the

same time balancing the Budget. However, the Government has been disappointed at the unbalanced criticism of the commission's activities. There seems to be a growing tendency, especially in the Eastern States, to sneer at the entrepreneurial spirit in Western Australia which has been, and will continue to be, one of our most valuable assets. That capacity to grasp scarce opportunities as they arise is due in part to the fact that our economy has had to largely fend for itself without the shield of Government protection that applies in other more industrialised States.

So far as the State Government Insurance Commission is concerned, I am sure all fair minded members now know that the commission's decision to take advantage of an opportunity that is unlikely to arise again and buy BHP shares and property from the Bell Group, has yielded handsome dividends. The share acquisition has already shown a profit of more than \$12 million from the sale of about half the holding, and disposal of some of the properties has yielded a net profit of \$67 million, a figure realised while still retaining two of the most valuable sites.

Let me turn to the legislation before us. Interestingly, the surcharge was first introduced by a Liberal-Country Party Government in January 1963. Two main reasons for the legislation were advanced at the time. First, the revenue collected would partly offset the increasingly heavy burden on the Consolidated Revenue Fund by hospital and ambulance costs associated with traffic accidents, together with the cost of police traffic control. Secondly, it was necessary for Western Australia to follow the lead of Victoria, which introduced the surcharge in 1959, or face a reduction in Commonwealth Grants Commission allowances. On this point, the methodology used by the commission as well as the tax bases of the various States have altered markedly since the surcharge was introduced and, on the basis of the current assessment techniques, the effect of the abolition of the surcharge on the commission's assessments would be minimal.

The original 1963 surcharge of £1 in Western Australia was amended to \$5 in the 1971-72 Budget but has not been increased since. On the basis of 1988-89 projections, the annual revenue foregone with the abolition of the surcharge is in the order of \$4.8 million.

I am pleased to be able to introduce this measure which abolishes a tax and will mean a cut of \$5 in the cost of registering a car.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Court (Deputy Leader of the Opposition).

## ELECTORAL AMENDMENT BILL

### *Second Reading*

**MR PEARCE** (Armadale - Minister for Parliamentary and Electoral Reform) [4.33 pm]: I move -

That the Bill be now read a second time.

When the Electoral (Procedures) Amendment Bill was introduced and given a second reading on 27 October 1987, one of the four broad objectives of the Bill was to provide a better service to electors. The 1987 Bill included an important proposal to assist voters in Legislative Assembly elections to vote effectively. The option of a simplified method of voting known as "ticket voting" was introduced. A principal objective of this proposal was to reduce the level of informal voting in Assembly elections.

The proclamation of the Electoral (Procedures) Amendment Act 1987 on 16 February 1988 enabled ticket voting to be tested in the elections for the Legislative Assembly districts of Ascot and Balga on 19 March 1988 and the one for Dale on 7 May 1988. Candidates had the option of lodging a voting ticket in those elections. In those district elections, voters were offered a choice of voting in either the ordinary manner by completing the right hand side of the ballot paper - the candidate preference vote - or by marking a ticket voting square on the left hand side of the ballot paper to cast a full preferential vote.

The experience in the elections for Ascot, Balga and Dale has demonstrated some difficulties with ticket voting not expected when the 1987 legislation was presented to Parliament. In particular, the expectation that the level of informal voting would decline has not eventuated.



At the three district elections held this year since ticket voting was introduced, the percentage of informal votes has been higher than usual as is evidenced by the following figures: The percentage of informal votes for Ascot was 5.11 per cent; for Balga it was 4.41 per cent; and for Dale it was 4.48 per cent. The average percentage of informal votes at 17 by-elections between 1971 and 1986 was 2.74 per cent; the average percentage of informal votes at 10 by-elections since February 1986 was 3.74 per cent; and the average percentage of informal votes at the last eight general elections was 3.28 per cent.

The informality rate increased despite the fact that the Western Australian Electoral Commission conducted an intensive advertising and publicity program to make electors aware of the new system of ticket voting. The conclusion could be drawn that ticket voting is inappropriate in a single member election where there are usually few nominations.

Our Government has considered carefully the results from the trial of the new system of ticket voting in Assembly elections for Ascot, Balga and Dale and has decided that the Electoral Act should be amended to remove the provision for voting tickets in elections for districts for the Legislative Assembly. This is the purpose of this Bill.

The voting ticket system would be retained for elections in regions for the Legislative Council consistent with the practice in elections for the House of Representatives and the Senate.

It is recognised that some confusion may be caused by having ticket voting for the Legislative Council but not for the Legislative Assembly. However, the Western Australian Electoral Commission would give special emphasis to this aspect in its educational and publicity program in the lead up to the general election.

The implementation of this program by the commission, coupled with the simplification of the informality of voting provisions in the Electoral Act resulting from the abolition of ticket voting for Legislative Assembly districts, should contribute to keeping informal voting at the next general election for the Assembly at a level consistent with previous general elections.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Mensaros.

Mr Court: How many of these do you have?

Mr Pearce: This is the last of them. We would have been finished if there had been no interjections.

Mr Clarko: The Premier began his speech by attacking the previous speaker. That is when the interjections started. He spent the first third of his speech interjecting on every line.

Mr Pearce: An agreement was reached with the Opposition to have a full private members' time. The member for Mt Lawley suggested that the Premier was seeking to adjourn his remarks because he was not able to cope with the debate. That is totally untrue.

The SPEAKER: I am not sure when it all started, but I know when it finished - about three seconds ago. That is the last I want to hear about it. Let us get on with the business of the House.

## AGRICULTURE BILL

### *Second Reading*

MR PEARCE (Armadale - Leader of the House) [4.37 pm]: I move -

That the Bill be now read a second time.

The establishment of the Bureau of Agriculture in 1894 provided the people of Western Australia with the first agricultural services. These were so successful that the Department of Agriculture was soon after - in 1898 - created as an official arm of the Government under the control of the Minister for Lands. This arrangement persisted until 1904 when official recognition of agriculture in the portfolio of the Minister was documented.

The growth of a range of new activities at the turn of the century saw the agency become the Department of Agriculture and Industries in 1910. Many of these industries were, naturally enough, centred on agricultural enterprises. They included the Albany Cold Storage Works, the metropolitan and the Kalgoorlie abattoirs, the Perth State Markets and the State Dairy

Farm. Other more general industries - the State Saw Mills, the State Brick Works and the State Implement Works - were also flourishing at that time.

Undoubtedly, concern within Government circles about the possible lack of sufficient financial controls on industries run by State agencies led to the promulgation of the Government Trading Concerns Act in 1912. Essentially, this Act required Government trading undertakings to keep proper books of accounts for parliamentary scrutiny. *Hansard* records show that some parliamentarians believed the 1912 Act would lead to a proliferation of State enterprises under the guise of requiring audit accounting procedures. This worry led to the introduction in November 1916, after a change of Government, of a Bill to repeal the Government Trading Concerns Act and to establish a new Act under which no new trading concerns could be established without the consent of Parliament.

In the final stages of the 1916 debate, the then Labor Opposition suggested that the real reason for the introduction of such stringent measures was to prevent any future Government from establishing trading concerns at will. As it was eventually proclaimed, the new Act provided, and still provides, that a department of the Public Service cannot undertake activities "with a view to making profits or producing revenue or competing with any trade or industry now and to be hereafter established" without parliamentary authorisation.

Many of the services offered by the Department of Agriculture to rural communities fall under at least two of the three restricting provisions of the State Trading Concerns Act 1916 as it was then enacted. These restrictions apply today. The irony of the situation is that, despite nearly 100 years of successful operation, the Department of Agriculture is not authorised to operate under its own Act. In fact, it has no mandate, no role and no mission spelt out by the Parliament.

It is time, in this day and age when Governments are increasingly calling for accountability, for the department to have a statement of what it is to be accountable for. Many of the department's current operations, which I am sure most people would support, are in fact being conducted illegally because the department has no charter. The Government does not intend to set up the Department of Agriculture as a trading concern in competition with private enterprise. In fact, the opposite could be said to be the case.

There is now an ever increasing range of agricultural services being offered by consultants and other groups, extending from advisory farm management services to diagnostic laboratories and research enterprises. In such a marketplace, it would be foolish not to begin to turn the attention of Government agricultural services to new areas, maintaining present services where these are not adequately provided by the private sector. But such a change in direction is strictly prevented by the State Trading Concerns Act, the requirements of which can be met only by parliamentary authorisation of the functions of the Department of Agriculture.

Cabinet has had these matters under consideration for the past several years. In April 1986, it directed that a committee be established to investigate and report on the most appropriate means of addressing the issues, including financial aspects arising from the promulgation of the Financial Administration and Audit Act 1985. The committee was of the unanimous opinion that -

a new Statute, establishing the Department of Agriculture as a department under the Public Service Act, should be prepared;

the proposed Statute should provide corporate powers for the chief executive officer, subject to the Minister;

the Statute should provide powers for the chief executive officer to administer the department and to support Government by the provision of a range of fee-for-service activities and by exploitation of intellectual property;

the department should be subject to the Financial Administration and Audit Act, with recognition of special intradepartmental activities, by way of administrative procedures; and

patents for intellectual property developed by officers of the Department of Agriculture should be held and exploited by the body corporate.

The Agriculture Bill gives effect to the views of the committee. It provides the statutory

basis for a modern Department of Agriculture, to be progressively and appropriately redesigned to service rural communities in the late 1900s. It does not provide for radical change of the type introduced in some Eastern States Departments of Agriculture which are not yet of proven benefit.

As the Minister for Agriculture has said, the department has operated effectively for nearly 100 years without being held accountable under any specific Statute. In many ways it would be possible to question why it is necessary to change that situation. The department needs an Act to ensure that it operates within other laws, and in accordance with the wishes of Parliament. The Bill provides its manifesto. It provides a broad framework on which new and appropriate specific activities can be generated within the broad functions spelt out in the legislation. It obviates potential conflict with the State Trading Concerns Act.

The provision of corporate powers for the chief executive officer, subject to the direction and control of the Minister, will simplify the processes necessary to carry out the functions of the department, functions which in a broad sense have not been changed for many years.

The Bill provides for a review of the Act after five years of operation. While this is nowadays a regular inclusion in most legislation, it has particular relevance in this case. Since its inception almost 100 years ago the functions of the department have remained virtually unchanged. While review is an integral part of the corporate planning process now being put into place for the department, it would be appropriate for Parliament to be advised.

In conclusion, the Agriculture Bill sets the scene for the future growth of the Department of Agriculture. I commend the Bill to the House.

Debate adjourned, on motion by Mr Blaikie.

## BILLS (2) - MESSAGES

### *Appropriations*

Messages from the Governor received and read recommending appropriations for the purposes of the following Bills -

1. Swan River Trust Bill.
2. Acts Amendment (Education) Bill.

## GRIEVANCE

### *Law Enforcement*

MR CRANE (Moore) [4.43 pm]: My grievance today is on behalf of a group of people who call themselves People Against Crime. I refer particularly to a group of people from the Wannamal and Moora areas and surrounding districts who recently called a meeting in Wannamal because of their concern about the deterioration of law and order in their community and in the State generally and the fact that the powers that be seem to be either powerless or unwilling to address this stressful problem.

They asked me to convey to the Government their concern that there appears to be a difference of opinion between two Ministers in the Government. The meeting on 7 June at Wannamal was attended by more than 300 people. It was organised by a committee from Wannamal, chaired by Mr Paul Cameron. The meeting was chaired by an independent chairman, Mr Doug Tierney JP, of Bindi Bindi. I stress that the meeting was called because of the concern of the community about the lack of discipline of many of the youth in the State and the lack of ability or determination on the part of the authorities to take the matter in hand.

I stress at the outset that the concern of these people was not with the police. For a long time they have felt that the police have done their job as effectively as they are able. The police have apprehended miscreants, but the breakdown occurs when they are placed before the courts. I was very pleased to learn that only yesterday in another place Hon Kay Hallahan, who is Minister for Community Services, The Family, Youth, and The Aged - that would just about cover everybody if we accepted that the term "youth" covers the females also who are not yet adult - introduced legislation which we all hope will bridge the widening gap which is causing the problems.

The particular point that I have been asked to stress to the Parliament today and to the Government is that there seems to be a difference of opinion between two of the Ministers concerned. Hon Joe Berinson, the Attorney General, was in attendance at that meeting. I invited him to attend the meeting because it was requested that he be there. A number of police officers and speakers from the insurance industry also were present. The Rev Cedric Jacobs, who is an Aboriginal, accepted the point of view that much of the crime can be attributed to young Aboriginal people. That point of view was accepted. But that was not the concern of the people. They were concerned about youth generally and it matters not what colour or creed they belong to.

At the meeting Hon Joe Berinson made some remarks which will give members an indication of his approval of the meeting. He said -

A meeting like this is terrific. Bert Crane told me this meeting was on and he said I could be quite sure it was not going to be a political exercise and, all due respect to Bert Crane, I took that with a grain of salt at the time. I am not used to being asked to meetings by other politicians that are not politically oriented. I think it has been an absolutely terrific night. I concede what Bert told me is absolutely right.

Those remarks were taken from a video recording of the proceedings that night. Hon Joe Berinson accepted that it was not a political meeting, but a meeting of people who were concerned that nothing was being done and who felt that something ought to be done.

It was most distressing to the Wannamal people to see a report on the Channel 7 news that was obviously an endeavour at sensationalism. I hope that a representative of that channel has picked up what I have just said, because it was said deliberately. When they interviewed the Minister for Police and Emergency Services, the member for Kalgoorlie, he was reported as saying that he believed that the Opposition was setting out to create a real fear and a sort of hatred campaign so far as law and order was concerned and that it was behind some of the meetings that were set up around the place. He said, also, that he thought it was not really good for our community. If that were true, I would agree that it would not be good for the community. However, I can assure the House that the meeting was not politically motivated. I was not playing party politics. I hope that I never have played party politics, certainly not in relation to these serious matters.

I wish to convey to the House, and particularly to the Minister - and to Hon Joe Berinson, if he reads what I have said - that there is a serious difference of opinion between these two Ministers, so I ask them please to get together so that they can go forward together assisting the people of Wannamal and of Western Australia who are particularly concerned about this increasing problem.

Last Monday evening I attended a meeting of justices of the peace of the central midland region at the Moora courthouse. They hold four such meetings a year. I asked particularly if I could address those justices because I wanted to ask them how they felt this problem could best be addressed. It was decided that rather than call them together for a special meeting I should attend their meeting last Monday evening. The justices agreed to a person that it is the law that is letting us down and not the police, who are to be commended for what they are doing.

I hope that the Minister will take my words on board, because we are proud of the record of the police in catching people who have been breaking and entering, stealing motor cars, or doing other things. However, it is the law, particularly in relation to children's courts, where all the justices can do is recommend that certain steps be taken and it is left to the Department for Community Welfare to take those steps if it feels that they are appropriate or its people are in the mood to take them.

I am sure that legislation presently before the other place, if it is what it is supposed to be - and we will know that next week - will address this problem. I want to place on record here that the people of Wannamal and the central midlands are concerned about this matter and have asked me to convey to the Minister for Police and Emergency Services the fact that he has made an error, probably innocently, but an error nevertheless.

**MR TAYLOR** (Kalgoorlie - Minister for Police and Emergency Services) [4.56 pm]: I thank the member for Moore for his comments. This certainly gives me an opportunity to make a few points in relation to the issues raised. I have attended, around the countryside of

Western Australia and within the city, a number of meetings on law and order.

Mr MacKinnon: How did the meeting in Bunbury go?

Mr TAYLOR: We tried three times to land in stormy weather but I finally had to say, "Let us go home and fight another day," and we headed homewards. Hopefully, I will be meeting the people in Bunbury on Sunday night. I have attended a number of meetings throughout Western Australia relating to what is generally described as "law and order". The most notable meeting was one I attended in Hedland. I have also been to Collie and to a number of other places to discuss this question. I know of meetings in Rockingham, South Perth, and recently in the Gosnells area.

Mr House: And Katanning?

Mr TAYLOR: Yes, at Katanning also. I intend addressing a number of meetings throughout Western Australia including some in the metropolitan area in relation to this issue. The member for Moore raised a number of issues. His main concern, and the main concern of people who attended that meeting, is the comment I made on television in relation to the nature of these meetings. If the member for Moore feels that my comment was unwarranted in relation to the meeting he attended, I apologise to him.

I do not apologise from the point of view that the Liberal Party has certainly been deliberately involved in organising meetings throughout the country and has set about - but not in a constructive manner, far from it - trying to use those meetings as a political platform from which first, to whip the police saying that there are insufficient police and that they are not doing their job and, secondly, the court system, attacking the legal system in Western Australia. After that generally comes the question of the law itself, particularly juvenile justice and the role of the Children's Court in this State.

Mr Schell: I can assure the Minister that that meeting was not organised by the Liberal Party but by a group of people; it was not party political.

Mr TAYLOR: As the member for Mt Marshall gives that assurance, I accept it. My concern relates to meetings which were held and which obviously involved those matters I have just set out. I have a right as Minister for Police and Emergency Services in this State to express the concern that I expressed in a television interview in relation to this matter. If these meetings are to take place - and I am happy to attend as many as possible and happy that my colleagues organised them - I will try to make them as constructive as possible; that is exactly what I intend to do.

Making those meetings as constructive as possible will allow me an opportunity to put forward what has been done and what is being done by this Government in relation to law and order. It will also provide an opportunity for me to listen and learn what people have to say. By listening and learning from those comments I hope to be able to come forward with policies and strategies relating to this matter which are acceptable to the people in this State and which I believe they will find to be reasonable and responsible.

Being reasonable and responsible does not always mean being a lot tougher and harder in one's approach to young people. In particular, it means that as far as the community as a whole is concerned we all have to adopt a more responsible attitude to the difficulties that prevail in some communities and the overall difficulties that face us as a society today. I certainly do not agree with the line that we have to seek retribution in all cases and be much tougher. There is a great deal of responsibility that can be laid at the feet of society; certainly, the Government must accept a great deal of that responsibility when talking of matters such as unemployment, in particular.

I think that families and parents must also accept responsibility. One of the things that stunned me when I attended a meeting in Port Hedland was people standing and saying that children as young as 10 or 11 years were out as late as 12.00 pm, breaking into houses and stealing cars. The question that has to be asked is, where were the parents of the children at the time of those offences? I do not believe that many people in our society expect the Government or the police to take upon themselves the responsibility for looking after those 10 and 11 year old children at midnight or later. That is the responsibility of their parents, a responsibility I believe those parents must accept.

I often talk about the police being the wicket keepers of society. Like the wicket keeper in a

cricket team, we expect the police to be standing behind the wicket while people bowl bouncers and other balls at them that get past the batsman and they must dive right, left and centre to get them. However, occasionally a ball goes to the boundary. It is most unreasonable for us to expect the police to continually play the role of wicketkeepers and look after other people's children when parents should look after them themselves. That is the message I will try to sell at these sorts of meetings. That message came through at the meeting at Wannamal mentioned by the member for Moore. I am happy to say that that was a worthwhile meeting, but other meetings have taken place.

Mr Cash: That message comes through at most of these public meetings. They take a responsible line.

Mr TAYLOR: Sometimes the people going to the meetings may take a responsible line. It does not apply to the member opposite in the line he takes at some of those meetings. I do not believe it is a responsible line. It is a line that purely seeks to trivialise in some places, and in others expose matters which are not worth exposing. It exposes problems in a way which sensationalises them. That is not the appropriate way to tackle these matters. The appropriate way is a caring and understanding way, a firm way, and one which says, "Do not expect the police at all times to be the wicketkeepers of society." The families and parents must be expected to take their responsibilities on board. Communities as a whole must get behind the police and community policing in Western Australia so that we have a better and more worthwhile society. I will continue to take that line, and that is the line which Government will take and the people of Western Australia will accept it.

## GRIEVANCE

### *Environment - Algae*

MR MENSAROS (Floreat) [5.01 pm]: I would like to use the opportunity of this grievance debate to respond to the misleading response of the Minister for Environment to a dorothy dix question. I did not yesterday have the opportunity to reply.

The Minister referred to a letter to the editor which I wrote to *The West Australian* on 13 June. In his reply he said I was wrong because the damming of a river does not add to the proliferation of algae, or words to that effect. This was not what I said. I did not say in my letter to the editor that the damming of the river caused the algae. I simply said that the damming of the rivers reduced the winter flow and, as a consequence, the river would not be flushed as much as previously, and whatever caused the algae would be flushed out to a lesser extent.

The Minister in his letter said that the damming of a river does not reduce the flow of water. That in itself is an illogical statement. I would like to read to the House what he really said. He said -

The Harvey Estuary Management Study records clearly indicate that the clearing and draining of the coastal plain for agriculture has increased river flows to the estuary by 45 million cubic metres per year, more than compensating for the loss for Peel water from Perth's water supply.

I take it he means it is more than compensating for the reduction in the flow caused by building the dams. The statement is fairly ambiguous; it does not say what time this increased flow happened.

Whatever the position, I maintain that we can ask anyone who knows the area, who lives in the area, such as the professional fishermen who go out day after day or night after night, and they will all confirm that since the Serpentine Dam was built the flow of the Serpentine River has been reduced to virtually nil. It does not matter how many million litres the Minister quotes, that is a fact of life. If he does not believe it, he should come down to the area and ask these people.

The same was said in the letter to the editor by John Oldham. John Oldham is one of those respected professional people the Minister was referring to in his answer. He spent most of his working life in the Public Works Department where he finished up as senior landscape architect. He knows the area because he has been living there, on and off, for 27 years. He is not only a pragmatic observer but also a scientist, and he describes to what extent the flow has been reduced.

Incidentally, John Oldham is a friend of mine, and he is an ardent Labor supporter. When Saladin Street was in my electorate when I first became a member of Parliament, before every election he came to apologise to me that he would not be able to vote for me because I represented the Liberal Party. So there is one of the professional people who supports the Labor Party saying exactly what I am saying, except that he talks about ruining the whole environment and I was talking about reducing endeavours to get rid of the algae, whatever the source.

The Minister says in his letter that dredging increases the flushing process, implying that that has a beneficial effect on the problem of the algae. I repeat that the damming does reduce the flow of the water, no matter how much more infested it is. The reduced flow and the lack of proper flushing contributes to the proliferation of the algae.

The Minister tried to ridicule me when I said I had about 30 years' experience in that field. No matter how good the scientists are, no matter how good the instruments are, or what they show, that is the pragmatic experience, and not a single person can contradict me if he knows the area.

What must be considered in deciding finally to build this dam is whether we want to ruin this water recreation area, near to the metropolitan area where many developments are contemplated, and create a stagnant sewerage river, which will happen.

It is useless to say, "I told you so." About 16 years ago when the Yunderup canals were built, I criticised the project and forecast how detrimental they would become. The then Premier, John Tonkin, on the same advice the Minister is receiving now, said there would be no problem, the swell from the sea would go in, and pumps were there so there would be clean water. Why is a cut to these canals required now? I predicted the difficulty then, and the then Premier said it would never happen. Practical experience proved to be right as opposed to the scientists. The water became stagnant. Has anyone been seen swimming in the Yunderup canals or in the Serpentine River? No-one, except perhaps at the mouth, because the water cannot be used for that purpose.

This will happen, and the Government will for ever be blamed because it has listened only to scientific advice. Many young engineers have never built a dam in their lives. Their advice will be taken into consideration to a larger extent than advice of pragmatic, experienced people. What good will come of building the North Dandalup dam when, according to all the publications of the Water Authority of Western Australia, that dam will have a capacity of only about 5 million cubic metres at its maximum? What does that 5 million cubic metres capacity mean when one considers that the total maximum capacity of the surface dams around the metropolitan area is around 555 million cubic metres? That is from memory, but my memory is usually pretty good. This dam will not even add five per cent to the total surface reservoir capacity. For this miserable five per cent - particularly when one considers that much more water is available by way of ground water; it is available in a way today that its exploitation is not much more expensive than building a dam and utilising it with various piping systems - the Minister wants to give the Government responsibility for ruining the whole river and estuarine environment.

It will not come back to this Government. By the time the effects are known, this Government will not be here; most of us will not be here. I have reminded the House of what occurred in respect of the Yunderup canal development. I hope and trust that somebody will not have to remind a future Government of what happened with the North Dandalup dam.

**MR HODGE (Melville - Minister for Waterways) [5.12 pm]:** The member for Floreat spent the last 10 minutes trying to cover up his embarrassment over some silly comments he made in a letter to the editor about the Dawesville Cut.

It would be helpful if the Liberal Opposition got its act together. Only a few weeks ago the member for Murray-Wellington was bemoaning the fact and complaining that the Government was taking too long in studying the estuary and in putting in the Cut. Tonight the member for Floreat spent 10 minutes telling us exactly the opposite - that is, that we are making a dreadful mistake putting this Cut in when all we really need to do is to listen to him and be guided by his homespun philosophy on what is causing the problem and we will be right.

The member for Floreat dragged a lot of red herrings across the trail. I am not sure whether anyone in this place cares how his fellow correspondent votes. What that has to do with this matter is beyond me. The member for Floreat was really launching an attack on the very eminent scientists whom the Government has employed over recent years to provide expert scientific advice on the cause of the problems in the Peel-Harvey Inlet.

Mr Mensaros interjected.

Mr HODGE: The member had his 10 minutes. I listened in silence to him and it is my turn now. The member launched an attack on those scientists, and he was pretty scathing about them. He described them as "desktop scientists" and junior people who did not really know as much as he did. That estuary is the most studied inland waterway in Australia. More than 60 separate scientific studies and reports have been prepared.

Mr MacKinnon: Why haven't you made a decision about it?

Mr HODGE: We have made a decision, and I believe it is the correct one. To what faction does the Leader of the Opposition belong? Does the Leader of the Opposition believe that the Cut should or should not go in? The Leader of the Opposition is not prepared to say.

This Government's position is quite clear. The Government commissioned those reports and will be guided by them because those scientists are the best people available to provide advice to the Government. We will be guided by that advice. I regret that the member for Floreat apparently disagrees with that line, and is scathing of those people who gave the Government the advice, but that is his choice. The Government's position is quite clear. The Cut will be put in if the Environmental Protection Authority gives it final approval. The Government is committed to supplying the \$40-odd million necessary to put in the Cut.

It is quite clear from all the scientific advice that the Cut alone will not achieve the desired result - that is, to restore health to the estuary. In addition the Government will embark upon a large scale land management plan around the catchment area. In the catchment area the Government will appeal to farmers to alter their farming practices and convert to coastal superphosphate. I am pleased to say that 80 per cent of the farmers have voluntarily changed over to using the low phosphorous yield superphosphate. We believe that the other farmers can be persuaded to follow suit. We will embark upon a large scale forestry project, which will mean that we will be planting as many Tasmanian blue gums - *Eucalyptus globulus* - as possible. That species has been proved to have a beneficial effect on reducing the amount of phosphorous entering the estuary. All these things will be done by the Government; once they are in place and taking effect, the advice given to the Government is that within five to seven years we should begin to see an improvement in the health of the estuary.

That is the Government's plan, provided the EPA gives final approval to the Dawesville Cut. We will be going ahead with that as soon as possible. As I said, we make no apology for adopting that policy. It is up to the member for Murray-Wellington, the member for Floreat and the Leader of the Opposition to decide whether they approve of it. We believe the people of that area are in favour of what we are doing and we will proceed as quickly as possible.

## GRIEVANCE

### *Local Government - Elections*

DR ALEXANDER (Perth) [5.16 pm]: My grievance is directed to the Minister for Local Government.

Mr Clarko: Is it about corruption in the Perth City Council?

Dr ALEXANDER: My grievance relates to problems which electors faced in voting and what are perceived to be inconsistencies in the registration and counting of votes in the May 1988 Perth City Council elections.

Mr Clarko: Is it a coincidence you are wearing a red sweater?

Dr ALEXANDER: I do not intend to respond to such puerile interjections. These observations relate mainly to the north ward, where I was involved in the campaign and as a scrutineer at the count. I might add that these remarks are not made as sour grapes, because the candidates we supported were very successful. These complaints relate to problems which voters faced on voting day and to the way in which the count and the classification of



votes proceeded. I will also make some passing comments about the classification of votes and the procedure of dispute around some votes in the lord mayoral election.

Firstly, electors turned out on voting day to find that many booths in areas particularly around the North Perth-Highgate area were insufficiently staffed to handle the volume of the turnout. In the event the turnout was not really much higher than at previous elections. In the north ward, for example, the turnout was 28 per cent, which is about the same as it was three years ago and roughly similar to the average turnout when at least a lord mayoral election is involved. However, it seems that the Perth City Council was unprepared for the rush of voters at various times of the day. Our people found that at some points there were queues and people had to wait up to an hour to register their votes. I think it is generally agreed, not only throughout this area, but also from contact from other ratepayer groups, that similar problems occurred in other wards, and in the situation where the election is voluntary and not compulsory, expecting people to wait for up to an hour to register their votes is very unreasonable.

Under the circumstances it is not surprising that some people decided not to bother and turned around and went home. This indicates that the Perth City Council's administration did not pay sufficient attention to the projected demand for voting at various booths. Secondly, it seemed to us that the start of counting was extremely slow and that delayed the results much more than needed to be the case. Counting did not start in the main tally room at the Perth Town Hall until well after seven o'clock.

The booths closed at six o'clock and voting boxes arrived shortly after. For some unaccountable reason delays occurred in setting up the count and getting it implemented. More seriously than those minor inconveniences people were subjected to was the fact that a very high percentage of votes, particularly in the north ward, were classified as informal. Figures from the returns supplied to me by the Perth City Council showed that of the 2 234 votes cast, some 383 - about 17 per cent - were classified informal. By any classification that is a very high percentage of informal votes. This afternoon we heard that during State by-elections informal votes were seen to rise from three per cent to six per cent, which was regarded as too high. At various Senate elections in the past, informal votes have risen to 10 per cent or 12 per cent and the suggestion has been made that either the voting system needs alteration or voter education needs to be improved. Various other methods have been suggested to minimise informal voting.

One of the reasons for the informal vote in north ward being very high at 17 per cent stems from the way in which votes were ruled informal. In other wards the percentage of informal votes was much lower, averaging four, five, six or seven per cent, and in the lord mayoral case nine per cent where there was dispute also. Apart from the normal informal votes - voting papers left blank or with crosses or ticks or some other inappropriate message - a very large number of votes were classified as informal on the basis of the returning officer's judgment that the numbers on the ballot paper were ambiguous or represented confusion in the voters' minds about which way they wanted to vote.

Under the Local Government Act a voter is required to put in the numerical sequence of numbers - 1, 2, 3 and so on - and then register the vote. Unless two of the same numbers are put in, and as long as the numbers are sequential, the vote under normal circumstances should be classified as a valid vote. The returning officer - the Town Clerk, who is normally the person in that position - has the ability to rule votes formal or informal. On this occasion batches of votes were taken to him and he made his ruling; this process was of course subject to scrutineers' objections. In many cases the returning officer made a decision where a number was slightly less than perfect, in his view, and it could be ambiguous. For example, with the number 1 - which can be written as a single stroke up and down, or written in a way which we see printed with a hook on top and a piece at the bottom - the returning officer on several occasions said, "That might be a 7." In this particular case there were only five candidates so it seemed highly unlikely to us that someone would put in a number 7 instead of a number 1. We pointed this out to the returning officer and he said, "No, I cannot tell; it could be a 7, therefore it is classified informal." The other numbers were in correct order. The intention of the vote appeared to us to be clear; this also applied to scrutineers for rival candidates.

Mr Clarko: This is the way southern Europeans write a number 1.

Dr ALEXANDER: Precisely, and the Highgate-North Perth area has a very high percentage of southern European migrants who normally write number 1 in that way; they were rather distressed to discover their votes were being ruled informal.

Next morning the votes were re-examined and some were taken out of informal and put back into formal. At least the returning officer reconsidered his decision in some instances but a very large number remained classified informal; in our view that was a very arbitrary classification. As far as the scrutineers could see the informal votes applied equally to all candidates; no particular candidate was disadvantaged, so I am not speaking on behalf of a particular candidate who claims to have been disadvantaged. In other instances the number 4 was unclear and one might argue it looked like a 7, or a 5 looked like an 8, when the voter's intention was clearly evident.

The situation applying to State and Federal elections shows that it is possible for a returning officer - if ruling the voter's intention to be clear - to classify a vote valid although some numbers may be slightly obscure, or if one is a purist the numbers may be slightly less than perfectly formed. In this situation where someone was old and maybe the hand may have been shaking, or if someone were cold or had been drinking the night before and forming the numbers slightly less than perfectly, the voter ran the risk of having his vote classified informal.

The highlight of the count came at the point where in the lord mayoral counts - and this is another weakness in the procedure - the returning officer was sitting at the table classifying votes when the previous Lord Mayor, who was a candidate, had a very vociferous argument with the returning officer; he leant over and said, "Those votes are formal." The returning officer said, "No, they are not." The former Lord Mayor said, "Yes, they are. Who do you think you are talking to?" This represents a real problem in the way the vote is conducted. First, I think it is highly irregular that any candidate should have such close access to a returning officer; secondly, in this instance, where the returning officer was the employee of one of the candidates, for the candidate to then virtually threaten the returning officer with reprisal if he did not come round to his point of view, was highly irregular. At several other points during the evening that process was observed. Whether one agrees with the returning officer's classification, under the current system that returning officer has the power to rule votes formal or informal. To overcome these problems I suggest we need to look at the voting system and possibly to hand over local government elections to the Electoral Commission.

MR CARR (Geraldton - Minister for Local Government) [5.26 pm]: I thank the member for Perth for bringing this matter to the attention of Parliament. From the comments he has made it is clear that an element of concern exists in the minds of a number of voters about the way that election was administered. As the Minister for Local Government I have received some correspondence from different candidates and people involved in the local government elections generally expressing concerns about how the elections were conducted in different councils. That is not unusual because in each of the previous years that I have been Minister correspondence has been received along those lines. My usual response has been, and in this instance will be, to refer the letters of concern to the respective councils for investigation. I do that on the basis that the administration of council elections is within the responsibility of the returning officer who is normally the clerk of the council. In that context it is appropriate that specific allegations be looked at by councils.

The administration of the Local Government Act is within my responsibility, and the general provisions under which local government elections are conducted is a matter of my responsibility. In that context I have already said to the Secretary for Local Government that once we have allowed reasonable time for receipt of any complaints that might exist we will examine all correspondence to see whether there is a need for alterations to be made to the general provisions of the Act and whether it is appropriate to make amendments to deal with specific matters. I give the member my assurance that the Local Government Department will be looking at that correspondence relating to the conduct of elections, not only in the City of Perth but also in other councils.

Referring to the suggestion that elections be conducted by the State Electoral Commission, this is a matter on which there are conflicting views. On the one hand, I strongly support autonomy for local government and believe that it is appropriate that each council administer

its own elections. On the other hand, I am a believer in the view that there is a value in uniformity of electoral procedures throughout local government. One way of providing that uniformity is for the State Electoral Commission to administer the electoral system. However, I would not be rushing to implement that without close consideration of all the pros and cons of the issues relating to the conduct of local government elections. I assure the member that a close study will be undertaken.

The SPEAKER: Grievances noted.

[Questions taken.]

*Sitting suspended from 6.00 to 7.15 pm*

## DIRECTOR OF PUBLIC PROSECUTIONS BILL

### *Second Reading*

MR MENSAROS (Floreat) [7.19 pm]: I move -

That the Bill be now read a second time.

For quite some time now, the Liberal Party has been concerned about the public perception - not only in our State but also Australia-wide; indeed, even overseas - of favouritism, cronyism and corruption in Western Australia.

This undoubtedly prevalent view results from most untoward and unprecedented events in public life from Government agencies and/or their representatives participating in high-risk speculative undertakings, and behaving in ways which at best just escape legally acceptable proof of infringing Statutes, but in all cases leave the sure impression in everyone's mind that these actions are highly unethical, lacking the slightest touch of propriety or integrity which participants in public life used to and ought to have.

I hardly need remind the House of the withdrawal of prosecution in the O'Connor case, about the scandalous lending operations of credit societies, placing them into virtual bankruptcy save for the Government's rescue operation for which party donations were received, about the Brush-Martin affair, about the property deals channelling huge profits to favoured companies without their investing any capital, about the police raid on a media outlet because it dared to report facts the Government found inconvenient to say the least, and about a Government insurance agency participating in takeover activities outside the Companies Code.

### *Points of Order*

Mr PEARCE: Mr Speaker, I seek your guidance with regard to the way in which Bills of this kind are to be dealt with. I have had a chance to glance at page 2 of the Bill. Clause 5(2) says that the director shall be entitled to be paid such salary and allowances as are for the time being payable to a puisne judge of the Supreme Court. My understanding is that no Message has been sent by the Governor to approve of expenditure of funds with regard to this Bill and my advice from the Government side is that no such Message is likely to be forthcoming.

Mr MacKinnon: I'll bet.

Mr PEARCE: My understanding of the custom of the House is that it is traditional for a Bill which is not likely to attract a Message to be read through to the end of the second reading speech of the member moving the Bill, and the Government certainly has no objection to the member for Floreat's concluding his second reading speech. However, I just seek your guidance, Mr Speaker, as it is the first time for some time that this has occurred, that that is indeed the custom of the House and that an appropriate time for me to raise the question of the Message would be at the end of the member's second reading speech.

Mr MENSAROS: On the same point of order, I would like to emphasise that in my memory, and to the best of my knowledge, precisely that has been the case. So the Government could assess the situation, the Opposition deliberately chose to frame this Bill in a way which probably cannot escape a Message. However, the Opposition thought if the Government

were genuine about its oft heard assertions that either there is no corruption or it is fighting corruption, it might have considered a Message. So I think the second reading of this Bill -

Mr Pearce: We certainly have no objection to your continuing with the second reading speech but I am seeking a ruling from the Speaker on whether that is the custom of the House.

The SPEAKER: The situation is as outlined by the Leader of the House. That is, should a Bill of this nature introduced by the Opposition require a Governor's Message, past practice has seen the Bill read and an opportunity given for the Speaker to look at the Bill to determine whether in fact a Message is required from the Governor. If that is the case, the Bill would be left on the Notice Paper but placed at the foot of it until some later consideration could be given. In respect of the point of order, I rule that the member for Floreat can continue with his speech, but at the conclusion of it, I will rule that the matter be placed at the foot of the Notice Paper until I have time to look at it.

*Debate Resumed*

Mr Hassell: You are anxious not to have any of these matters considered.

Mr Pearce: That is unfair. We could have sought to have it ruled out of order. I said right from the outset that the Government was prepared to have the member continue his speech until the end. We want that ruling on the precedents of the Parliament because I do not trust you lot to extend the same courtesy to us if you ever get back in.

The SPEAKER: Order!

Mr MENSAROS: I will continue where I left off in respect of a Government insurance agency participating in takeover activities outside the Companies Code. All these publicised and well known facts create a very bad impression of Western Australia in the eyes of solid businessmen here, interstate and overseas. It lowers our reputation to the dangerous level where we will be bypassed by the solid investors - the type of companies and their bankers who put Western Australia on the map starting with the Anglo-Iranian refinery, now called the BP refinery, the Kwinana complex, the iron ore and bauxite-aluminium industries, culminating in the North West Shelf gas project.

I still receive calls from many of them. When passing through Australia some even stop in Perth to see me. I would not be game to tell the House - other than in camera - their views about the present situation in Western Australia. Although the Leader of the National Party seems to have a different view, Hon Eric Charlton placed on the record of the Legislative Council the public perception of corruption. The Opposition wants to arrest that detrimental effect by trying to make earnest attempts to prevent or at least minimise the causes.

We do not, neither could we with our meagre resources, offer a full solution. However, we have addressed the problem in three ways in proposed legislation as follows -

- To establish an independent prosecuting authority, which this Bill endeavours to do;
- to open up for the public Government guarantees and other financial assistance to business, for which purpose I have a Bill on the Notice Paper; and
- to establish a commission which would receive complaints and allegations about corruption by people who, for understandable reasons, do not wish to approach the official channels first off.

I turn now to the provisions of the Bill. Before dealing with a systematic description of its contents and hence with what the Bill aims to achieve, however, I have to mention one very important point; that is, that the original draft of the Bill wanted to assure a full debate and avoid - even under the strictest interpretation - the necessity of a Message from the Governor.

The first draft meant to achieve this by appointing the Crown Prosecutor to become, ex officio, the Director of Public Prosecutions. That way, no new office, only an additional title, would have been created, with assistance from existing Crown Law Department officers preventing the argument that additional expenditure is involved over and above the existing appropriation.

On further consideration, this idea was rejected because it would have left the appointment

within existing channels, thus leaving a lingering cloud over the absolute independence of this very important office bearer. The draft before the House, by way of the Bill which was distributed, would give some validity to the argument of the necessity of the Message, although even in the present form of the Bill it is more than arguable - as precedents have shown in the Legislative Council - that the expenses connected with the person and office of the Director of Public Prosecutions could be amply covered within the existing appropriations. Regarding the appointment, the Bill provides that to qualify a person has to be a barrister or solicitor of the Supreme Court with at least eight years' standing, who has not reached the age of 65 years.

The appointment is to be made by the Governor but in accordance with the recommendation of a committee consisting of the Chief Justice, the Commissioner of Police, the Chief Justice of the District Court, the Law Society and the Attorney General. To further emphasise the director's independence, his appointment is for his whole working life, unlike the limited period contained in the Commonwealth Act, and his salary will be equivalent to that of a puisne judge of the Supreme Court. He is not to engage in private practice and he has to make a disclosure of his pecuniary interests, not publicly, but to the Attorney General.

Very importantly, he can be removed from his office only by the Governor upon a resolution of both Houses of Parliament. Without such resolution the Governor can suspend him only if he is satisfied that the director is either incapable or incompetent to perform his official duties or involved in bankruptcy procedures. The suspension is only valid until - it having been laid before each House within the first seven sitting days of the suspension - both Houses within 30 days pray to the Governor for the removal of the director from the office. The Governor may appoint an acting director during the director's absence or during vacancy in the office.

The Bill also provides for staff to be appointed to assist the director but this, of course, could be done from existing personnel of the Crown Law Department. In specifying the functions of the director, consideration has been given to the Commonwealth, Queensland and Victorian legislation and virtually all of the lengthy recommendations of the Crime Committee of the Western Australian Law Society have been included. Accordingly, the director can initiate and conduct criminal proceedings in the High, Supreme and District Courts; initiate and conduct criminal proceedings on behalf of complainants before the Court of Criminal Appeal, including appeals against convictions by any justice or magistrate; initiate and conduct committal or summary proceedings; assist a coroner; appear in extradition proceedings; institute or participate in recovery of pecuniary penalties, and take civil remedies arising out of prosecution. The director may appear in person or may be represented by counsel.

From time to time, the director has to publish guidelines in the *Government Gazette* to persons acting as prosecutors, and such guidelines also have to be circulated in newspapers throughout the State. He can also give instructions to the Police Force in respect of the type of offences which are to be referred to him. This is not a transgression of the Commissioner of Police's authority, only information for the police to perform their duties under this Bill. As far as police assistance in his work goes, the director has to request the commissioner in writing for such assistance with which the commissioner has to comply as far as possible.

The director has to be provided with a full report when requested including copies of statements by witnesses and documents regarding any offence he has directed the police as being subject to referral to him, or if the complainant or the person bringing the charge so considers.

Most importantly, only the Director of Public Prosecutions or a person duly appointed by him may withdraw prosecution or, in legal terms, may sign a *nolle prosequi*. I hesitated for some considerable time before including the exclusive provision in the Bill as it can be interpreted as a reflection on the office of the Attorney General whose exclusive power the withdrawing of prosecution has always been. In the past there has not been even the slightest complaint against the Attorney General's decisions in this regard.

However, one had to weigh up the respective provisions of existing Australian Acts, the developed usage in the United Kingdom and the special circumstances in Western Australia which alas include the John O'Connor affair, from which we are still suffering the damaging consequences to our reputation in high legal circles.

The aim for absolute independence of the director persuaded me to recommend an exclusive right of *nolle prosequi* for him which the Liberal Party accepted, hence the provision in the Bill. It is also a litmus test whether the Government does or does not appear to be wanting to have entirely apolitical integrity in matters of public prosecution. Judging from the point of order previously made it appears the Government does not.

Another important and somewhat unusual provision has been included - not lightly but in the interests of a successful fight against corruption and crime. The provision is the immunity of a witness, or an accused, or any person for that matter, against prosecution which the director can undertake by making answers, statements, disclosures or documents given or produced by the person which are inadmissible as evidence against that person. This provision, as well as the director's exclusive right for withdrawing prosecution, has been strongly recommended by the Law Society. Finally, the Bill contains necessary machinery provisions of judicial notice to be taken of the director's official signature, regulation making powers and transitional provisions.

Mr Speaker, this Bill should appeal to everyone who genuinely desires to restore the good reputation Western Australia has previously enjoyed in public life. It is not a new, revolutionary measure; not even something which does not successfully exist with Westminster type of Governments. The United Kingdom established the office of Director of Public Prosecutions in 1879, well over 100 years ago. The Commonwealth of Australia, Victoria and Queensland have a similar office. Most continental countries have long used a system of independent prosecution, indeed a hierarchy of independent prosecuting officers up to the chief prosecutor, like we have with the hierarchy of courts. Most importantly, perhaps, in Western Australia the body primarily involved in our legal system - the Law Society of Western Australia - strongly recommends the establishment of the office of public prosecutions in its report originating late last year - a report which has been submitted to the Attorney General and thus was fully known to the Government well before the Opposition received it.

The sincerity of the Opposition in presenting this Bill can be judged by the fact that it was not introduced soon after we became the Opposition but shortly before an election - after which it is most likely that the present Opposition will have to live with the consequences of its proposed legislation. The granting of the opportunity to thoroughly debate this Bill and the positive attitude by the Government towards it will be the strongest indication to the public of the Government's real intentions towards corruption versus integrity in public life.

I commend the Bill to the House.

#### *Point of Order*

Mr PEARCE: Mr Speaker, on my reading of the Bill, a Message will be required. My understanding is that a Message is not forthcoming so far and that it is unlikely that such a Message will be forthcoming. I seek your ruling, Mr Speaker, on the eligibility of the Bill for consideration.

The SPEAKER: I have looked at this Bill and it is my intention to have debate adjourned if that meets with the approval of Parliament. I point out that in the short space of time that has been available to me I find that for clause 5(2), clause 7(2)(b), and clause 8 at least, a Message will be necessary. Once the debate is adjourned, I intend to rule on the matter.

#### *Debate Resumed*

Debate adjourned, on motion by Mr Pearce (Leader of the House).

#### *Speaker's Ruling*

The SPEAKER: I rule that for the reasons earlier outlined, this matter lie at the foot of the Notice Paper until such time as a Message is or is not forthcoming.

### GOVERNMENT FINANCIAL ASSISTANCE TO BUSINESS (PARLIAMENTARY SCRUTINY) BILL

#### *Second Reading*

MR MENSAROS (Floreat) [7.40 pm]: I move -

That the Bill be now read a second time.

This is one of three private members' Bills the Opposition has introduced in order to restore integrity into public life and to try to do away with the damaging facts, media reports and consequent public perception of corruption and particularly cronyism in "WA Incorporated" as our State is now known. The Bill deals with Government guarantees and like assistance to private business and makes it mandatory that such guarantees should be made public.

The necessity for such provisions arises from the present Government's actions. Despite the fact that there was no statutory requirement for such public scrutiny, no previous Government kept such business secret and nor did any previous Government hide behind the false claim that guarantees or like injections into any venture are confidential. Indeed, logic and any knowledge of business behaviour tells us that the public knowledge of a Government guarantee renders the recipient stronger in the eyes of the market upon which its success depends.

Until about 1973, each successive Government issued guarantees only according to the provisions of the two existing Acts of Parliament dealing with guarantees. These were the Industry Advances Act which defined the way and manner in which the Treasurer, usually through the Department of Industrial Development, could issue guarantees to industry. The other one was the Rural and Industries Bank Act, which, in turn, defined what is industry.

These provisions were so strictly adhered to that, in two cases where the recipients of Government guarantees did not qualify as being industry according to the Rural and Industries Bank Act, special legislation was passed in order to give the guarantee. Apart from me, only the member for South Perth would remember that as we are the two members who have been accused by the media and all and sundry of having spent more birthdays than is appropriate in present day opinion. These cases were the Midland Railways and the Canterbury Court, under two Governments which were of different political persuasions yet honest enough to adhere to the Statutes of Parliament.

During the Tonkin Government, the question of Government guarantees for the Yunderup Canals arose. I was strongly opposed to the project on sound environmental grounds which of course have since proved to be correct over and over again.

Mr Pearce: They have been proved correct but approvals were given by the David Brand Liberal Government.

Mr MENSAROS: I am talking about the guarantee given by the Tonkin Government.

I opposed the guarantee saying that the canals, as real estate development, did not qualify for the definition of industry and hence special legislation had to be introduced if the Government wished to proceed with the guarantee. The Premier was concerned about this as he respected the law and customs.

He then, however, received advice from the Treasury Department to the extent that, although what I stated was correct, on the other hand there was no prohibitive Statute or rule for the Treasurer to offer Government guarantees to anyone as an administrative action. This, in itself, was true enough. Mr Tonkin took that advice and issued the guarantee which was never honoured by the recipients. This whole case, by the way, was a fascinating one from many other aspects, and the whole story is included in a lengthy speech of mine which could be unearthed if the present day and recently prize winning computers of *Hansard* are capable of finding it.

After the defeat of the Tonkin Government and during the nine years of the Court and O'Connor Governments, we fell back on the time honoured custom of adhering to the provisions of the Industry Advances Act and the Rural and Industries Bank Act when issuing guarantees to industry only. We never denied any information sought about such guarantees during our term of Government.

In 1983, the situation began to change drastically. In came the Burke Government and developed slowly but firmly "WA Incorporated". The business of Government guarantees expanded to giving loans, underwriting bills, shares or other securities, guaranteeing occupation of yet to be built office accommodation, and to engaging in joint ventures where private business rode on taxpayers' capital contribution, reaping profits only without risking its own money.

Furthermore, these activities were not only exercised through the advice of the Department

of Industrial Development or its successors of rapidly changing titles, but mainly by Government instrumentalities and agencies, and indeed by Government managed agencies of trust and insurance funds such as the State Superannuation Board and the State Government Insurance Commission.

The other detrimental development has been that such guarantees and other supportive activities to business - mainly the corporate cronies of the Government - were suddenly covered by a curtain of secrecy under the vain pretence of business confidentiality. They are beautiful expressions, but hardly fitting the great old traditions of the Australian Labor Party.

I gave this brief, very factual background so that members would understand the reason and necessity for the Bill.

The Bill covers advancing moneys, lending moneys, guaranteeing loans and underwriting any bills, shares, debentures, or other securities by any Government authority. "Government authority" is defined as being: An authority, body or company, whether incorporated or not, which was established by a Statute, or by the Governor or a Minister; a person performing the duties of an office established by Statute; or a person performing the duties of an appointment made outside a Statute.

The Bill requires that all instruments comprising or evidencing financial assistance to a business undertaking shall be laid before each House of Parliament within six sitting days of the execution of such instrument.

The Opposition is conscious of the fact that genuine assistance to business is, in most cases, urgent. It did not, therefore, want to delay the effect of guarantees or other forms of aid in this Bill.

The instrument itself is not subject to disallowance. However, if debate is requested by notice of motion within 14 days of the tabling, a debate has to be allowed. Where a debate is not allowed, the instrument, subject to notice, shall be void and of no effect.

It was not intended to jeopardise the Government's legitimate aim of assisting business, particularly small business, with loan guarantees. Nor was it intended that such guarantees should be held up with parliamentary procedures. What is intended is to keep the Government honest and to have all guarantees made public because, if there is no cronyism or untoward action involved, there is no reason for secrecy. When in Government, we never denied questions about Government guarantees.

The measure is a preventative one. Were it in force, no Government would indulge in unethical guarantees. The sanction is there only in case the Government would deny a debate. This section partly acts as a further deterrent and partly gives a consequence to possible Government denial of a debate.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Pearce (Leader of the House).

## TOWN PLANNING AND DEVELOPMENT AMENDMENT BILL

### *Second Reading*

MR STEPHENS (Stirling) [7.50 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to enable local government to ban sex shops. In a document entitled, "Advice to Local Authorities - No 3 of 1987" the State Planning Commission warned local governments against the use of town planning schemes to provide for a de facto ban on sex shops.

Mr Pearce: Did it have a view on massage parlours?

Mr STEPHENS: I will come to that later.

In effect, the commission is saying that communities through their local governments may under certain circumstances impose controls on the location and distribution of sex shops, but may not ban them altogether. The purpose of this Bill is to enable the community, through its local government, to decide whether sex shops should operate in that community.



As it is the local community that bears the consequences of sex shops, it is commonsense that the local community should make the decision.

The Bill proposes a definition of "restricted premises". The proposed definition is identical to that suggested by the State Planning Commission in its advice to local government last year. In the event that a local government exercises its authority to ban sex shops altogether, the proposed right of appeal to the Minister remains, although his power of veto is substantially reduced. Under the Bill, the Minister can overturn or alter a local government decision to ban sex shops altogether only if such a ministerial action is supported by both Houses of State Parliament. I stress for the benefit of members that the Bill does not seek to ban sex shops. It seeks to enable local communities to decide whether they want sex shops in their areas.

Before I resume my seat, I draw the attention of the House to public concern about a related issue. If this Bill is successful, we will have a situation in which local government may ban sex shops but not brothels. I was mindful of this fact when giving instructions for the drafting of the Bill. Of course, the public concerns that have been expressed about sex shops and their effect on the local community apply equally to brothels. As all members would know, there is a brothel within 200 or 300 metres of the Parliament.

Mr Pearce: Well, I don't know that.

Dr Gallop: Where?

Mr STEPHENS: If members keep their eyes open they will see where.

Mr Pearce: Well, that's news to me.

Mr STEPHENS: The Minister is apparently as bright as the Police Force which is supposed to uphold the law, according to the Minister for Police and Emergency Services. It is not in a residential area, but members would be aware that some brothels are in or very close to residential areas.

In preparing this Bill, I made the deliberate decision not to include brothels in the definition of "restricted premises" for the simple reason that brothels are already illegal. Notwithstanding the arguments for and against the containment policy, it would be pointless to allow local government to make decisions as to whether it will allow brothels. Brothels are illegal and for as long as they remain so it would be most inappropriate for local government to have the discretionary authority to allow them. In the event that Parliament at some future date decides to legalise or decriminalise brothels, I have no doubt that the National Party will move to give local government the same authority to ban brothels as it proposes in relation to sex shops in the Bill currently before the House.

I was particularly heartened to hear that the Liberal Party has indicated publicly that it supports the proposal currently before the House. I note that in yesterday's Press statement the Liberal Party did not mention that this proposal was a National Party initiative. Indeed, anybody who did not know better might have read into the Liberal Party's Press release that it was a Liberal Party initiative. As my colleagues in the Liberal Party were provided with a copy of the Bill several weeks ago, I have no doubt that the omission of fact in its Press release was a simple clerical error. I look forward to the support of all members of the Liberal Party and, indeed, the whole Parliament on this important National Party initiative.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Pearce (Leader of the House).

## CONSTITUTION ACTS AMENDMENT BILL

### *Second Reading*

MR STEPHENS (Stirling) [7.57 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to provide for the President of the Legislative Council to have a deliberative vote in the proceedings of the Legislative Council.

As all members are aware, there is an odd number of members of the Legislative Assembly. Only very few of us left in this place were members of the 1971-74 Parliament. In that

Parliament the Government had a majority of one. The appointment of a Government member as Speaker left the Government and Opposition with even numbers on the floor of the House. The Speaker, by using his casting vote, was able to ensure that the Government, in practice, enjoyed its majority.

During that Parliament, the Speaker died in office. At the subsequent by-election, the Government retained the seat. Had the by-election been lost, the Opposition parties would have had a majority of one and there would have been a change of Government. Unless an Independent were elected to the Legislative Assembly, it is difficult to imagine a situation in which there would not be a majority in the Legislative Assembly.

The situation in the Legislative Council is quite different. The even number of Legislative Councillors means that it is quite possible to have a tied House. Indeed, under the new electoral system, the majorities in the Council are likely to be smaller than has been the case in the past. In addition to this is the fact that the relatively low percentage of votes needed for a candidate to be elected increases the chances of smaller parties and Independents.

I suggest that members recall the situation that occurred last year on the retirement of Hon Vic Ferry. Had the Labor Party won the by-election, there would have been 17 Labor, 13 Liberal and four National Party councillors. If that had happened under the current position of the President's having a casting vote only, whichever party had supplied the President would have given its political opponents an effective majority in the Legislative Council.

The Bill seeks to redress that situation and ensure that the anomalous situation that could have occurred last year and could easily occur under the new electoral system is removed.

The Bill also proposes to write into the Constitution that a tied vote is a lost vote. This is already spelt out in the Standing Orders and is, of course, standard practice in all meetings. However, it is quite within the jurisdiction of either House to amend its own Standing Orders so that a tied vote is considered to be an alternative vote. The situation may occur in which a party or a coalition of parties has a majority in the Legislative Council but expects to lose its majority and for the House to be tied after a by-election or the next election. By using its current majority to bring about a change to the Standing Orders, that party would be able to put itself into a position from which it can impose its political will on the next Government even though it may subsequently lose its majority in both Houses.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Pearce (Leader of the House).

## DISTINGUISHED VISITORS

### *Presence in Speaker's Gallery*

**THE SPEAKER** (Mr Barnett): I take this opportunity to advise members of the Parliament that in the Speaker's Gallery at the moment is Mr Zhang Wenjin and his delegates. Mr Zhang Wenjin is President of the Chinese People's Association for Friendship with Foreign Countries and I welcome him to our Parliament.

[Applause.]

## MOTION

### *Universities - Amalgamation*

**MR MacKINNON** (Murdoch - Leader of the Opposition) [8.00 pm]: I move -

That this House views with alarm the announcement that due to Federal Government pressures the University of Western Australia and Murdoch University are considering amalgamation and calls on the Government of Western Australia to do all in its power to ensure the continued independence and growth of these outstanding Western Australian institutions.

I move this motion with some feeling as probably the only member for Murdoch to serve in this Parliament, bearing in mind that the new seat is called Jandakot. Murdoch University has played a very important part in Western Australia's history. It was established under an Act of this Parliament in 1973 with the agreement of both sides of this House. The initiative that began in 1966 appears to be on its way to destruction in 1988. That is not in the best interests of Western Australia.

At the outset of this debate I want to put to rest the complete red herring and misnomer being spread by the Federal Government and the Minister for Education in this House. The Minister said in replying to a question without notice that the amalgamation proposal was an initiative of the University of Western Australia. No-one in Western Australia, except the Minister and perhaps some of her colleagues on the other side of the House, believes her because they know that it is not true; it is because the Commonwealth Government, led by a Western Australian, John Dawkins, I am afraid to say, and his department, is forcing the amalgamation upon Murdoch University - nothing more and nothing less.

I am astounded that the member for Victoria Park can sit on the other side of the House and unreservedly support Mr Dawkins and the destruction of the institution where I understand he worked before entering this Parliament. I have not heard one peep out of that member - not one peep from a member who is, so called, from the academic world! He and the Minister stand condemned accordingly. He, like Minister Dawkins, subscribes to the premise that in tertiary education big is beautiful. He, like the Minister for Education, believes that a forced amalgamation will be in the best interests of Western Australia.

Mr Pearce: The Minister has made it clear that there will be no forced amalgamation in Western Australia.

Mr MacKINNON: Who made that statement?

Mr Pearce: The Minister for Education - the only Minister for Education we have, Dr Lawrence.

Mr MacKINNON: The Minister for Education is absent from the Chamber and I will come to the stand taken by her and the Government in a short time. Is it not amazing that the members on the other side of the House who are so-called experts and have an interest in this field sit mute? What did my colleague the member for Murchison-Eyre call the member for Victoria Park some time ago - a "cretin"? He sits opposite like a cretin, but a very silent one. I wonder what the people of Murdoch think of him after today.

Mr Lightfoot: The member for Victoria Park is a cretin.

*Withdrawal of Remark*

Dr GALLOP: I ask that the member for Murchison-Eyre withdraw that comment.

Mr Lightfoot: What for?

Mr Pearce: The member for Murchison-Eyre said "cretin", so confess.

The SPEAKER: Order! That is an unparliamentary term and a member has taken exception to it. However, this works both ways and if I am to ask - and I will if the member persists - that the member for Murchison-Eyre withdraw that remark because it is unparliamentary - and I do not like it any more than anyone else - equally the Opposition can on many occasions ask Government members to withdraw similar statements. I will draw the line here. If members want that sort of statement withdrawn, that is fine, but it will work both ways from now on. The Parliament will be a lot better place for that. It is entirely up to the member for Victoria Park; if he still wants the remark withdrawn, I will have it withdrawn.

Mr LIGHTFOOT: Mr Speaker, I voluntarily withdraw my comment.

*Debate Resumed*

Mr MacKINNON: Whatever the member for Victoria Park is, he is certainly taking the lead from the Premier as a member of this House who is not prepared to stand and be counted.

One should compare what has happened today on this issue with what happened almost 10 years ago when a Federal Government of our political flavour threatened to do exactly what is happening today. There was no equivocation from the people who were then on this side of the House, none whatsoever. We opposed that amalgamation as we will now. However, what is the position of this Government? This is why I laughed when the Leader of the House made his comments about the Government's position; he was sacked from the position as Minister for Education.

Mr Clarko: With good reason.

Mr MacKINNON: Why? What did the Minister say today is the Government's position on this matter? She said, "We are looking into it. We have not made up our minds. We have

not determined our position." She was sitting on the fence. What did we hear in relation to every issue that came before the Parliament today from that Minister or the Premier but more of the same?

Mr Pearce: That is untrue.

Mr MacKINNON: What is the position of the Leader of the House in relation to tax file numbers?

Mr Pearce: My position on Murdoch is that there will be no forced amalgamation - that is our position.

Mr MacKINNON: What is the position of the Leader of the House on tax file numbers, the graduate tax, uranium and the treaty? On every single one of those issues this Government will not stand and be counted. What is the position of the Leader of the House in relation to amalgamation of universities? "We are looking into it. We are sitting on the fence." What is the position of the Leader of the House on tax file numbers? "Haven't made up our minds; too difficult." What is the position of the Leader of the House on the graduate tax? "We are still looking into the graduate tax." Despite the fact that I asked a question here four weeks ago in relation to this matter and the Minister said that there would be a report to Cabinet soon, they still have not made up their minds.

What is the position of the Leader of the House on the treaty? The Premier gave an answer five minutes long yesterday and, as my colleague the member for Karrinyup said, a very firm "maybe" was the answer. We got a definite "maybe". What is the position of members opposite on uranium?

Mr Thomas: What is John Howard's position?

Mr MacKINNON: John Howard's position on the treaty is exactly the same as mine - it should be torn up. If it ever comes to fruition it will be a black day for Australia.

The SPEAKER: Order!

Mr MacKINNON: The member for Welshpool sits over there and says, "What is John Howard's position?" What is his?

Mr Thomas: What is Fred Chaney's position?

Mr MacKINNON: What is the member's position on the graduate tax?

Several members interjected.

The SPEAKER: Order! It is not for me to direct members how they should make their speeches and what the content of their speeches should be. It is, however, my job to ensure that the House runs as smoothly as possible. If the majority of the speech of whoever is on his feet consists of a series of questions, interjections will be fairly continuous. It is very difficult for me to maintain order on that basis, and if members choose to use that sort of tactic in their speeches, it is just not possible for me to give them proper protection from the Chair.

Mr MacKINNON: Thank you, Mr Speaker. Let me come back to the point I was making in relation to this issue. Since this Premier came to office - let me remind members he was the third choice, and I bet members opposite are rueing the day they made the choice - he has equivocated on every single difficult issue which has come before this Parliament, and all his followers follow him in that indecision. Whether it be UWA and Murdoch, the tax file number, graduate tax - the member for Welshpool supports that but I do not think too many others opposite do; if they do I have not heard it; the Government has not made a decision - the treaty, or uranium, no decision is made.

Our position is crystal clear: We oppose it, and for very good reasons. Let us look at a statement made in 1979 in the Birt report on the future of Murdoch University. Professor Birt is now the Vice Chancellor of Sydney University, and he chaired that committee which looked into whether Murdoch University had a future, and if so what it should be. The committee came down with a firm recommendation that Murdoch did indeed have a future; a very strong future. I want to read one aspect of that report, because it is very relevant to today and to what is presently proposed. The report said this -

The Committee's longer term projections suggest that if its recommendations are accepted, Murdoch University's student load could increase by some 3 000 WSU's to

about 4 700 WSU's by the year 2001. It seems to the Committee that, as the Williams Committee suggested, a student load of around 4 500 WSU's would be sufficient to enable a university such as Murdoch, which offers courses in the Humanities and Social and Natural Sciences and in Education and Veterinary Science, to operate economically. It needs to be acknowledged, however, that the cost per student at Murdoch University will remain relatively high for some considerable time to come.

Mr Thomas: What does the Vice Chancellor of Murdoch University think?

Mr MacKINNON: The member should speak to him. I have spoken to him; I will not breach any confidence, but I believe from his past statements that his preference would be to retain his university as it is with proper support from the Commonwealth and State Governments - which he is not getting.

In 1979 our Government led a successful defence and ensured the independence of Murdoch University. The arguments quoted in the Birt Report are as valid today as they were then. Given the statement by Birt then, what does the green paper of John Dawkins say? I think John Dawkins is about to do to tertiary education what Bob Pearce has done, as the previous Minister for Education, to primary and secondary education in this State.

Mr Clarko: They got rid of him.

Mr MacKINNON: Hopefully John Dawkins will go the same way. The green paper published in 1987, which is behind all of this amalgamation process, said this -

To become part of the unified national system institutions should use the following benchmarks for student load:

5 000 EFTSU for an institution to have a broad teaching profile with some specialised research activity.

Birt said that the university at Murdoch could increase to about 4 700 by the year 2001. Dawkins says 5 000 is around the benchmark. What is the performance of Murdoch University today? Where does it currently stand? How has it been performing by comparison with the benchmark and the predictions set by Birt and the predictions and performance parameters now set by the Federal Minister, John Dawkins?

These are the equivalent full time student union numbers, firstly for domestically funded students only. In 1987, 2 884; 1988, 3 293; 1989, 3 600. If we take into account on top of that the impact of full fee paying students, which of course this Government has actively promoted - and we support it - the numbers projected are as follows from now: In 1989, 3 900; 1990, 4 480; 1991, 5 000 equivalent full time students.

That means that Murdoch University will achieve its target, the target set by Birt, 10 years ahead of his prediction, bearing in mind his report was published only in 1979. It will also, in three years from today, hit the target established by the green paper brought down by the Commonwealth. And in any event that is in the triennium that the current Federal Minister is referring to. By any measure, Murdoch University's growth has been particularly impressive.

Between 1982 and 1988, domestic student numbers increased by 91 per cent, and the growth in 1987-88 was 12 per cent. This is a far faster growth rate than was forecast by the 1979 Birt Report, and Murdoch's plans to increase domestic student numbers by 47 per cent between now and 1991 show that the university is growing faster than any other Australian university. Yet that is the university that the Commonwealth Government, aided and abetted by our opponents opposite, is forcing into amalgamation by saying, "You will get no funds."

It is not good enough for the Minister sitting opposite to say, "We are monitoring the situation; we are being kept informed and we will keep an eye on it. We will examine it and look into it." The people of Western Australia want to know this Government's attitude to that fundamental proposal. Should those institutions be amalgamated or not? Our opinion is that quite clearly they should not be.

Let me look briefly at a couple of arguments against the proposal. Firstly, it is claimed by the proponents of the amalgamation that it will save money. The average cost of educating a student at Murdoch University has been steadily decreasing. By 1989 it is estimated that the

average cost per equivalent full time student will be \$8 988. The Australian average in 1987 was \$8 769. Murdoch University is within a couple of percentage points of being within the Australian average, despite the fact that the most expensive faculty of all sciences is veterinary science.

Murdoch University has the best veterinary school in Australia and arguably one of the best in the world. The cost argument does not hold true when we examine the facts. Is it better academically? Could that be the reason for the amalgamation? Again, I would say that that is highly doubtful. The worldwide trend is against multi-campus universities, so why would we in Australia be swimming against the tide? It does not make sense. To think that big is beautiful goes against experience, particularly in the United Kingdom where universities on average are far smaller than those in this country; in fact, they are about the size of Murdoch University.

Perhaps the argument is that the students at Murdoch University feel disadvantaged and that they want amalgamation; but that is not the case. Meetings on campus have quite clearly confirmed that the students attending that institution want it retained. They want to ensure its independence; they are happy with the progress they are making; they do not want to see it amalgamated; they do not want to see it abolished.

Finally, maybe it is because we will get a better quality of education because of the variety that will be established under an amalgamated university. I would think not. In fact, the majority of arguments put forward at the time of the establishment of the university, and at the time of the Birt report, and at the time of examining the amalgamation proposal was that one of the things that would be lost as a consequence of the amalgamation would be the variety of courses of study that are now available to students in Western Australia. Also there is the fact that the competition between those two institutions will disappear.

Members can see from that brief examination of the facts that there really is no sustainable argument in favour of amalgamation. It is merely an ideological whim of the current Federal Government - a grab for power from Canberra by John Dawkins, his aim being to destroy any semblance of State interest and control over tertiary education in Australia. We as a party totally oppose that approach.

I urge members opposite to heed the words of the Leader of the House who was previously interjecting, because in this Parliament a little under two years ago, when putting before this House on 27 November 1986 the Western Australian Institute of Technology Act Amendment Bill, which established the Curtin University of Technology from WAIT, he said this -

All our institutions are established under State legislation, and changes to institutional status will be made under State legislation. This means that fundamentally the sovereign powers rest with the State, and this State is not prepared to have a Commonwealth Government of any political colour take upon itself an assumed right of veto over any educational change it may wish to make in Western Australia.

Now that, in the words of the Leader of the House - the former Minister for Education - is exactly what is happening now. A party, a Government of his political colour, has taken upon itself an assumed right of veto over educational change in this State. It is forcing the amalgamation right now; and this Government is sitting idly by watching the destruction of Murdoch University. We will have no part of it.

I call on members opposite for once in this Parliament, on a key issue, to stand up and be counted. They could not stand up on uranium and they would not be counted. Their own leader had to run out of this House on a pair. They could not stand up, and they will not, on a graduate tax; they are running for cover. Their own Premier last night would not say whether he supports a treaty. On the tax file number there is not a peep out of members opposite. They say, "We are still looking at it; we do not know; we will take an opinion poll and see which way the wind blows us."

We do not need opinion polls to tell us what is right or wrong in educational terms in this State. What is right is what was right when the university was established at Murdoch back in 1973 and it is as right today. Western Australia does need that university. It is servicing one of the fastest growing areas of Western Australia. To abolish that university now would be to take a step 20 years backwards, and that is what the Federal Minister wants us to do;

that is what this Government is idly standing by and allowing to happen. We will have no part of that at all and I urge all members of this House to give this motion their strongest support.

**MR MENSAROS (Floreat) [8.25 pm]:** I second the motion and would like to say a few words in favour of it because for almost all my life in some way or another I have been connected with education.

As a fairly young postgraduate I tutored at a university on the Continent; then in my political career, before even coming to Parliament, I very much enjoyed belonging to the Liberal Party's educational subcommittee where I met many valuable people and thought and learnt a lot. I was a member of the Churchlands College board for 10 years right through its independence, and a senator at Murdoch University from its inception for several years. As a matter of fact I also have been the Minister for Education, which very few people know. However, that was only because my friend, the member for Karrinyup, was Honorary Minister.

This argument is centred on the question of whether big, in itself, is better. I suppose if one looks at it purely from a cost or profit point of view, even leaving out the benefit, there could be an argument that if the universities were amalgamated something could be rationalised and made more efficient, and could run more cheaply. But of course that is true only when the consideration is purely money - cost and profit. As soon as we come to the cost benefit consideration, which I suppose nobody would leave out when dealing with education, additional and different aspects must be taken into account.

If we come back to the present-day problem about which this motion has been moved, experience shows that the Commonwealth has the financial strings and it can exert - as it undoubtedly did, despite the fact that that was not publicised - a financial threat to the institutions involved. It did the same during our Government and I still am sorry that our Government succumbed to it in connection with the teachers' colleges. It was a financial threat; some would call it a financial bluff. I would be inclined to call it a financial bluff.

**Mr Pearce:** They bluffed you then, if that is the case. If the former Minister for Education and member for South Perth had stood firm on that, he could have stopped it.

**Mr MENSAROS:** Had the Minister listened, that is precisely what I was saying. I have never said we did not made mistakes.

**Mr Thomas:** Which Prime Minister was it who proposed the amalgamation of Murdoch University with the University of Western Australia?

**Mr MENSAROS:** It was Fraser. No, not the University of Western Australia; I was talking about the teachers' colleges.

**Mr Thomas:** I know, but we are talking about the amalgamation of the two universities.

**Mr MENSAROS:** That I do not know. It was rightly pointed out both by the Minister for Education - who I am sorry is not interested in this debate - in answer to a question, and by the Leader of the Opposition, that the legislative power is with the State. I would suggest that the Government of this State, having this legislative power, take into consideration that this move or threat could be a bluff. It should take into consideration that Governments do change and that Governments have a shorter life than these educational institutions ought to have, and it should stand up and simply call the bluff. The Government should stand up and call the bluff of the Commonwealth. Perhaps this State should call the other States together because there is absolutely no doubt in my mind that Mr Dawkins wants to demonstrate that he has succeeded in his home State. It would be a good precedent when he tries the same exercise in the other States.

I return to the cost benefit argument. What are the cost benefits in tertiary education in particular? There is no doubt that the role of tertiary education is partly teaching and partly research. An amalgamation - a so-called rationalisation - might be a valid argument in respect of administration, but this is not so easy to imagine when one looks at the teaching side of the argument. For example, in a discipline or a full faculty which is organised from one centre where all direction will go out from that one centre, there would obviously be a smaller choice of education possibilities than exists with smaller institutions, where each department, each discipline, is built up in a comparatively small circle and the head, the

professor in charge, might have different views from his colleagues in the other institutions. I think that freedom of choice in the education field is very important.

I remind members who are interested that on the Continent the traditional universities - and I went through two of them, acquiring various degrees which I do not use - lest I be accused that those continental universities are 600 or 800 years older than the universities here, have such freedom of choice that with every discipline there must be two professors, each of whom should represent an opposing view of that subject. If it were economics, one professor could have been a follower of Adam Smith and other was perhaps a Keynesian economist. The student not only had the choice of which institution to attend - of which there were plenty - but he also had the choice of professors within the same subject.

The other role of tertiary institutions - that is, research - is tremendously important, particularly in a young and still to some extent developing country like Australia. That is, if research is directed by one centre, no matter how big the employed scientific staff is or how advanced the various instruments are, the direction comes from only one top. If an institution is researching cancer, for example, there would be only one method in which a huge organisation would carry out its research, because that would be a reflection of the views of the people at the top. However, if there were 10 small organisations instead doing the same research into cancer and each one of them had different ideas on how to go about it, it is logical and understandable that the chances of success would be 10 times as great. Therefore, even if it could be argued that the amalgamation of two large institutions provides cost savings because there would be less administration, there is no doubt that this saving is not expressed in the adverse effects of benefits which result both in teaching and in research.

However, there are other aspects - the human aspects - which I have not even heard mentioned. Part of the life of a young man or woman is that they want to have some sort of feeling of belonging to an institution; they are much more comfortable if they know each other, the teaching staff and the administration staff instead of those people being on another, remote, campus. If they have the personal communication which is available in comparatively small institutions with a single adjoined campus, sports facilities and dining rooms they will be more comfortable. These things just do not exist in a huge, multi-campus organisation. These are only the human arguments, but nevertheless I suggest that they ought to be examined because they are very important. There is no doubt that in a happy, human atmosphere it is easier to learn and therefore this would have a most notable effect in education.

I remind the Government that once it decides - and the Government is the one which decides, not the senate, the administration or the professorial boards of these universities, because the Parliament of this State has the right, the only right, to legislate on the status of the universities - to go ahead with the amalgamation, that amalgamation could hardly be undone in the future.

I suggest that the State Government call the bluff of the Commonwealth Government and that the State Government should remain firm. The State Government should liaise with the other State Governments and sell this argument, as it commendably did as in the case of the National Companies and Securities Commission, where it stood up to the Commonwealth. There was no skin off the nose of the Labor Party or the Government for supporting - and rightfully so - something which belonged to the State, and which was in the interests of the whole community. In that case it was local business, but this is exactly the same situation. We should not give in because of a financial threat, which could be short lived, by a Minister or a Government. This Government should not succumb and should not do something which - and it would be very difficult to persuade me to the contrary - is very much against the interests of the people of Western Australia.

I support the motion.

**MR THOMAS (Welshpool)** [8.38 pm]: I oppose the motion moved by the Leader of the Opposition.

It would seem that it is very difficult for members of the Opposition to see anything other than in terms of black and white. If a proposition is put forward by the current Commonwealth Government, it must necessarily be black and the Opposition can see no possible good in it. As everyone who is listening to this debate and who has any interest



whatsoever in tertiary education would be aware, the Commonwealth Government issued a green paper on the future of tertiary education in Australia. That document foreshadowed some quite thoroughgoing reforms for our tertiary education system in Australia; some of those reforms have met with acclaim and popularity fairly widely while others have not been quite so widely acclaimed, particularly within the tertiary education sector.

Listening to the contribution of the Leader of the Opposition tonight, one would think there was not a single proposition contained within that green paper which had any merit. Let us look at precisely what was recommended to the Commonwealth Government in the green paper to review the tertiary education system in Australia. Its objectives were simply put, and were fourfold: First, there should be more students and research at a reduced cost to Government. Does the Opposition not think that is a good idea? I would have thought it was self evidently desirable, if it were able to be achieved.

Several members interjected.

Mr THOMAS: If members listen to what I say, they will find out precisely what my position is.

Mr MacKinnon: You will be sitting on the fence like the Premier.

The SPEAKER: Order!

Mr THOMAS: If the Leader of the Opposition listens to my contribution, he will know precisely what my position is. These matters sometimes cannot be stated in one sentence because they are complex propositions. I will get to it, and at the end of it, my friend, I will move an amendment which will let the House know precisely what my position is. The second objective contained in the green paper, which flows from the first, was that there should be larger, more cost effective institutions.

Thirdly, all tertiary institutions should have equal opportunity to engage in research - that is, the removal of the binary system between universities and CAEs so that all institutions can compete for research funding depending on whether they are able to undertake the research. Fourthly, that teaching and research should be in areas of national interest.

It is worth looking at the implications for the University of Western Australia and Murdoch University in that overall thrust because it may well be that the second point, relating to larger and more cost efficient institutions, is not necessarily the best way to achieve the first objective, which is the need for more students and research at reduced cost to Government. It is exceedingly expensive to Australia for people to undertake tertiary education, which until the present time has been almost entirely at the cost of the taxpayer. In the current environment it has been universally recognised that that cannot go on forever, and some sort of reform of the method of funding to institutions should take place. One proposition put forward recently is the so called graduate tax which is in fact a tertiary levy. In recent years a tertiary administration charge has been put in place with the payment of \$263 per student.

If this nation is to be internationally competitive, a better trained work force is needed. Australia has one of the lowest participation rates in tertiary education of all nations in the OECD. That situation applies to our whole training system, not only at university level but also at TAFE and apprenticeship levels and various other levels through which people acquire skills to enter the work force and affect overall national productivity. This Government has been at the forefront within its areas of responsibility in promoting productivity and the acquisition of skills to ensure that the most important resource that the nation possesses - its people - is cost competitive internationally. I would have thought that the first objective of the green paper was one with which nobody would argue.

The green paper argues that institutions should be larger and more cost efficient; that a certain base level of infrastructure must be provided within any university. Obviously a larger university needs only one vice chancellor and would have some economies in administration and other areas of service. Very substantial administration costs of an institution are taken up not so much by academic salaries and the provision of direct teaching space but by the infrastructure. Based on overseas experience, the green paper argues that if larger institutions are possible then it is possible to deliver student places at lower costs. The paper then goes on to argue that all tertiary institutions should have equal opportunity to undertake research - the removal of the binary system between universities and CAEs. Those two recommendations should be taken in conjunction with the third.

Anyone interested in this debate would have noted that the green paper did not name the University of Western Australia or Murdoch University. I believe the paper was not addressing itself to the problems of Murdoch University - if there are problems there - but to the situation in Victoria where a substantial number of State colleges were inherited. In Victoria a large number of small institutions exist - smaller than Murdoch University - and obviously there is a need for rationalisation there. This is not our problem because we do not have that situation here. Unlike earlier propositions such as that put forward by former Prime Minister Malcolm Fraser that Murdoch and UWA ought to be amalgamated, this document did not name those universities and was not addressing them as primary examples of the problem.

Fourthly, as part of the productivity thrust the paper said that teaching research should be directed to areas of national interest. From other documents issued by the Commonwealth Government, particularly the Wran report and the statements made by the Federal Minister for Education, Mr Dawkins, it is obvious that the aim of the Commonwealth Government is to achieve a 20 per cent increase in tertiary places in Australia. This represents around 8 000 places in Western Australia becoming available and the aim is that those places should be directed in areas of national interest. They should contribute most to national productivity and address social and other needs.

That was the thrust of the green paper; it is not a document which has been adopted by the Commonwealth Government. The document was commissioned by the Commonwealth Government and has the status of a green paper put out for discussion within the tertiary sector and elsewhere. It is proper that we should discuss these matters in this House because it is open to all people interested in making a contribution. I submit that the type of contribution which will be helpful is not one in the form that the Leader of the Opposition has moved expressing alarm that certain matters are being considered. Discussions are taking place between UWA and Murdoch University on whether amalgamation ought to take place.

Mr MacKinnon: Because the Commonwealth is forcing them.

Mr THOMAS: The Commonwealth cannot force them, but I will come to that in a moment.

Mr MacKinnon: Who has the money?

Mr THOMAS: I will come to that in a moment. It would be pointless to deny that problems are being experienced by Murdoch as a consequence of its size. Murdoch acknowledges the problems. The growth rate at Murdoch has been one of the highest in Australia. I do not know that it is, as the Leader of the Opposition said, the highest.

Mr MacKinnon: The member did not hear me. I said that it will be the highest in the next three years.

Mr THOMAS: If the Leader of the Opposition has the ability to predict accurate statistics, he is better than most.

We agree that Murdoch University has had a growth rate of 10 to 12 per cent per annum, which is one of the highest in Australia. Murdoch acknowledges that because of its smaller size it is not able to offer a range of courses to all students and does not have the ability to attract the better quality school leavers. The prestige of the institution which attracts school leavers is therefore not enhanced; in recent years the TEE scores of Murdoch students have been 40 points lower than students attending UWA. Of course Murdoch would prefer that situation not to continue. Because UWA has a wider range of courses and higher prestige - or for whatever reason the students prefer to be enrolled at that institution - Murdoch finds difficulty in offering the courses and the range of options it would prefer.

The Leader of the Opposition referred to the Birt report. That report referred to projections of student numbers and suggested that numbers would be frozen at the University of Western Australia. The fact is that the University of Western Australia is able to offer student places on a competitive level because it offers places that students want. It is difficult for any responsible person to say that the University of Western Australia is not able to offer those places given that students want to attend those courses and in fact that they are able to be offered in a cost effective manner.

The Leader of the Opposition's motion seeks an expression of alarm from this House at the

proposed amalgamation of UWA and Murdoch University. I find it difficult to understand how anyone could express alarm that an institution is considering a proposition motivated by the desire that there should be more students, that more research should be conducted at a tertiary level at a reduced cost to Government, that there should be larger and more cost effective institutions, and that the rest of the objectives in the report should be implemented.

Both of those institutions have the autonomous right to discuss amalgamation and any other matters which they consider to be in their common interests. The fact is that, should they desire to amalgamate, that amalgamation could occur only with the consent of this Parliament. Both institutions are established under separate legislation of this Parliament and it is not possible for them to amalgamate, change the composition of the senate, change their names or anything else without the approval of this Parliament. If the UWA and Murdoch decide it is desirable to amalgamate or to consider various other options which I understand have been considered by them, including shared resources, credits and so on, they would have to approach the Government and ultimately the Parliament to obtain its consent for those changes. It is not possible for them to do anything which this Parliament considers undesirable without amending the legislation.

The tone of the Leader of the Opposition's motion suggests that amalgamation is being forced upon them by the Commonwealth Government. The Commonwealth Government has issued a green paper in which it states that certain options might be desirable, but did not mention the two universities. Those of us who have looked at the tertiary education system would be aware that it is most concerned with institutions in another State.

The fact is that the UWA and Murdoch University have been discussing amalgamation. A communique was released by the negotiating committees to their respective vice-chancellors.

Mr MacKinnon: Have you spoken to the people at Murdoch?

Mr Thomas: I have spoken to a number of people.

Mr MacKinnon: Who and when?

Mr THOMAS: I will not mention names. The Leader of the Opposition was not prepared to divulge the contents of his information. It is interesting that, under the new electoral boundaries, Murdoch University will not be included in the electorate of Murdoch, but will be within the boundaries of the electorate of Cockburn. I look forward to representing Murdoch University in the next Parliament.

Mr MacKinnon: Speak to the people at Murdoch University and you will know why it is being considered.

Mr THOMAS: I have spoken to a number of people at Murdoch University. I used to work there and I have discussed it with a few people I know. The communique was a preliminary report containing information on the benefits for both institutions from amalgamation. The discussions until now have only been exploratory discussions. Apparently further discussions to firm up the proposition will be held. It may be that, out of that process, it will be found that amalgamation is not desirable. It is their right to hold the discussions, just as it is the Commonwealth's right to seek to ensure that the funds it makes available for tertiary education are spent in a cost effective manner. If the two institutions decide that they do not wish to amalgamate, that amalgamation will not be forced upon them by the Commonwealth because amendments to two Acts of this Parliament would be required and we would not be prepared to allow amalgamation while the two institutions object to it.

#### *Amendments to Motion*

I move -

To delete all words after "House" with a view to substituting other words.

MR PEARCE (Armadale - Leader of the House) [8.57 pm]: I second the amendment and place a few facts about this matter on the record. The Leader of the Opposition has made a classic mistake in seeking to move this motion at this time based on the proposition that people at Murdoch University are a little uneasy about the amalgamation discussions taking place.

Mr Hassell: People at UWA are also uneasy about it.

**Mr PEARCE:** That is true. At the same time, the discussions would not be going on if there were not people at both institutions who were firmly of a view that an amalgamation of this kind should take place. The Leader of the Opposition is living in the past if he thinks the situation is the same as that of 10 years ago when the Birt report recommended the amalgamation of the two institutions.

The position adopted by the present Minister for Education on this matter is consistent with the position I adopted when I was Minister.

**Mr MacKinnon:** She does not support you. She criticised you in the paper.

**Mr PEARCE:** That is not true. The Government's education policy has been consistent in the transition from one Minister to another. It is not the kind of consistency that the Opposition has when it cannot even obtain a consensus to support its leadership.

The State Government has always taken the view that it will not agree to a forced amalgamation of any Western Australian institution against the wishes of those institutions, whether or not that is the Federal Government's desire. If any State Government can point to a consistent record of standing up to the Federal Government in matters of tertiary education, it is this State Government. We were able to achieve the university standing of the Curtin University of Technology against the wishes of the Commonwealth Government. In fact, we were able to bring about a considerable review of the binary system of tertiary education against the wishes of the Federal Government. This Government does not have to make any apologies to stand up for its own institutions. It should also be said that this Government has shown a considerable willingness to recognise the autonomy of those institutions.

The Leader of the Opposition is asking this House to make a judgment about the amalgamation discussions which are taking place between the University of Western Australia and Murdoch University in advance of those institutions making their judgments about the proposal.

**Mr Hassell:** You are trying to pick your way through the fact that you blokes are subservient to the Federal Government.

**Mr PEARCE:** The member for Conesloe has no capacity to make that argument. He should make a comparison with regard to Commonwealth and State relationships in tertiary education. There are two examples: First, a previous Commonwealth Government, headed by Malcolm Fraser, thought that the four teachers' colleges should be amalgamated into a single institution. The institutions were opposed to that as was the State Government, which was also a Liberal Government. The Liberal Government in Canberra wanted one thing for Western Australia in regard to tertiary institutions and the State Government wanted something else and who won out? The Federal Government won because the then Minister for Education, the member for South Perth, lacked the will to fight it through.

**Mr Grayden:** I was an outstanding success.

**Mr PEARCE:** I was about to add a word of praise in his direction. It is likely that the then Minister did have the will but he lacked the support of the then Cabinet to fight the Federal Government on that issue and the amalgamation was forced. If the current Minister for Education or I had been the Minister at that time that would not have happened.

Case study 2: The State Labor Government wanted to make the Western Australian Institute of Technology a university and the Federal Labor Government did not. Who won out in that case? It was the State Government. That example is important because it points to the amendment moved by the member for Welshpool; that is, the control of the structure of the Western Australian tertiary institutions lies with this Parliament. Each of the tertiary institutions in Western Australia is established by an Act of this Parliament and the State Government is not prepared to give up the right of this Parliament to make the decisions about the status of tertiary institutions in Western Australia.

The Minister for Education has quite properly pointed out that the Government is prepared to listen to what UWA and Murdoch University want before making up its mind. I was Minister for Education when the green paper was released and the vice chancellors from those two universities advised me personally that they were proposing to discuss the amalgamation of the two institutions. I advised them that the Government would listen to their proposal once they had made a decision. I said at that time that on behalf of the

Government I could not give a guarantee that it would agree to what they proposed.

The State has its own rights in regard to the shape of its tertiary institutions and it takes advice from WAPSEC as well as from the two institutions concerned. I advised the vice chancellors that the Government would listen carefully to their proposal but would give no guarantee that it would agree to it. I advised them that if they wanted to stand out against what they saw as the force of the proposals contained in the green paper and not have an amalgamation they could rely on the State Government to back them up. There is nothing different about what I put to those institutions from what the current Minister for Education has said to them. She has taken a proper position by saying that they are autonomous and the Government respects their professionalism in tertiary education and it will listen to the proposition they put forward and will give great weight to what they want. They know that support from this Government works and that support from the previous Government did not work.

The Leader of the Opposition has sought to grab a few cheap political points before the institutions have made their decision.

Several members interjected.

Mr PEARCE: It shows how close the Leader of the Opposition is to the people in his electorate if he believes that Murdoch University is in accordance with the motion he has moved tonight. The discussions resulted from the initiatives of the two institutions.

When the green paper was first released, I, as Minister for Education, went through it. I looked at the section concerning the size of institutions and it said that the State Government would not accept a forcible amalgamation of the two institutions. Within hours I received a telephone call from the two vice chancellors of the universities concerned who asked if they could see me to discuss the matter. The proposition they put to me was that although they appreciated that I had made the statement they wanted me to know that of their own volition they had commenced discussions about amalgamation. At that stage they did not know which path they would go down.

The Leader of the Opposition is saying that it does not matter what the autonomous institutions of the Murdoch University or UWA want, the Leader of the Opposition will decide what will happen. If he wants to trample on the autonomy of tertiary institutions to that extent, he will reap the whirlwind.

MR CLARKO (Karrinyup) [9.08 pm]: If tonight's debate meant that the public of Western Australia now knew where the State Government stood on the question of amalgamation, some progress would have been made. It has not. The Minister for Education has only just arrived in the Chamber and we have been discussing this matter for a while. Even though she had 24 hours' notice of this debate she has chosen to present certificates somewhere. This is one of the most important educational debates that has been held in this Parliament for some time.

We know that the Minister for Education is in a difficult position. She is following the most lamentable Minister for Education this State has seen; a person who was a member of the Teachers Union and who put it totally offside to the extent that it now hates him. This person has gone on record in small journals such as the *TV Times* as hiding anti Vietnam protesters in his office. This man is acknowledged by members on both sides of the House as being the bionic unzipped lip. He has put the current Minister for Education in a most difficult position. She is undertaking her job in a most skilful manner, almost in an Anthony Eden-like diplomatic way and is trying to change the way in which the previous Minister put education on a cliff-like course. She is changing this very difficult situation. It is hard to cover up for this larrikin-style Minister who has a comment to make on every issue. This man personally vilified every head of a tertiary institution in Western Australia and he even vilified his ex-union.

The current Minister has been put in a difficult situation and is trying to move away from Unit Curriculum. Unfortunately she will not have enough time, but she is trying to rectify what the previous Minister managed to turn into complete chaos. The present Minister for Education is exactly the reverse of the ex-Minister. The ex-Minister had something to say on everything. He shattered everybody. He destroyed the position of everyone who took a stance on education. He personally attacked them and vilified them. Sometimes when he

was supposed to be at conferences, meetings or the like he just stayed in bed. Sometimes he did not turn up at the airport when he was supposed to. The present Minister for Education is trying to put back together the pieces of the great education puzzle. The problem is that when we asked her three weeks ago on 25 May where she stood with respect to the graduate tax she said that the Government was looking into the matter. Eventually the whole thing will be passed by and students at the universities throughout Australia will get into street fights such as there were in Paris in the 1960s. The Minister will still not have come to a public conclusion on where she should stand with respect to a graduate tax. The Minister is the exact opposite of the ex-Minister, who used to speak before he thought. This Minister thinks so much that she is not prepared to tell us where she is going. As my leader said, she engages in complete equivocation.

The amendment tonight is a Clayton's amendment. The position of the Liberal Party on this matter is that we support unequivocally the independence of Murdoch University. We believe that tertiary education should be the province of the States, as the Federal Constitution provides.

Dr Lawrence interjected.

Mr CLARKO: The Minister has been here five minutes. The debate has been going on for an hour or more and the Minister now starts to make all sorts of comments. I will wait to hear what she has to say.

Federal taxation today is the highest it has ever been. It should be remembered that the Hawke Labor Government has cut wages by 12 per cent in real terms, according to a union advertisement I saw the other day. I had thought it was 10 per cent. The Labor Government, the so-called friend of the workers, has cut workers' wages and given them the highest interest rates that Australia has ever had. When young working people with their blue singlets decide to buy a Commodore they have to pay a higher rate of interest than ever before. Their real position is worse than it has ever been. The Labor Government has lowered the standard of living of Australians.

It is very difficult for the Western Australian Government to decide this matter, since it has the constitutional power to run our universities but it does not have the capacity to raise the funds to get them operative. Murdoch is a good university. No evidence has been provided that the amalgamation will improve Murdoch as a university. No evidence has been provided that a combined university comprising the University of Western Australia and Murdoch University would be better than the two separate universities.

Murdoch University's veterinary school has the reputation of being the best in Australia and comparable to any in the world. However, because the university has only 4 000 students rather than 5 000 students the Federal Minister for Education, Employment and Training, Mr Dawkins, has said it will be closed down. He wants to start with a victory in this campaign because he is in very great difficulty over his proposed graduate tax, which is a completely nonsensical arrangement.

Mr MacKinnon: Where does the Government stand on that, I wonder?

Mr CLARKO: We do not know. The Government will probably be looking into it. It is the mirror Government; it looks into everything. The Minister for Education in answer to the Leader of the National Party said on 25 May that the Government was looking into the matter of a graduate tax. One day she will tell us the answer.

Why is it proposed to amalgamate the two universities? They are being amalgamated to save money. That is what the green paper proposes. Within the last 48 hours I asked an academic about his opinion of the statement that the green paper has been put before the people of Australia for their consideration. He suggested I talk to the lecturers at Murdoch University.

Dr Lawrence: Have you read it?

Mr CLARKO: The Minister will get to speak in time. She cannot speak above me anyway, so why does she waste her breath?

The academic suggested that I ask Murdoch University lecturers whether they would think it was what John Tonkin would have said was "supposititious". The lecturers are in fear of their jobs and the students at Murdoch are in fear for their standing. That is the real situation. I invite the Minister to make a public statement that a majority of Murdoch University

lecturers favour the proposed amalgamation. I also ask her to approach the president of the student guild and ask him or her about the guild's position.

Mr Pearce: You don't even know which it is.

Mr CLARKO: Is that important? I do not think it makes any difference. If I were a socialist I would use this pathetic word "person" that the Leader of the House and his mob are trying to use. In line with the member for Perth, members opposite are trying to change the dictionary of Australia. If a man is in charge of a committee, members opposite do not want to call him "chairman". That is nonsensical.

The students at Murdoch have stated quite unequivocally that they do not want the amalgamation. The support of the staff is based on fear. They have been bullied by John Dawkins. John Dawkins lives in the harsh socioeconomic climate of the suburb of Peppermint Grove! That is where poor old John Dawkins struggles along. This poor man, the representative of the blue singlet brigade, is one of the constituents of the member for Cottesloe. This unshaven, untidy, dirty-looking man whose photographs appear in our papers is one of the member for Cottesloe's constituents. I challenge the member for Cottesloe to say that John Dawkins does not look unshaven, untidy and dirty. A true Western Australian will look at his worst when he goes prawning in the Swan River. That is how the Federal Minister for Education, Employment and Training looks. The Education portfolio has been downgraded by inclusion of the words "Employment and Training". This shabby copy of an SDS student in the 1960s looks as though he is going on a prawning expedition. He is the man who has now said that Murdoch is not good enough because it has only 4 000 students instead of 5 000 students. What would John Dawkins know about the efficacy of a worthwhile tertiary institution? He would have no idea. He is a Scotch College dropout.

Mr Hassell: Do you know how many students there are at Stanford University?

Mr CLARKO: No, I do not.

Mr Hassell: There are 3 000.

Mr CLARKO: Numbers have absolutely nothing to do with it. The number of students at a particular university varies at different times. When the Minister for Local Government and I were at the University of Western Australia, there were, I suspect, 4 000 or 5 000 students. When Robert Hawke was a student at the University of Western Australia, the number of students was probably of the order that this prawning character feels is unsuitable for a worthwhile university. The number of students at universities has nothing to do with output. We could take a university of quality with 4 000 students and increase its numbers by placing students in whatever courses we choose, whether theatre, arts, drama or something of the sort. We could place them in the university instead of having them achieve a certain TEE score. If we halved the required TEE score, we could have the additional students. We could then say that the university could have the imprimatur of the Federal Government and the money to continue, simply because the university has 5 000 students. That is nonsensical. There is no logic in that.

My colleague from Cottesloe told me that Stanford University, a university of great reputation throughout the Western world, has only 3 000 students. Quality has nothing to do with the number of students. That has a bearing only on saving money and, of course, the Dawkins plan is all about saving money. It is amazing that this Federal Government which has been in office for five years has eventually reached the stage at which it cannot afford to fund a proper university system. Even Malcolm Fraser, with all his faults, did not do that sort of thing to the universities of Australia. A pathetic defence of the new system is put forward by the prawning expert, Mr Dawkins, that it will save money and create an additional 20 000 or 30 000 places in tertiary institutions around Australia. Of all the humbug I have listened to in 30 years of involvement in politics, I have never heard such pathetic creeps advocating the Labor Party stance. It has always said that it will provide free university education and that everybody will have an opportunity to attend university. A Liberal Government under Menzies lasted for 23 years, yet after five years the Labor Government is telling us that it must be careful about expenditure. Suddenly the Federal Government is telling us that times are tough. I can remember when Fraser said that times were tough but he did not take steps such as this.

Mr Thomas interjected.

Mr CLARKO: When I was a tutor at UWA, the member for Welshpool was one of my students - perhaps that is why he has not done too well.

Mr MacKinnon: You are looking at failure staring you in the face.

Mr CLARKO: He was a failure then, but I acknowledge that he has learned a great deal since. I commend him for his efforts since then, but he certainly did not study too hard in those days. I have been a tutor and part-time lecturer at UWA and the WA College of Advanced Education, and a Minister for Education. In our tertiary institutions we should be striving for quality and should not allow the Federal Government to interfere with that. It is hypocrisy for a Federal Labor Government to say that we must save money in tertiary education. There are many ways of saving money and this method should not be adopted. The Minister for Education cannot make up her mind about the graduate tax. I have heard from people who know her that she is opposed to the graduate tax and I would expect her to be because she has enough intelligence to oppose a stupid scheme. If that is not the case, perhaps she will say that she supports the graduate tax.

Dr Lawrence: I will speak to the amendment.

Mr CLARKO: The Minister will duck the graduate tax issue because she is trying to cover up for the prawning Federal Minister. Everybody is trying to get behind and to protect this fellow. It is a ratbag scheme, which is as untidy as Dawkins is.

I put it to members that no evidence has been provided that Murdoch University will be enhanced by amalgamating with UWA. I have received a long statement from people at UWA who say it will harm them if the amalgamation takes place. With regard to the lecturers at Murdoch University, I invite the Minister for Education to reply to the following questions because I know she has met the staff at Murdoch: Is the support of the Murdoch lecturers for the amalgamation given because they believe it would be advantageous to the institution, the staff and students, or is it because they are fearful that if Murdoch does not amalgamate with UWA it will be forced to amalgamate with WACAE, to which the staff is overwhelmingly opposed? Does the majority want to give up the independence at Murdoch University and amalgamate with UWA? My information is that they support it only from fear of the bullying by Dawkins.

It does not surprise me that this subject is taken so seriously by the Labor Government that only three Government members are sitting in the Chamber: One is the Government Whip who is paid an extra \$8 000 a year to be in the Parliament, and the other two are the Minister for Education and the former Minister for Education who was booted from that position because he could not do the job. The much more competent Minister is desperately using psychology in an attempt to reach the situation in which some people will say education is not a complete disaster. This amendment is a Clayton's amendment, and it does not do what should be done.

The Liberal Party believes that Murdoch should continue as an independent institution in its own right and sees no evidence that it will be improved by amalgamation with UWA. It is part of a grand plan by Dawkins, purely to save money. He is starting in the less populous States and claiming that 4 000 students are not enough for the institution, and the figure should be 5 000. How can it possibly be claimed that 5 000 is the right number? Does that relate to the number of clerks or the staff on the switchboard? That is not what universities should be about - they should be about creating minds which have the capacity to expand through their training in such a way as to not only resolve the problems of today, but also in another 10 or 20 years to be unfettered and unlimited minds. The students should be able to take advantage of the learning processes that go back to the Italian universities in the year 800. This Government is about to turn back the clock on university education. It is a great shame and it exposes the hypocrisy of the Labor Party which, for 20 years, has been espousing that it is a great supporter of universities; in truth it is not.

DR LAWRENCE (Subiaco - Minister for Education) [9.27 pm]: I apologise for not being in the Chamber for the earlier speeches. I understood that the Opposition would accommodate me since I had a longstanding commitment to present graduation certificates to the nurses at King Edward Memorial Hospital. The member for Karrinyup seems to think that was a delinquent action on my part.



Mr MacKinnon: Your place is in the Parliament when Parliament is sitting.

Dr LAWRENCE: I am aware of that and this was a rare exception. It was a longstanding engagement, which I thought was a perfectly reasonable request. Until yesterday I had received no notice that this motion would be moved and I am now apologising for not being in the Chamber at the beginning of the debate.

Mr Clarko: I accept the apology.

Dr LAWRENCE: The member for Karrinyup at least has the good grace to accept my apology. A number of points need to be made: I have not heard the speeches of members opposite but I have gleaned what they may have said from the speech of the member for Karrinyup and from the reply to those observations by the Minister for Transport. The motion before the House asked us to condemn the moves to amalgamate and to support Murdoch in standing alone.

Mr Hassell: It did not say that at all, it said that it views with alarm the Government pressures.

Dr LAWRENCE: I know what it said. The Opposition is asking the Government to unilaterally do what it claims the Commonwealth Government is doing. The Opposition claims that the Federal Government is trying to bully Murdoch into an amalgamation with UWA. I agree that the Federal Government is putting pressure on institutions throughout Australia to amalgamate; it has stated that in print and it is following through with its actions. The legislative power to resist that pressure exists in this Parliament. The Government is not caving in to pressure from the Commonwealth, but equally we are not saying to Murdoch University or the University of Western Australia that they cannot talk together.

Mr Hassell: You are not defending them.

Dr LAWRENCE: That is not true.

Mr Hassell: It is absolutely true.

Dr LAWRENCE: The Opposition has made no public response to the green paper.

Mr MacKinnon: Has Murdoch had any support from you?

Dr LAWRENCE: The Leader of the Opposition asks the same question over and over again; I find the habit most irritating and I intend to answer in just a moment.

Mr MacKinnon: Tell us about the graduate tax.

Dr LAWRENCE: The Leader of the Opposition should not continue asking the same question as it is useless. I am suggesting that the institutions have the right to have those discussions, and even members opposite would not deny that. The green paper clearly indicates that the Commonwealth Government, through Mr Dawkins, believes that certain institutions are not of a viable size and should amalgamate. I draw the attention of members opposite to this document, which I will be happy to table at the appropriate time, and which is the response by the Government of Western Australia to the green paper.

I ask members opposite whether they responded to that green paper, either formally or informally, and whether they have had discussions with the Federal Minister for Education regarding the green paper proposals or whether they have publicly indicated a point of view on general issues in the green paper or about Western Australia and the needs of Murdoch and the University of Western Australia in particular? The answer to that is no.

Mr Hassell: Is our shadow Minister not debating with the Minister, or someone, tomorrow?

The ACTING SPEAKER (Dr Gallop): Order! The Minister for Education is addressing the Chair.

Dr LAWRENCE: No. He must be so much of a shadow that he is a ghostly man as I will not be there. In our response to the green paper put out by the Commonwealth Government we dissented on several major points. That has been publicly announced on several occasions and has been the subject of questions in this House and in the other place, and for the edification of members opposite I will table this document at the end of the session. It is six weeks old and clearly -

Mr MacKinnon: Does it give the Minister's opinion on the graduate tax?

Dr LAWRENCE: I am speaking to the motion and will address that question in a moment. The structure of my reply to the motion and the amendment is my business. In that document we clearly say that the consolidation of institutions has already occurred in Western Australia, courtesy of the Fraser Government and, in the case of Murdoch and UWA, it was resisted in this State as was the amalgamation of four colleges of advanced education to form WACAE. All of us know that that was problematic; there were a great many difficulties experienced at that time and a great many difficulties continue to be experienced.

Mr Hassell: The Government has had five and a half years to change it if it thought it was wrong.

Dr LAWRENCE: Multi-campus institutions are not particularly workable beasts and we have worked with WACAE to ensure that they remain viable institutions through the WA Post Secondary Education Commission. They are shedding campuses, as the member would know, so we said to the Commonwealth Government that, based on our experience with WACAE, we were aware of the considerable difficulties that ensue with amalgamations. I will read you the words, as follows -

The Government is not convinced of the relationship postulated between size, cost and effectiveness of institutions.

We went on to say that we would resist any move to amalgamate any of our institutions based on a simple minded notion of "big equals beautiful" or "many equals better". We have clearly stated that in our response to the green paper and are alone in having done that as there has not been a whisper or whimper from the Opposition about the question of the general issues raised in the green paper, of the State's needs, or of the Opposition's intentions if it is ever back in Government.

Last week the institutions finally reached the point in their discussions where they took the matter before their respective senates. In a minute I will go through some of the advantages and disadvantages they see in the proposal. They approached their senates with their documents, the results of their working parties. The senates came back saying, "We will continue to negotiate." That is the situation at the moment.

Mr Hassell: The Senate of the University of Western Australia watered down the recommended motions put forward by the vice chancellor.

Dr LAWRENCE: So what? That is its right. It is the governing body of the university. Since I have been here members of the Opposition almost without exception have shown that they have no respect for academics; they do not value higher learning. The highest form of insult members opposite can deliver to anyone in this place is to call him an academic. I have heard this many times, so do not come the raw prawn with me.

Mr Clarko: Dawkins knows a lot about the raw prawn because he is dressed for it now.

Dr LAWRENCE: The member's point of view and regard for academics is well known and abysmal. I am not surprised that they have not talked to him because they know he would not understand the issue.

Last week the senates reached a point where they had to decide whether they should cut off the discussion process or continue. Everyone knows what is happening except the Opposition.

Mr Hassell: The Government in Canberra made them continue.

Dr LAWRENCE: They decided that they wanted to continue. At that time I issued a statement, but the Press is not all that interested, either, so the statement I issued did not receive any running.

Mr Clarko: Because it was wishy-washy.

Dr LAWRENCE: No. The member should look at the coverage of the UWA and Murdoch merger, because except for the *Sunday Times* report of the senate decision there has been almost nothing printed about it. Since that is the member for Karrinyup's major source of information, he can be forgiven for not knowing what was happening. At that time I said that I had noted the resolutions reached by the Senates of Murdoch and UWA regarding the negotiations for amalgamation of the two universities. I will give any proposal for

amalgamation the most careful study having regard for the need of the Government to be satisfied on a number of issues. These include not only the possible benefits but also the disadvantages. In this those needs need to be taken into account as well as those of academic and support staffs in the institutions.

Moreover, the proposals have to fit in with the needs of the State in its economic and social development now and in the future. WA is among the most rapidly growing and developing States and its needs for higher education are not the same as for the rest of Australia. That is a point of view we have gone on with. We have said to UWA and Murdoch that we need to be convinced that what they are proposing will benefit the students, staff and community in general. If Murdoch comes to us at any stage and says, "We need your support to resist UWA's takeover or Commonwealth pressure. We do not want to merge or cooperate."

Mr MacKinnon: Hasn't it said that to you already?

Dr LAWRENCE: No. The document I have from Murdoch I know has been seen by the Leader of the Opposition, the member for Karrinyup, and other members of the Liberal Party.

Mr MacKinnon: What did they tell you?

Dr LAWRENCE: I am about to tell the Leader of the Opposition. In fact, I can read it, if the Leader of the Opposition wishes me to do so. Murdoch University was placed under pressure, and I acknowledge that from the outset, but there are staff at Murdoch University who for other reasons wish to examine whether an amalgamation would benefit them. Murdoch University has survived to date because of a policy that precludes other institutions growing, in particular Curtin University and the University of Western Australia. We would need to continue that policy in order for Murdoch's view of its viability to be maintained; in other words, green paper or not, Commonwealth policy or not, Murdoch has been teetering for a long time on the brink of severe difficulties.

Murdoch has an excellent academic staff, the best research output of any research institution probably in Australia per capita, but its student intake has been consistently low and the calibre of the students, with due respect to the people who go there, is not as high as that of those at UWA.

Mr MacKinnon: They have had a 91 per cent increase in students in the past four or five years.

Dr LAWRENCE: That is what I am saying. That is because the other two institutions, Curtin and UWA, have been held back. They have not been able to expand their programs.

Mr Clarko: Is that right or wrong?

Dr LAWRENCE: That is a decision that has to be made after consideration of what Murdoch University wants to do. That is what they are examining now. They are saying two things to me, first that they are being put under pressure, but if one reads the document to which the Leader of the Opposition was referring it says that if Murdoch had the unequivocal support of the staff, the students, the senate, and the State Government, it would be able to stand alone. They go on to say they have it from none of them because this Government has to look at the interests of the State as a whole, and whether they would be served by continuing to support the independence of Murdoch ad infinitum is a question that needs close examination.

It is quite clear that the staff and students of Murdoch and the senate itself are not convinced that the only way forward for Murdoch is to stand alone, so that document is quite true because not one of those bodies has clearly and unequivocally supported the continued independence of Murdoch come what may. Nonetheless, if the Murdoch staff and students come to us - and I have made this clear to them - and say, "We do not want to amalgamate", that is the end of the story.

Mr Hassell: What if they say they do?

Dr LAWRENCE: If they say they do, and we assess the benefits to the State to be detrimental - or the conditions under which they want to do it, or the circumstances under which they were pressured to do it - we will also say no.

Mr Hassell: You do not know where you stand on this issue. You are completely confused about your policy.

Dr LAWRENCE: The difficulty of members opposite is that they have come into this debate at a very late stage. They have struggled in the last few days to try to understand what is happening.

Mr Cash interjected.

Dr LAWRENCE: That is what the member for Mt Lawley's life is like - yes or no, black or white, good or evil. It is a very simple minded way to approach the universities like that, and not one that policy makers can afford. A Government comprising people like the members opposite would be a very uncomfortable one indeed. It is the Greiner form of Government, which says that we are going to just chop and hack. A chop and hack form of Government would be the one that members opposite might preside over if we were ever unfortunate enough to have that happen.

There is not in this case a simple answer, unless the universities say they do not want to amalgamate, or unless we assess that the circumstances under which they are proposing to amalgamate are inimical to the State. I will conclude by going through some of the recommendations in our response to the green paper, which indicates clearly the State Government's position.

Mr MacKinnon: Where do you stand on the graduate tax?

The ACTING SPEAKER (Dr Gallop): Order! I think the interjections in the course of this debate are tending to drift a little from the central purpose of the debate.

Dr LAWRENCE: The State Government has attempted to ensure that in this State, which is geographically isolated, with a dispersed population, we provide for students a high quality of education.

Mr MacKinnon: You would be very good as *Yes Minister* - Sir Humphrey!

Dr LAWRENCE: That may or may not be so, but I will at least have exercised my wit in the process, which is more than I can say for members opposite.

In the course of our response to the green paper, we have emphasised that need, and we will - whatever the circumstances and whatever is the Federal Government's stance - do what is necessary to preserve both the quality, the extent and -

Mr Hassell: Do you not know what is necessary?

Dr LAWRENCE: I do know what is necessary.

Mr Hassell: Tell us.

Dr LAWRENCE: It is difficult to do so in 15 minutes. I have four minutes left, and I will go through with the member the advantages and disadvantages that are perceived by Murdoch and UWA.

Mr Clarko: Make a decision. Do not tell us the yes or noes. We have them in our files.

Dr LAWRENCE: Members opposite are pathetic. They are saying the Commonwealth should not bully Murdoch University, but members opposite should.

Mr Clarko: We are asking you to tell us where you stand.

Dr LAWRENCE: That is the most inconsistent position I have yet heard. If the member would go and talk to the academics at UWA - which he so despises - and if he would go and talk to the students and to members of the Senate in those institutions, he would find that they are struggling; they are thinking; they are analysing; they are trying to determine - as they duly should - their own fate. They are trying to look at the advantages and disadvantages for them. They are doing that in a way which is admirable. Members opposite are saying to us that we should interfere with that process; we should not let them think it through; we should put our fist through them, or put our foot down, and tell them not to do it.

[The member's time expired.]

MR COWAN (Merredin - Leader of the National Party) [9.45 pm]: I would like to go back to the comments of the member for Welshpool when he talked about the objectives in the green paper. As is usual when the member gets to his feet, he tends to attract a number of interjections, and I was not sure whether he quoted objective No 5 when he was talking about

the objectives in that green paper because I did not hear it. I would like the member to know that other people do have possession of those objectives, and I happen to be one of them. If the member wants to know what that objective is, I will tell him. The objective is a lesser role for State Governments in influencing higher education policy.

That happens to be the point behind the motion moved by the Liberal Party; and we agree with that. This debate has arisen because the Commonwealth - which has no constitutional responsibility for education, as the Minister for Education has acknowledged in answer to a question from me - has decided that as one of its objectives it is going to ensure that the State has a lesser role in influencing higher education policy. The only way the Commonwealth can do that is by strangling our universities and tertiary systems of funds, unless those systems do precisely what is necessary. The green paper then goes on to talk about mechanisms for achieving those objectives. I remind the member for Welshpool, and members on the other side of the House, that one of those mechanisms was the withdrawal of their current funds and their reallocation to colleges and universities in order to fulfil the above mentioned objectives. The State Government should surely resent and object in the strongest possible terms to that type of philosophy or that type of comment coming from a Government which has no constitutional responsibility for education.

Mr Acting Speaker, you would know better than anybody else in this room that that is the case, and you would know also that those universities - to which you have had some great attachment - are having their hands forced, and they recognise they are being forced. There has in fact been quite a lot of argument for Murdoch University to amalgamate with the Western Australian Colleges of Advanced Education. If members want any proof of that, they can go back to at least two or three occasions when the Commonwealth Government said funding would not be provided for a law school unless there was amalgamation with WACAE; or funding would not be provided for the external studies unit unless there was amalgamation with WACAE. It is clear that the Commonwealth Government has indicated it is going to draw the purse strings tighter and tighter, and because that is such an important factor in tertiary education - and in any form of education - it is clear that the responsibility of this Government is to oppose, as strenuously as it can, the proposals put by the Commonwealth in its green paper. There is no question that, left to themselves, the universities would attempt to maintain their independence and they would do their utmost to stay that way.

Western Australia, as I am sure members opposite know better than I because many of them have a history with tertiary institutions, has the fastest growing demand for tertiary places in Australia. It will not be long before those individual institutions have the desirable numbers listed in the green paper.

Dr Lawrence: About 30 years.

Mr COWAN: Come, Minister!

Dr Lawrence: In the case of Murdoch.

Mr Pearce: That relates to all the spare places at Murdoch.

Mr COWAN: The Minister knows as well as I do that if the funds were provided, that objective would be achieved at a much quicker rate; certainly within 30 years.

Mr Pearce: It is difficult, because the cutoff for tertiary institutions is 270; roughly 50 per cent. They cannot afford to take students at a much lower level of achievement because they would fail.

Mr COWAN: What I am suggesting is that the demand in Western Australia is greater than in any other State. If those universities were left to themselves, I am sure they would achieve it. I have been through an industry where people were being told to get out. That was an absolute disaster. I suggest, and I think the Minister would agree with me, that it has absolutely no place in anything, whether it be education or agriculture. I am disappointed that this Government is not reacting as strongly as it should to the objectives in that discussion paper and the mechanisms set down to achieve those objectives. The Government should never have allowed the Commonwealth to encroach upon our constitutional right to the extent that it has. We do not need a Commonwealth Education Department.

Dr Lawrence: I agree with you.

Mr COWAN: All we need is an advisory council made up of people from the States, and a finance committee made up of people from the States.

Dr Lawrence: You try to achieve that under any Federal Government!

Mr COWAN: We certainly could not under the present Government.

Mr Pearce: You certainly could not under the past one.

Dr Lawrence: It is pie in the sky to expect any Federal Government to relinquish control of tertiary education. It has the purse strings and it will not relinquish them.

Mr Hassell: As long as weak Ministers and weak Governments do not stand up to them.

Mr COWAN: I know that what I am suggesting is a long term objective.

Dr Lawrence: I share it.

Mr COWAN: I am not being critical of the Minister for not being able to achieve this, but I do not agree that it is pie in the sky. It is an objective we should all share.

Dr Lawrence: In the long term, yes.

Mr COWAN: We will never achieve it if we say it is pie in the sky stuff. Unless members believe in it we will get nowhere. The real thrust of this debate is that there is a need for more places at universities. It means more money. Regrettably the Commonwealth provides the money, and it using that as a means of dictating education policy, not only in this State but also throughout the whole of Australia.

Dr Lawrence: As it has always done.

Mr COWAN: It is not the Commonwealth's constitutional responsibility. We as a Parliament have a responsibility to remind the Commonwealth of that, even if the Government does not.

For that reason the National Party supports this motion and opposes the amendment.

MR HASSELL (Cottesloe) [9.54 pm]: Surely the situation which confronts the State of Western Australia can be reduced to a very clear and simple issue.

Dr Lawrence: That helps.

Mr HASSELL: Keep it simple; do not make it complex, as the Minister did today.

Dr Lawrence: Even though it is.

Mr HASSELL: It is not complex. We have the University of Western Australia -

Mr Clarko: The Minister is leaving already and she has just arrived!

Mr HASSELL: - and we have Murdoch University. Murdoch University is there today because the Liberal-Country Party Government got it there. It is still there today because the Liberal-Country Party Government fought for it and defeated the proposals of the Commonwealth to get rid of it. We said consistently over a period of years that Western Australia needed that second university. Hon Bob Hetherington agrees with me; he has just indicated his agreement. He was, as the member for Mt Lawley says, a lecturer.

The matter of having those two universities has been an issue of bipartisan Governmental policy in this State for many years; indeed, as the Leader of the Opposition has just said, until now.

Along came the Federal Minister for Education with his so-called green paper, and as indicated by the Leader of the National Party, he put forward as a viable option the enforced amalgamation of these institutions. The response of the present Western Australian Government has been to abandon the bipartisan policy in favour of the maintenance of a separate institution for Murdoch and the adoption of a mealy mouthed, equivocating, undecided position.

Mr Pearce: That is untrue.

Mr HASSELL: Let me challenge the Minister to say why he is not supporting the motion, and why instead he is supporting an amendment which leaves open the option of amalgamation.

Mr Pearce: Because the University of Western Australia and Murdoch University do not support your motion; that is why we believe, as autonomous tertiary institutions, they have a right to put forward their point of view.

Several members interjected.

Mr HASSELL: I know I have had the answer, and I am very glad to have had it, but let me put it to this House very clearly that that statement by the former Minister for Education is a statement of convenience.

Mr Pearce: It is a statement of fact.

Mr HASSELL: It is convenient to him and it is convenient to the Government to make itself appear to be conforming to the wishes of the institutions when in truth the institutions are responding to the pressure of Canberra.

Several members interjected.

Mr HASSELL: Just be quiet! What it amounts to is that the Government is seeking to remove itself from the responsibility for having a policy. The Minister for Education made that absolutely and abundantly clear in her speech.

Dr Lawrence: Not at all.

Mr HASSELL: She does not have the courage to stand up to her centralist colleagues in Canberra. She does not have the political courage to tell Mr Dawkins to go home to Canberra to his centralist mates and mind his own bloody business. That is what this Government should be doing. It should be telling Mr Dawkins that the organisation of education in this State will be determined by the policy of this State.

Dr Lawrence: And so it will - by this Parliament.

Mr HASSELL: It should be telling Mr Dawkins that this Parliament has a longstanding bipartisan policy in support of having the Murdoch University as an independent institution and that we will not be changing it. I want to suggest that it is simply not good enough for the Minister for Education and the Government to hide behind the academic institutions and to say to the world, "We are waiting to see what they decide." I have sat on the senate of the University of Western Australia and I know how it operates. I know how Murdoch operates, too.

Dr Lawrence: What are you saying about the senate?

Mr HASSELL: What I am saying to the Minister is that these discussions have begun for one reason and one reason alone.

Dr Lawrence: Are you saying they are not a body of governors?

Mr HASSELL: They have begun because Mr Dawkins told them to do it.

Dr Lawrence interjected.

Mr HASSELL: The Minister should just let me get a word in.

Dr Lawrence: No, you should let me get a word in.

Several members interjected.

The ACTING SPEAKER (Dr Gallop): Order!

Mr HASSELL: Because they know that as the Commonwealth is the provider of the greater part of their funding they have no option, when left on their own as they have been, but to respond to Mr Dawkins' demands.

Let us look at what was proposed by the Vice Chancellor of the University of Western Australia. He proposed to his senate "That the University of WA proceed to formal negotiations with Murdoch University with a view to amalgamation". What the senate decided was this: "That the senates authorise the conduct of exploratory negotiations on the possibility of amalgamation". Does that indicate an enthusiasm on the part of the senate to be dealing with the issue of amalgamation? Of course not. What it indicates is that it has been kicked into dealing with the issue against its will because the Government has not given it backing.

There are two issues that are clear.

Dr Lawrence: At least two. I thought it was black and white; yes or no.

Mr HASSELL: Does the Minister want to say any more? How many are there?

Dr Lawrence: You say there are two.

Mr HASSELL: There are two that I am talking about. The first is whether the universities can discuss the question of amalgamation, and we have not disputed that at any time.

Dr Lawrence: That is what they are still doing.

Mr HASSELL: But the motion does not challenge that at all. What the motion addresses is the second issue, because we know that the educational institutions are not keen to become involved in this issue at all. They are simply responding to Mr Dawkins. I want to tell the Minister something very clearly: I have been surprised in recent days at the vehemence of the representations that have been made to me about the need for the Opposition to bring on this motion. People from those institutions have said to me, "Look, the motion needs to be brought on because we are not getting the support of the Government. The Government has failed to give us the support that allows us to fight off Mr Dawkins' proposals."

As I said, the first issue relates to whether they can; and of course they can. No-one disputes it. They can talk about amalgamation for 15 years if they want to. That is up to them. They can have all the committees they like, they can talk about it in principle, they can add up the figures and work out the details, they can work out how many vice chancellors to have. They can do that; that is their option. But the second question is the one which challenges the Minister and the Government; that is, the question of the Government's policy for education in this State. That is what this motion challenges. It says to this Minister "... and calls on the Government of Western Australia to do all in its power to ensure the continued independence and growth of these outstanding Western Australian institutions." And the Minister is voting against it because the Minister does not have a clear policy in favour of having those two institutions. This Government, which wants to claim the credit for having brought the Curtin University of Technology into existence in the one breath, in the next breath says, "We are not too sure whether we should have Murdoch as well. We will wait and see what somebody else says." What a cowardly and disgraceful position, that the bipartisan policy of 20 years, at least, is to be abandoned because Mr Dawkins told the Government to do so. The Government is standing behind those institutions, cowering in the corner, saying, "We will need to hear what they say", knowing full well that they are standing with a gun held at their heads by Mr Dawkins. He is holding a gun at their heads telling them to work out how to amalgamate or he will cut off their funds, or their law school, or their agricultural college, or their external students, or reduce their intakes, or something else.

What Dawkins has spelt out clearly for all the world to see is that Dawkins wants to get control of education in this country, that he does not give a damn about academic independence, that he wants to exercise his pernicious philosophies through the education system; and the Government's response is to stand back and say, "We will wait and see." The Minister and the Government are saying to those institutions, "You get all the funds from the Commonwealth, you are run in minute detail now from the Commonwealth." They have commissions coming out of their ears to tell them what to do but the Government is going to wait until those two controlled bodies, which are already subject to all that influence, have decided what they want to do.

This is a weak and cowardly performance by this Government and it is being felt in the institutions as a weak and cowardly performance. That is why this motion is before the House tonight. Forceful representations have been made to the Opposition -

Mr Wilson: We only have your word for that, of course.

The ACTING SPEAKER (Dr Gallop): Order!

Mr HASSELL: Forceful representations have been made to the Opposition that this motion is urgent.

Dr Lawrence: By the senates?

Mr HASSELL: Not by the senates, in a formal sense. I will not tell the Minister the names of the people.



Dr Lawrence: I can guess.

Mr HASSELL: I would not tell the Government the names, even if we were to sit here all night and even if the Government were to move a motion calling upon me to do so. I will not tell the Minister the names because we on this side know full well how the Government deals with people who disagree with it. We know full well how many heads of departments in 1983 still hold their positions today, even though they are years from retirement.

I will tell the Minister one thing very clearly: If she thinks this motion does not reflect the overwhelming feeling in the institutions and in the broader community, she is wrong. If the Minister thinks this policy is adequate to deal with the Commonwealth, she is wrong. I will tell the Minister the only way in which to deal with the Commonwealth, because clearly she does not know. The Minister should tell Mr Dawkins that if he wants to withdraw funding from Murdoch, it will be on his head because the State Government under no circumstances will submit to his blackmail. The Minister should tell Mr Dawkins that if he wants to kick the students and lecturers out of Murdoch, he alone will pay the price of doing so. If the Minister does that, she will find that the quickest people in Australia to back off will be the members of the Commonwealth Government. They do not have the stomach or the courage to close down our institutions. Western Australia owns those universities; we created them under Acts of this Parliament; we regulate them and they are our property; they are our constitutional responsibility. I do not doubt that if the worst were to come to the very worst, the State Government could even fund one of them, if it had to.

Dr Lawrence: Why didn't you adopt that policy with WACAE?

Mr HASSELL: We are talking about the universities.

Mrs Beggs: You should put this speech to music.

Mr HASSELL: Will the Minister for Housing sing?

Mrs Beggs: My singing would be better than your talking.

Mr HASSELL: The Minister can sing and I will talk.

I think we should treat this matter seriously because the Government is putting on record the fact that it has failed as a policy maker.

Dr Lawrence interjected.

Mr HASSELL: The Minister should go on reading it.

Dr Lawrence: It is your speech.

Mr HASSELL: It has only just become so because the Minister has been part of it all the way through. The Minister is saying that they will decide whether they will amalgamate, but she knows full well that these institutions are being told to amalgamate by Mr Dawkins. He has the whip hand over them because he provides the funds. That is weakness, cowardliness and bad news for Western Australia. These institutions need to see some courage from the Minister for Education, and they are not seeing it.

MR COURT (Nedlands - Deputy Leader of the Opposition) [10.15 pm]: Tonight the Liberal Party and the National Party have made it very clear that they feel strongly about the moves that are afoot to force the University of Western Australia and Murdoch University to amalgamate. We have seen tonight that the Government is not showing the lead in this education issue. There were moves in 1975 to get rid of Murdoch University. The Government of the day - and we will not mention who the leader was at the time - came out straight away and defended Murdoch. That Government made sure Murdoch remained the independent institution it is today. That is the big difference. If one goes to Murdoch University and talks to the academic staff today, they will tell you that they are there because of the actions of a Liberal Government on two occasions.

The big difference is that unfortunately a Western Australian member of the Federal Government, as the Minister responsible, has applied pressure and said, "If you do not accept the direction of the changes we want, you will have your funds cut." Of course the staff members at Murdoch are concerned about their positions. They have a threat hanging over them of funding cuts and of course they are wondering whether they will continue to hold their jobs. The whole thrust of tonight's debate has seen the Liberal Party and the National

Party make their positions extremely clear. They are opposed to the amalgamation of these two institutions.

The University of Western Australia is in my electorate and although I have not served on its senate, I spent some good years there.

Dr Lawrence: Have they asked you to do any of this - to stand up here and tell Murdoch not to engage in any of the negotiations?

Mr COURT: The only discussion I have had with the University of Western Australia was a brief talk with the vice chancellor, who was prepared to bring us up to date with the general discussions that have taken place. That is not breaching any confidences.

Dr Lawrence: He told me he had done that.

Mr COURT: When did he tell the Minister he had done that?

Dr Lawrence: Today. He informed me that he had given you certain documents from the senate, as he properly might.

Mr COURT: It was at a morning tea, which the Minister for Health also attended.

I feel strongly about both the universities maintaining their independence. The University of Western Australia has a tremendous tradition and Murdoch, on the other side of the river, has been establishing its own character. It has gone through some very difficult years for a number of reasons but that is not to say that in the event of such difficulties one gives up and tries to make it amalgamate with UWA, as the Federal Minister says it ought. That would create a university of 14 000 or 15 000 people, but we all know that it is not the size of the university which is important, but rather the quality of the graduates who are turned out in the end. That is the most important aspect of this matter.

Mr Thomas interjected.

Mr COURT: That is not even relevant. If a university wanted to specialise in a very small area, so be it. It might be that the university desired to become a university of excellence in a certain area.

We have the situation now where the State Minister for Education privately says she does not like the idea of amalgamation but publicly, because of pressure from the centralist Federal Government in Canberra, she cannot come out and say she will give the leadership necessary to make sure that Murdoch University remains independent and becomes an even greater university.

Dr Lawrence: Has the member received indication that the universities requested that their discussions not be trammelled by the silliness taking place tonight? The situation will be worked out.

Mr COURT: What is there to work out? The Government should provide the leadership. How can the Minister sit there and say that we need consensus about the amalgamation of the universities? The Opposition says that the two great institutions should remain independent. The difference between the two sides is that the Opposition is not wishy-washy and does not have an answer somewhere in the middle.

Mr Thomas: Does the member think that the green paper raises important issues?

Mr COURT: Of course any discussion paper on tertiary institutions can raise issues. The Opposition wants those two universities to remain independent institutions.

Mr Thomas interjected.

Mr COURT: The member for Welshpool has been sucked in by Canberra saying, "We will bring a paper out and if you do not go along with it we will cut your funding." The fifth objective was to cut State powers over tertiary education, but the Government does not defend that.

I wonder what Sir Walter Murdoch would think about recent events. When was that university started? On the one hundredth anniversary of his birth?

Mr Mensaros: He was still alive when the university was founded.

Mr COURT: What would he think today? He would see his university disappearing. The

Government wishes to amalgamate the two universities but they should remain as independent institutions. It is sad that the Minister has not given a greater vision for Murdoch instead of saying that the Government might support the amalgamation. Someone on the Government side should get up and say that the necessary support will be provided to make Murdoch a greater institution; it should not disappear within some wishy-washy type of amalgamation.

**MR MENSAROS (Floreat) [10.23 pm]:** It is unusual for one who has seconded a motion to then speak on the amendment to delete certain words. The words foreshadowed to be substituted contain a unique power and if we were to accept that wording we would create history within the Commonwealth of Australia or within any Westminster system. We would be moving towards a dictatorship because it is stated that this House affirms the unique legislative power of the Government of Western Australia. Is that what the Labor Party wants? I wonder, Mr Acting Speaker, how you regard the words proposed to be inserted? I have never heard you, Mr Acting Speaker, complaining about our system of Parliament. We would make ourselves a laughing stock if the proposed words are inserted, but of course Government members will follow the leader. The amendment will be carried by the sheer weight of numbers because no-one on that side will think for himself, let alone be critical of the Government. All Government members will support more legislative power to the Government - not for this Parliament but for the Government. Members should read the amendment to the motion.

**Mr Read:** I am reading the paper.

**Mr MENSAROS:** The member is not interested in the amendment. He will vote on it but I suggest he read it and give due consideration before voting, otherwise he will follow the leader and vote on something which in our system has no meaning.

The member for Cottesloe could not speak on the deletion of words again so we will wait anxiously to see how the Government acts.

Amendment (deletion of words) put and a division taken with the following result -

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Ayes (24)			
Dr Alexander	Mr Cunningham	Dr Lawrence	Mr Thomas
Mrs Beggs	Mr Donovan	Mr Marlborough	Mr Troy
Mr Bertram	Mr Evans	Mr Pearce	Mrs Watkins
Mr Bridge	Mr Grill	Mr Read	Dr Watson
Mr Burket	Mrs Henderson	Mr D.L. Smith	Mr Wilson
Mr Carr	Mr Hodge	Mr Taylor	Mrs Buchanan ( <i>Teller</i> )
Noes (16)			
Mr Blaikie	Mr Cowan	Mr Lightfoot	Mr Stephens
Mr Cash	Mr Grayden	Mr MacKinnon	Mr Reg Tubby
Mr Clarko	Mr Hassell	Mr Mensaros	Mr Watt
Mr Court	Mr House	Mr Schell	Mr Maslen ( <i>Teller</i> )

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Pairs

Ayes	Noes
Mr Gordon Hill	Mr Thompson
Mr Parker	Mr Greig
Mr P.J. Smith	Mr Bradshaw
Mr Ripper	Mr Lewis
Mr Peter Dowding	Mr Crane
Mr Tom Jones	Mr Fred Tubby

Amendment thus passed.

**MR THOMAS (Welshpool) [10.31 pm]:** I move -

That the following words be substituted for the words deleted -

is aware that the University of Western Australia and Murdoch University are

evaluating the possibility of amalgamation, supports their autonomy and right to independent identity and decision-making, but affirms the unique legislative power of the Government of Western Australia to determine the form and structure of tertiary institutions so that they best serve the interests of the Western Australian community.

**MR HASSELL** (Cottesloe) [10.32 pm]: I join with the member for Floreat in questioning the wording of the amendment. We do not accept the amendment. It has been discussed at length. I cannot believe that the Government would want this House to pass a motion that affirms the unique legislative power of the Government of Western Australia. The motion is wrong. The legislative power resides in the Parliament, not in the Executive. An amendment that states that we are affirming the unique legislative power of the Government is unique because it does not exist here or anywhere else.

The Minister for Education is a student of the language and of meaning. I think she is a Doctor of Philosophy and therefore an academic.

Dr Lawrence: Albeit a very much insulted academic.

**Mr HASSELL**: I would not dream of insulting the Minister's academic skills; I am trying to get her to exercise them. I cannot believe she will vote for an amendment affirming the unique legislative power of the Government. The amendment is important because it places on record the Government's policies. I cannot believe that the Minister would vote for a motion that talks about the legislative power of the Government when what it actually means, I think, is the legislative power of the Parliament.

**Mr Cowan**: We can't have the Parliament interfering with the actions of the Government!

**Mr HASSELL**: No.

**Mr Thomas**: The Government initiates legislation. It is painfully obvious what is meant by the amendment.

**Mr HASSELL**: That is not what the amendment is about. It seeks to assert the legislative supremacy of the Government. The Government does not have that legislative supremacy. Legislation is sometimes thrown out in the upper House. That is why we have a bicameral system. The Government does not have legislative supremacy. If the Government supports this amendment it is showing its educational deficiency in a motion that is about education.

**MR COWAN** (Merredin - Leader of the National Party) [10.35 pm]: I think it would be appropriate if somebody from the Government acknowledged that there is an error in the amendment and that it needs to be amended. It does not change my attitude to this debate. The National Party believes that the Government is failing in its efforts to assert its constitutional responsibilities.

#### *Amendment on the Amendment*

I move -

To substitute the word "Government" for the word "Parliament".

**MR THOMAS** (Welshpool) [10.36 pm]: I second the amendment on the amendment. The intention in drafting the original amendment was to indicate that the Government is the party that has the majority in the Parliament. Technically, this amendment is correct.

Amendment on the amendment put and passed.

**MR MacKINNON** (Murdoch - Leader of the Opposition) [10.37 pm]: I remind members of this House what we are voting for. The amendment is a motherhood-type statement that says nothing. All it says is that the status quo in Western Australia exists and that the Government has the legislative power, through the Parliament, to determine the form and structure of tertiary institutions in this State. It says nothing about the fundamental issue which this debate has been about - that is, the forced amalgamation of Murdoch University and the University of Western Australia.

At least the Minister for Education was big enough to admit that that is what will happen. She admitted that pressure has been brought to bear by the Federal Government, and that, as a consequence, Murdoch University and UWA are being forced to amalgamate.

We will not oppose the amendment because it is a motherhood statement and who would

oppose motherhood? It demonstrates once again what we have said throughout this debate. The Government is not prepared to stand up and be counted. As the Leader of the National Party said, the Government is not prepared to defend Western Australia. The Premier and the Minister for Education have amply demonstrated that the Government is not prepared to bite the bullet on any of these issues. The Minister had 20 minutes to make her speech, used 17 of them, and still the House does not know where she stands on the graduates tax issue. We know where the member for Welshpool stands, but we do not know where the Minister stands.

Mr Pearce: We are not discussing the graduates tax.

Mr MacKINNON: The Minister said during her contribution that she would tell us where she stands on that issue. I give her that opportunity now.

Dr Lawrence: I will do it at the appropriate moment.

Mr MacKINNON: The appropriate moment has been coming for four weeks; it is a much delayed moment. It graphically demonstrates what I have been saying: This Government is a Government of indecision. It is a Clayton's Government, not prepared to address the key issues of the day. One of the key issues is whether we should stand by and allow the Federal Government to force amalgamation on these institutions. We believe the Government should not.

In supporting this amendment I want it to be clearly understood that the Opposition has not changed its views one iota. We will continue to defend the independence of Murdoch University against these unwelcome pressures from the Federal Government.

Amendment, as amended, put and passed.

*Motion - as Amended*

Motion, as amended, put and passed.

## WILDLIFE CONSERVATION AMENDMENT BILL

### *Second Reading*

MR GRAYDEN (South Perth) [10.40 pm]: I am sorry to introduce this legislation at such a late hour, but it is important. I move -

That the Bill be now read a second time.

Wildlife in Western Australia is threatened by a provision which remains in the Wildlife Conservation Act, 1972 even though the reason for which it was inserted in the Act has long since ceased to exist. I refer to the section in the Act which exempts 40 000-odd people in Western Australia from virtually all the provisions of the Act and thereby permits that huge number of people to take wildlife, even though it is protected by law.

An exemption provision for Aborigines was included in the colony's first Game Act in 1874 and remained in existence for the next 18 years. It was then dropped and 58 years elapsed before the provision was resurrected and included in the Fauna Protection Act of 1950. It has remained in the legislation ever since that year. Even in 1950 when the clause was resurrected the position of Aborigines in Western Australia was very different from what it is today. Only those who were unable to fend for themselves, such as the aged and infirm, received rations from the limited number of ration depots scattered around the State. The remainder received no social service benefits of any kind.

Today, all Aborigines in Western Australia are either in employment or are entitled to generous social service benefits, and the Minister for Aboriginal Affairs has stated that he is not aware of any Aborigines in this State subsisting entirely on available flora and fauna. Notwithstanding that, under the present wildlife Act all Aborigines in Western Australia are exempt from almost all the provisions of the Act. Few, if any, people would take exception to this provision if it were confined to Aborigines living in their tribal state and taking fauna for food purposes by traditional means. However, this is not the situation and the exemption is not confined to Aborigines living in such circumstances, nor is it confined to Aborigines. The fact that it is not confined to Aborigines arises from the wording of the relevant provision in, firstly, the Wildlife Conservation Act and, secondly, the definition of a person

of Aboriginal descent as defined in section 4 of the Aboriginal Affairs Planning Act, 1972.

The Wildlife Conservation Act does not confine exemption provisions to Aborigines or even persons who, racially, are predominantly Aboriginal. It specifically states that the term exemption applies to "Persons of Aboriginal descent" as that term is defined in section 4 of the Aboriginal Affairs Planning Authority Act, 1972.

The Aboriginal Affairs Planning Authority Act contains a very wide definition for a person of Aboriginal descent. Under that Act a person of Aboriginal descent means any person living in Western Australia wholly or partly descended from the original inhabitants of Australia and who claims to be an Aboriginal and is accepted as such in the community in which he lives. That definition is worded for sociological purposes. When it was inserted in that Act it was never intended that it would be embraced by another Government department as a definition of an Aborigine in legislation claimed for the express purpose of protecting the flora and fauna of this State. I do not know whether it was done by the department concerned for the purpose of expediency or simply because no thought was given to it, but it is an absurd definition in the context of wildlife legislation and there is no argument on this earth that can justify its retention.

The fact that the all embracing sociological wording is used means that anyone in Western Australia who has any trace of Aboriginal blood and is therefore partly descended from the original inhabitants of Australia can claim to be an Aboriginal and live as one irrespective of whether he or she is an Aboriginal. If people do, they are exempt from almost all the provisions of the Wildlife Conservation Act. They can take wildlife for food purposes even though the wildlife species is protected; they can take wildlife even if their particular racial link with Aborigines is almost non-existent.

Approximately 40 000 persons in Western Australia come within the ambit of the definition of "Aborigine" and all have the exemption to which I have referred. Many adults who are exempt in this way now have access to modern technology to aid them on their hunting forays and they use high powered firearms, four wheel drive vehicles, spot lights and two way radios. They hunt dugong and turtles with modern rifles and use aluminium dinghies which are fitted with outboard motors.

Many of the 40 000 persons in Western Australia who are exempt from the provisions of the Wildlife Conservation Act are not Aborigines by race. They are Aborigines only by virtue of a definition contrived largely for welfare purposes.

When the definition of a person of Aboriginal descent, which appeared in the current Aboriginal Planning Authority Act, was drafted it was with the intent of extending consultative and other services to, and for the economic, social and cultural advancement of, persons of Aboriginal descent in Western Australia. That is actually written into the preamble of the Act. The definition was framed with the specific object of bringing as many persons within the ambit of the Act as reasonable, bearing in mind that it was basically an Act introduced for the purpose of protecting and assisting persons of Aboriginal descent who required that protection and assistance.

The Michael Mansell's of this world - there are many of them - are not Aborigines. They can have fair hair, blue eyes and have two parts in 100 of Aboriginal blood to qualify as Aborigines under the definition to which I am referring. If Michael Mansell were to come to Western Australia he, as well as everyone else in his category, would qualify for the exemption provisions of our wildlife legislation. However, at the same time, we are exacting very heavy penalties from persons other than Aborigines who contravene the Act whether inadvertently or otherwise.

Recently, some Indonesian fisherman visited an island off the north west coast and collected birds and turtle eggs. They were arrested and their boat was subsequently confiscated. If the same birds which they took nested anywhere in Western Australia other than in a wildlife sanctuary, reserve, State forest or national park, anyone of the 40 000 persons who qualify for exemption under the Act could take them at will for precisely the same reasons the Indonesians took them; that is, for food purposes. Not only could they take them with impunity similar to the one occasion on which the Indonesian fisherman offended, but they could take the birds and their eggs every day of the year, year in and year out, if the birds and eggs were available. That is just one illustration of the absurdity of the situation.

Recently I watched a television documentary about Bathurst Island. Admittedly, Bathurst Island is off the coast of the Northern Territory. However, Aborigines there were hunting and killing rare fauna as a means of attracting tourists. The film depicted tourists accompanying island Aborigines on a bush foray, during which they hunted and sampled traditional Aboriginal foods. On one occasion they located a dead tree which showed signs of being occupied by a marsupial. They cut down the tree with an axe and dragged out a very large, stunned bandicoot from a hollow. They promptly knocked the bandicoot on the head and passed it around to the curious tourists. Later it was cooked and portions of it were sampled by the tourists.

Shortly after that incident the guides came upon a large python. Pythons, of course, are not venomous. This one had its head pounded with a stick and was put aside while other cooking took place. While this was in progress someone noticed that the battered python had recovered to the extent that it was able to attempt to slither away. It was immediately skewered with a stick behind the head. Wriggling furiously, it was held alive over the flames of the fire until, mercifully, its wriggling ceased. Persons in the Northern Territory are doing that sort of thing as a tourist gimmick. I would be interested to know why the Royal Society for the Prevention of Cruelty to Animals failed to take action in one way or another over that film, but that is another matter.

Similar happenings are taking place in Western Australia for tourist purposes. But that is only a drop in the ocean in comparison with the number of animals, birds, reptiles and amphibians which are regularly taken by the 40 000 persons in Western Australia who are specifically exempted from the provisions of the wildlife conservation legislation of Western Australia.

In its present form the exemption clause in our wildlife conservation legislation is archaic and it makes a farce of all the legislation and regulations which exist in this State for the purpose of protecting our wildlife. It nullifies many of the efforts being made to protect and conserve wildlife in this State. The fact that we accept it highlights the hypocrisy of our professed concern for conservation in its various forms.

Apart from this, the existence of the loophole has a stultifying effect on the enforcement of our wildlife legislation and regulations. Equally seriously, it demeans the Aboriginal people as a race. It is discriminatory as it makes special allowances for them as though they were an inferior race requiring special exemption from the laws of the State that are applicable to all other races. Nothing, of course, could be further from the truth.

This is the third Bill that I have introduced in an effort to minimise the effect of this loophole in our wildlife legislation. I would like to see the exemption provision removed altogether. I am sure that the great majority of responsible Aborigines in Western Australia would share that view. However, I have framed this Bill as something of a compromise in the hope that on this occasion it will be acceptable to the Government.

When I raised the matter during a debate last year, the then Premier, Mr Brian Burke, agreed with the argument that I put forward. He interjected and said, "We think you are perfectly right and will amend that law in the next session." That appears in *Hansard* of Thursday, 24 September 1987 on page 4261. I replied, to ensure it would be recorded in *Hansard*, "I am delighted to hear that and applaud the Government." Later I made a further reference to it. I said, "I am delighted that the Treasurer has taken that attitude." Later still in the speech I said, "For that reason I am absolutely delighted that the Treasurer has recognised this problem and given an undertaking that he will do something about introducing legislation to overcome it." At a later stage, after he had been spoken to by the Minister for Conservation and Land Management, the Premier interjected again and said, "It can be done by regulation." I challenged that at the time, but that is beside the point.

Mr Hodge: Not only can it be done, it has been done.

Mr GRAYDEN: We will see about that.

On 11 March of this year regulations indefinitely suspending the exemption provisions of section 23(1) in respect of rare and endangered fauna and flora other than the dugong were printed in the *Government Gazette*. That is what the Minister was referring to in his interjection. This is a welcome though belated step forward, but it does not go nearly far enough.

According to the 1985 annual report of the Department of Conservation and Land Management there are 1 113 species of fauna in Western Australia. All are protected, with the exception of dingoes and invertebrate fauna, other than jewel beetles and ants. That is the definition according to the department as it appears in that report. The 40 000 persons in Western Australia to whom I have referred will continue to be allowed to take all these species, other than the 106 species which have been gazetted as being rare and endangered. They are the ones to which the Minister referred.

Those 40 000-odd persons will continue to be permitted to take for food purposes 1 007 of the 1 113 species of protected fauna in Western Australia, plus dugong. Even though the dugong is gazetted as a rare and endangered species, those 40 000-odd people will be permitted to continue to take it for food purposes.

The gazetted list of rare and endangered species of fauna in Western Australia is a very incomplete and inadequate one. Many species of fauna which are rare, if not immediately endangered, do not appear on that list. The wild turkey or bustard, which will be familiar to everyone in the House, is one such species. The echidna is another, although it is a relatively rare animal in Western Australia. Many similar rare species could be mentioned. Nevertheless, the 40 000-odd people to whom I have referred will be permitted to continue to take these animals and the remainder of the 1 007 protected species, plus dugong, for food purposes even though it is on the list of rare and endangered species.

The Bill before the House differs quite substantially from others on the same subject which I have introduced in the past. The Bill does three things, which are relatively simple: First, it limits exemption from provisions of the Conservation and Wildlife Act 1950 to persons descended from the original inhabitants of Australia who are living in a tribal community and practising the traditional customs and beliefs of the community. Secondly, it excludes rare or endangered fauna or flora from that fauna or flora which may be taken by such persons for food purposes. The Minister has indicated that he has introduced regulations excluding rare and endangered species from those which are exempted. The Minister has definitely suspended it by regulation, but this Bill seeks to ensure that by statute there is no exemption for the 40 000 people, or anyone else, with regard to rare and endangered species. Thirdly, the Bill requires that the fauna or flora to be taken by such persons be taken with traditional implements, weapons, and food gathering and hunting practices other than the firing of tracts of land. I have specifically included the phrase "other than the firing of tracts of land" because otherwise it would allow for pastoral and other land to be fired by those taking the flora or fauna.

This Bill is a simple and logical one; it will correct a glaring anomaly in our wildlife conservation legislation and I commend it to the House.

Debate adjourned, on motion by Mr Hodge (Minister for Environment).

*House adjourned at 11.03 pm*

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## QUESTIONS ON NOTICE

### LAND

#### *Cheap Land - Metropolitan Area*

548. Mr LEWIS, to the Minister for Planning:

- (1) Is there currently an acute shortage of lower priced or first home owner housing land in the metropolitan area, specifically the northern corridor and the inner extremity of the south west corridor?
- (2) If there is, can he explain why?

Mr PEARCE replied:

(1)-(2)

The general situation is satisfactory. The Government's recent initiatives will overcome problems in some pockets where above average demand is reducing stocks.

### HOUSING

#### *Empty Housing Lots - Metropolitan Area*

550. Mr LEWIS, to the Minister for Planning:

What is the number of vacant fully serviced housing lots under three hectares within the metropolitan region as at 31 March 1988?

Mr PEARCE replied:

Presumably the question seeks the further information promised in my reply to question 257 of 25 May 1988.

As at 31 March 1988, there were approximately 23 200 single residential vacant lots - of less than 3 000 square metres - in the Perth metropolitan region. The information requested for vacant housing lots under three hectares is not available.

### STATESHIPS

#### *Freight Rates*

560. Mr CASH, to the Minister for Transport:

Referring him to his answer to question 230 of 1988 and the recently published summary of Stateships freight rates covering the Singapore and Indonesian service -

- (1) Can he explain how Stateships' rates are able to be kept at lower rates than those charged by its competitors on the same service?
- (2) Will he confirm that the service is being operated on a fully commercial basis in view of recent comments from shipping companies handling freight on the same route, who suggest that Stateships is attempting to gain business irrespective of the cost, to attempt to justify its entry into the market, and knowing that the taxpayer in Western Australia will be required to pick up any losses it may incur?

Mr PEARCE replied:

- (1) The ship and equipment at the disposal of Stateships and the trade route of the vessel are entirely different from the Conference and other lines which operate only between main ports. Where there is some minor duplication it is gratifying that Stateships is competitive and can offer additional advantages to Western Australian importers and exports. This is very good news indeed.
- (2) Yes, the service is being operated on a fully commercial basis.

**MAIN ROADS DEPARTMENT**  
*Northam Region Promotion Association - Tourism Signs*

562. Mr CASH, to the Minister for Transport:

- (1) Is he aware of a letter from the Northam Region Promotion Association to the Main Roads Department in Northam raising concern at the current location of a number of Main Roads Department approved signs in the Northam area and the need for additional signs in other parts of Northam to assist with the tourist promotion of this area?
- (2) If yes, what action has been taken to assist the Northam Region Promotion Association in respect of the matters in their correspondence?

Mr PEARCE replied:

- (1) Yes.
- (2) The suggestions are already under investigation and I will be replying to the association shortly.

**POLICE**  
*Complaints Against Police - Discipline Procedures*

565. Mr CASH, to the Minister for Police and Emergency Services:

- (1) Was a memorandum distributed within the Police Department indicating that it was intended to amend the discipline procedures in respect of members of the Public Service who are attached to the Police Department?
- (2) Is it intended that the case of alleged work-related misdemeanours by members of the Public Service attached to the Police Department will be investigated by the police internal investigations division, rather than by investigators attached to the Public Service Board, as required under the Public Service Act?
- (3) Will he outline any proposed changes to the conditions which apply to public servants under the Public Service Act who may now be attached to the Police Department.

Mr TAYLOR replied:

- (1) A memorandum was distributed which sought to clarify various aspects of existing departmental policy relating to letters of complaint against Police Department Public Service staff and non-Police Force personnel.
- (2) The Commissioner of Police is appointed as the Chief Executive Officer of the Police Department under part III of the Public Service Act 1978. As such he is empowered to undertake investigations under part IV of the Public Service Act for employees under that Act. He has the discretion to determine the appropriate means by which inquiries are undertaken, including the occasions when the Internal Investigations Branch may be utilised.

There is no requirement under the Public Service Act for investigations to be undertaken by officers of the Public Service Commission. However, the chief executive officer is required to inform the Public Service Commissioner of any action taken, and the Public Service Commissioner may make further inquiries and/or confirm, reverse or vary any action taken by the chief executive officer.

- (3) All conditions of service applicable to public servants under the Public Service Act are determined by the Public Service Commission. It is suggested the member direct this question to the Minister responsible for Public Sector Management.

**WESTRAIL**  
*Land Ownership and Tenure - Kalgoorlie Sites*

566. Mr CASH, to the Minister for Transport:

- (1) Did Westrail recently offer two sites in Wittenoom Street, Kalgoorlie and another site in Forrest Street, Kalgoorlie for lease?

- (2) What were the terms and conditions attaching to the lease?
- (3) What was the annual rental per square metre per annum?
- (4) What premium, if any, did the successful applicant make for the land?
- (5) Who were the successful applicants?

Mr PEARCE replied:

- (1) Yes.
- (2) Term - 21 years with longer periods for major developments.  
Conditions - payment of ongoing premium for each site at applicant's discretion.
- (3) \$2.50 per square metre per annum, reviewed two yearly to market level as indicated in publicly distributed guidelines.
- (4) This is considered to be confidential information between Westrail and its client.
- (5) Dick Brokenshire Associates was the successful applicant for all three sites.

**WESTRAIL**  
*Grain*

567. Mr CASH, to the Minister for Transport:

- (1) Does Westrail transport grain by rail from Qualeup to Broomehill and then southwards to Albany?
- (2) Is this the most economic route?
- (3) When does the Government intend to implement deregulation of grain transport throughout Western Australia?

Mr PEARCE replied:

- (1) Yes. In 1987 Westrail was awarded the tender for cartage of grain from Qualeup to Albany. The operation used comprises contract road haulage from Qualeup to the CBH rail siding at Broomehill, and transfer to rail for direct shipment to Albany.
- (2) Yes. Using this operation, Westrail was able to tender at a price which was lower than other tenders, and cover the full costs.
- (3) There has, as yet, been no decision to deregulate grain transport in Western Australia. The question is being addressed in conjunction with the other recommendations of the Royal Commission into Grain Storage, Handling and Transport and also through the Department of Transport's progressive reviews of the remaining regulated traffics. When the outcomes of these processes are known, the Government will be in a position to determine future grain transport policy.

**EXIM**  
*Business Migration*

588. Mr HASSELL, to the Deputy Premier:

- (1) Does Exim hold a business migration agent's licence?
- (2) If so, who are the nominated people within Exim?
- (3) Have they been approved by the Federal immigration department?
- (4) What are their qualifications for being so nominated?
- (5) If Exim has a business migration agent's licence, did it go through the usual procedures to get the licence?
- (6) What fees are charged by Exim to successful migrants and how do they compare with the fees charged by private enterprise?
- (7) Why does the Government believe Exim can do as good a job as private enterprise?

Mr PARKER replied:

- (1) Business migration agents under the Commonwealth Business Migration Program are not issued "licences". Agents are accredited to process applicants under the scheme. Exim is an accredited agent. Its accreditation was granted through the normal process.
- (2)-(5) Not applicable.
- (6) This type of information obviously is commercially confidential; and for that very reason Exim does not know what fees are being charged by other BMP agents.
- (7) Attracting business migrants is in the economic interest of the State. For this reason, the State Government is keen to ensure that Western Australia receives its share of the skills and capital entering Australia under BMP. Exim is the State Government agency appointed for this purpose. As well, many prospective business migrants, particularly those from South East Asia, prefer to deal with a Government-related organisation. The State Government also welcomes the efforts of private companies in attracting and processing business migrants to Western Australia.

As with some other recent Opposition questions, the tenor of these questions appears to be to discredit Exim publicly and so undermine its commercial activities. While there may be some doubtful political gain in doing this, the end result is deliberate damage to the State's interests. The people of Western Australia will again pay the price of the Opposition's desire to win government at any cost.

#### HYDROTHERAPY

##### *Hospitals*

598. Mr MacKINNON, to the Minister for Health:

- (1) Referring to question 2086 of 14 October 1987, has the Government plans to install hydrotherapy facilities at non-teaching hospitals in Western Australia?
- (2) If so when, and at what hospitals?

Mr WILSON replied:

- (1) Hydrotherapy pools are useful adjuncts to treatment but do not have a high priority. They will be installed where appropriate and when funds are available.
- (2) See (1).

#### PRIMARY EDUCATION

##### *West Lynwood Primary School - Educational Admission*

599. Mr MacKINNON, to the Minister for Education:

- (1) What is the current enrolment at the West Lynwood Primary School?
- (2) What is the projected enrolment at the school for the beginning of the school year in -
  - (a) 1989;
  - (b) 1990; and
  - (c) 1991?
- (3) What plans does the Government have to relieve the enrolment pressures at this school?
- (4) Where will the next primary school be built in Lynwood, or surrounding area?
- (5) When is it anticipated that school will be constructed?

Dr LAWRENCE replied:

- (1) 104 pre-primary and 716 primary students.

- (2) (a) 104 pre-primary and 743 primary students;
- (b) 104 pre-primary and 762 primary students; and
- (c) 104 pre-primary and 782 primary students.
- (3) Discussions between principals of the affected schools and Ministry personnel have been held. As a result, a series of options are being prepared for my consideration.
- (4) No new primary school is planned for the Lynwood area.
- (5) Not applicable.

**FOOD IRRADIATION**  
*Government Policy*

600. Mr MacKINNON, to the Minister for Health:

- (1) Referring to question 240 of 1988, has the Government now studied the report of the House of Representatives Standing Committee into the question of food irradiation?
- (2) If so, what policy will the Government be adopting with respect to food irradiation?

Mr WILSON replied:

- (1) No, as the report has not yet been made available.
- (2) Not applicable.

**HOMESWEST**  
*House Purchase - Applications*

601. Mr LEWIS, to the Minister for Housing:

How many applications for home purchase are pending approval on Homeswest's waiting list as at the 31 March 1988?

Mrs BEGGS replied:

In total, 11 476.

**HOMESWEST**  
*Rented Housing*

602. Mr LEWIS, to the Minister for Housing:

- (1) How many Homeswest rental tenancies were unoccupied - vacant - as at 30 May 1988 in the following suburbs -
  - (a) Parmelia;
  - (b) Orelia; and
  - (c) Medina?
- (2) What is the current total number of Homeswest rental tenancies of all types in the following suburbs -
  - (a) Parmelia;
  - (b) Orelia; and
  - (c) Medina?
- (3) What is the reason for the vacancies in each area?

Mrs BEGGS replied:

- (1) (a) 10;
- (b) 27; and
- (c) 12.

- (2) (a) 185;  
(b) 376; and  
(c) 458.
- (3) Properties are currently under maintenance or in the process of being allocated.

**LAND TITLES OFFICE**  
*Land Registration and Transfer*

603. Mr LEWIS, to the Minister for Lands:

How many transfers were registered under the Transfer of Land Act at the Lands Titles Office in the following financial years -

- (a) 1983-1984;
- (b) 1984-1985;
- (c) 1985-1986;
- (d) 1986-1987; and
- (e) 1987- 31 March 1988?

Mrs HENDERSON replied:

- (a) 60 216;
- (b) 70 458;
- (c) 62 770;
- (d) 65 578; and
- (e) 62 570.

**HOMESWEST**  
*Rented Housing - House Purchase*

604. Mr LEWIS, to the Minister for Housing:

How many Homeswest rental tenants purchased the homes they were occupying in the following financial years -

- (a) 1983-1984;
- (b) 1984-1985;
- (c) 1985-1986;
- (d) 1986-1987; and
- (e) 1987- 31 March 1988?

Mrs BEGGS replied:

- (a) 215;
- (b) 261;
- (c) 165;
- (d) 301; and
- (e) 237.

**TRAFFIC POLICE**  
*Pursuit Driving*

606. Mr CASH, to the Minister for Police and Emergency Services:

- (1) Will he advise if pursuit driving courses are available to members of the Traffic Branch?
- (2) What is the period of pursuit driver training given to newly appointed police officers to the Traffic Branch?
- (3) Is he aware if instructors and police participants consider the present course to be adequate?

Mr TAYLOR replied:

- (1) Completion of the standard car course enables police officers to drive under pursuit conditions.
- (2) Three weeks.
- (3) Yes.

**STATE HEALTH LABORATORY SERVICES**  
*Operating Costs*

608. Mr CASH, to the Minister for Health:

- (1) Referring to his answer to question 277 of 1988, does the Government have plans to recover more of the operating costs of the State Health Laboratories?
- (2) If yes, when will plans to effect these recoveries be introduced?
- (3) If no to (1), why not?

Mr WILSON replied:

- (1) No.
- (2) Not applicable.
- (3) The net operating costs principally represent services considered to be a State responsibility; that is -
  - (a) provision of pathology services to public patients in public hospitals;
  - (b) statutory requirements under the Health Act and the associated regulations; and
  - (c) forensic pathology and mortuary services.

**BOLD PARK**  
*Amphitheatres*

609. Mr CASH, to the Minister for Environment:

Referring to his answer to question 272 of 1988, what reasons were given by the EPA for not approving the amphitheatre development in Bold Park?

Mr HODGE replied:

The Environmental Protection Authority recommended against the proposal to protect the *Acacia xanthina* habitat in the area; it subsequently participated in detailed planning to minimise impacts and enhance restoration.

**ENVIRONMENTAL PROTECTION AUTHORITY**  
*Noise Control - Regulations*

610. Mr CASH, to the Minister for Environment:

- (1) Referring to his answer to question 280 of 1988, has the EPA been able to enforce the regulations of the Environmental Protection Act 1986 when noise emanating from abrasive blasting equipment has at any time exceeded the recommended limits?
- (2) If yes, can he provide details?
- (3) If no to (1), why not?
- (4) Referring to his answer to question 280 of 1988, can he list the regulations that operate differently under the Environmental Protection Act 1986 from those used under the Noise Abatement Act and Clean Air Act, and further explain why these regulations now operate differently?

Mr HODGE replied:

(1)-(3)

The Environmental Protection Authority has not had cause to enforce regulations controlling noise with respect to any abrasive blasting operation. In cases where such noise has been excessive, control has been achieved without recourse to enforcement of the regulations.

- (4) Noise Abatement (Neighbourhood Annoyance) Regulations and Clean Air (Determination of Air Impurities in Gases Discharged to the Atmosphere) Regulations. They operate differently in that they are used as a mechanism for establishing whether pollution has occurred, rather than addressing a specific offence as was the case with regulations under the old Clean Air Act and Noise Abatement Act.

**NATIONAL PARKS AND RESERVES**  
*D'Entrecasteaux National Park - Quarantine*

614. Mr THOMPSON, to the Minister for Conservation and Land Management:

- (1) What areas of D'Entrecasteaux National Park are likely to be placed under vehicle access quarantine as an interim measure while dieback assessment is carried out?
- (2) Have accurate dieback location maps been completed for the Lake Jasper area of the D'Entrecasteaux National Park?
- (3) Bearing in mind the road access principles stated at page 88 of the D'Entrecasteaux National Park management plan, when is it proposed that the following works will commence -
  - (a) upgrading access to Jasper Beach and Lake Jasper to two wheel drive standard;
  - (b) providing camping facilities at Lake Jasper; and
  - (c) providing boat launching facilities at Lake Jasper?
- (4) Bearing in mind the management objectives stated on page 103 of the management plan, what degree of separation will there be between camp sites for power boating enthusiasts and camp sites for visitors wishing a more tranquil environment?

Mr HODGE replied:

- (1) None at present. This provision has been placed in the plan in case a dieback infection is observed near existing tracks and where alternatives to quarantine are not available.
- (2) No. Dieback location mapping will be carried out before specific earthmoving activities are proposed.
- (3) Assuming that finance is available, it is expected that a start to these projects will be initiated within the next two to three years.
- (4) This is not yet finalised. The draft zoning plan for Lake Jasper indicates a likely camping site on the north west shore of the lake, three kilometres from the proposed power boat launching facility and 1.8 kilometres from the western end of the proposed water skiing zone. The need to separate these uses is recognised by the department and there may need to be restrictions on the times at which power boats use the lake. At present these activities occur on very few days per year.

**HOSPITALS, RURAL**  
*Surgery*

616. Mr COWAN, to the Minister for Health:

- (1) Have local doctors or visiting surgeons been advised that certain surgical procedures can no longer be carried out in country hospitals?
- (2) If yes, what surgical procedures are no longer available at country hospitals?
- (3) Why have country hospitals been prevented from carrying out the surgical procedures that have been carried out for years?

Mr WILSON replied:

- (1) Hospital boards have a legal duty of care to all patients attending their hospitals. The boards must ensure that all surgical procedures are performed



safely and efficiently. The range of surgical procedures performed will therefore be dependent on various factors which include -

- (i) the available nursing staff and their level of theatre training;
  - (ii) whether the ongoing surgical throughput of the hospital is sufficient to maintain nursing skills;
  - (iii) the training and experience of resident and visiting medical practitioners;
  - (iv) sufficient on site availability of visiting itinerant surgeons to supervise the post-operative recovery of patients; and
  - (v) the level of support services available; for example, laboratory facilities for blood cross match, etc.
- (2) Entirely dependent on items (1)(i)-(v) above.
- (3) See (1) above. It would be irresponsible to place patients at risk.

### BREAD ACT *Delivery Hours - Exemptions*

617. Mr COWAN, to the Minister for Labour:

- (1) Has he granted exemptions to any bakers from provisions of the Bread Act relating to delivery hours?
- (2) If yes, can he provide details of those exemptions?

Mr TROY replied:

- (1) Yes. An exemption has been granted for Tip Top Bakeries to transport bread and associated products from its Canning Vale factory to the Tip Top depot in Bunbury, Geraldton and Albany.
- (2) (a) The authorisation allows Tip Top Bakeries to commence deliveries from its Canning Vale premises -
- (i) to Bunbury, Craigie Street Bunbury depot - between 1.00 am and 4.00 am each Monday to Saturday, and between 1.00 am and 5.00 am each Sunday;
  - (ii) to Geraldton, Box Street Webberton depot - between 12.01 am and 4.00 am each Monday to Saturday; and between 12.01 am and 5.00 am each Sunday; and
  - (iii) to Albany, 36 South Coast Highway Albany depot - between 10.00 pm each Sunday, Monday, Tuesday, Wednesday, Thursday and Friday, and 4.00 am on each succeeding day; and between 10.00 pm on Saturdays and 5.00 am on succeeding Sundays;
- (b) the authorisation allows for the transfer of bread from Gladstone Street, South Perth - Noonans Bakery - to 35 Magnet Street, Canning Vale - Tip Top Bakeries - between 11.00 pm each Sunday, Monday, Tuesday, Wednesday, Thursday and 4.00 am each succeeding day;
- (c) the authorisation is issued subject to the following conditions -
- (i) the deliveries authorised shall be confined to the transportation of bread and associated products from and to the locations cited. No mid-route delivery or acceptance of delivery is permitted under this authorisation;
  - (ii) redistribution from the Bunbury, Geraldton and Albany locations cited above shall not commence before 6.30 am, 7.30 am and 6.30 am respectively on the days authorised; and
  - (iii) this authorisation may be amended or revoked at any time.

**MUCHEA TOWNSITE**  
*Mineral Sands Treatment Plant*

618. Mr COWAN, to the Minister for the Environment:

- (1) Has he received a submission from the Muchea residents group expressing opposition to the establishment of a mineral sands treatment plant within one kilometre of the Muchea townsite?
- (2) Has his department or the EPA looked at any alternative site?
- (3) What action does he intend to take in response to the submission by the Muchea residents group?

Mr HODGE replied:

- (1) The residents lodged a submission on the Environmental Review and Management Program - ERMP - for the first stage of the project, and have also submitted an appeal to me on the project.
- (2) The Environmental Protection Authority - EPA - has completed its assessment of the first stage of the project and has submitted its report to me, concluding that the project was environmentally acceptable.
- (3) The residents' submission on the ERMP for this project was considered by the EPA during its assessment of the first stage of the project, and I have yet to determine their appeal.

**INDUSTRIAL DEVELOPMENT**  
*Muchea Townsite - Heavy and Noxious Chemical Industries*

619. Mr COWAN, to the Minister for Economic Development and Trade:

Are there any plans to locate -

- (a) heavy industry; and
  - (b) noxious chemical industries
- in the vicinity of Muchea?

Mr PARKER replied:

- (a) The EPA has approved a proposal by  $\text{TiO}_2$  Corporation to establish a dry treatment plant near Muchea in connection with the Cooljarloo mineral sands project. The proposal was the subject of an ERMP issued earlier this year. The same company is investigating possible sites for the establishment of a synthetic rutile plant. This will be the subject of a public environmental report yet to be issued.
- (b) Neither proposal constitutes a noxious chemical industry.

**POLICE TRAINING**  
*Costs*

622. Mr COWAN, to the Minister for Police and Emergency Services:

- (1) What is the cost of training a police officer to basic constable level?
- (2) How long is that basic training course and are there plans to alter the length of that course?
- (3) What is the maximum number of police officers per year that can be trained to basic constable level at the Maylands training complex?
- (4) How many persons -
  - (a) were admitted for basic training;
  - (b) completed basic training;
 in the years 1986-87 and 1987-88?
- (5) What percentage of the officers referred to in (4)(b) are still in the Police Force?

Mr TAYLOR replied:

- (1) Approximately \$11 416.
- (2) Currently 20 weeks, subject to review according to demands.
- (3) Four hundred, which covers both replacement and additional police officers.
- (4)
  - (a) 1986-87 - 251;  
1987-88 - 198;
  - (b) 1986-87 - 249;  
1987-88 - 73;  
1987-88 - 123 still in training due to graduate on 22 July 1988.
- (5) 96.58 per cent.

#### POLICE

##### *Pay*

623. Mr COWAN, to the Minister for Police and Emergency Services:

What is the average annual cost of salary and oncosts per -

- (a) police officer; and
- (b) police aide?

Mr TAYLOR replied:

As there are 18 different ranks within the Police Force for police officers and three ranks for police aides, the member will need to be more specific as to which rank he is referring. Upon receipt of this advice, I will endeavour to answer the question more fully.

#### POLICE TRAINING

##### *Tactical Response Group*

625. Mr COWAN, to the Minister for Police and Emergency Services:

- (1) How many police officers are currently in the Tactical Response Group?
- (2) How many other officers are suitably trained to act in the Tactical Response Group?
- (3) What training do these officers undergo and at what average cost?

Mr TAYLOR replied:

- (1) Fifty.
- (2) Past members of the Tactical Response Group could be brought in to assist at lesser levels in any operation, but would require refresher training before being committed to specialist tasks. The refresher training required would vary with the individual.
- (3)
  - (a) Specialist training is conducted in the areas of firearm related violent incidents, seige/hostage anti-terrorist related incidents, violent crowd control, limited rescue services and general duties uniform policing with emphasis on immediate response capabilities;
  - (b) the average cost for training per member per annum is \$12 500.

#### POLICE

##### *Rural Police Stations - Incentives*

627. Mr COWAN, to the Minister for Police and Emergency Services:

- (1) Are there sufficient incentives for police officers to accept country postings?
- (2) If no, what steps is he proposing to take to remedy the situation?

Mr TAYLOR replied:

- (1)-(2) The number of police officers requesting transfer to country police stations indicates that there are sufficient incentives.

**POLICE**  
*Recruitment*

628. Mr COWAN, to the Minister for Police and Emergency Services:

- (1) In general terms, is the Police Force attracting the right sort of applicant and in sufficient numbers?
- (2) If no, what changes to recruitment strategies are under consideration?

Mr TAYLOR replied:

- (1)-(2) Yes.

**POLICE**  
*Operational Duties*

629. Mr COWAN, to the Minister for Police and Emergency Services:

How many police officers were on -

- (a) traffic related duties; and
- (b) non-traffic related duties

in each of the last five years, in the current year and what are the projections for 1988-89?

Mr TAYLOR replied:

- (a) Police officers involved in traffic related duties are as follows -

1983 - 585  
1984 - 581  
1985 - 583  
1986 - 590  
1987 - 610  
1988 - 618

- (b) Police officers involved in non-traffic related duties -

1983 - 2 202  
1984 - 2 317  
1985 - 2 438  
1986 - 2 696  
1987 - 2 639  
1988 - 2 632

The projections for 1988-89 are subject to the commissioner's deployment discretion, dependent on prevailing circumstances. All police officers in the Western Australia Police Force on operational duties are expected to enforce the Traffic Act and regulations if and when they arise.

**EDUCATION RESOURCES CENTRE**  
*Serpentine Road, Albany - Future Use*

630. Mr WATT, to the Minister for Education:

- (1) Is consideration being given to closing the Education Resource Centre in Serpentine Road, Albany?
- (2) If so, what are the reasons?
- (3) What future use of the building is being contemplated by the Government?
- (4) When will a decision be made?

Dr LAWRENCE replied:

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

**WATER POLLUTION***Princess Royal Harbour - Government Budgets*

631. Mr WATT, to the Minister for Environment

- (1) What amount of funds were allocated to the study of pollution problems in Princess Royal Harbour this year?
- (2) Were the allocated funds from a special Government grant to the Environmental Protection Authority, or were they taken partly or wholly from the EPA budget?
- (3) If the allocated funds came partly or wholly from the EPA budget, what other budgeted program was deferred?
- (4) If another program was deferred, what part of the environment is presently being neglected as a result?
- (5) If allocated funds from the EPA were used, but were not taken from another program, is the EPA overfunded?
- (6) Is it anticipated that the EPA budget will be underspent in this financial year, and if so, by what amount and what are the reasons?

Mr HODGE replied:

- (1) An amount of \$120 000 was allocated to the study of pollution problems within both Princess Royal Harbour and Oyster Harbour, Albany. Additional funds were allocated to identifying fertiliser and pollutant sources and flows into the harbour from the catchments. The Department of Agriculture has also been funded to examine management of fertiliser use in the Albany catchment. Details of these funds are not presently available but can be forwarded if the member wishes.
- (2) EPA funds were from its budget.
- (3) None. Government had previously identified the Albany harbours' pollution as one of the priority areas for attention, and had built this into its budget planning.
- (4)-(6) Not applicable.

**WATER SUPPLY***Peel Inlet-Harvey Estuary - Superphosphates*

636. Mr BRADSHAW, to the Minister for Agriculture:

- (1) Adverting to question 518 of 2 June 1988, have similar records been left for other types of superphosphates used for this area?
- (2) If so, what amounts have been used for the same period?

Mr GRILL replied:

- (1) Yes.

- (2) Tonnes of superphosphate

1983	14 000
1984	11 703
1985	9 549
1986	12 461
1987	13 385

**HOSPITALS***Boddington Hospital - Country Women's Association*

637. Mr BRADSHAW, to the Minister for Health:

- (1) Has he received a copy of a letter from the Darkan branch of the Country Women's Association with regard to the Boddington Hospital?

- (2) If so, are the allegations true?
- (3) If yes to (2), what does he intend to do to rectify the situation?

Mr WILSON replied:

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

### FIREARMS

#### *Fine Report*

639. Mr CASH, to the Minister for Police and Emergency Services:

- (1) Has he had an opportunity to study the recently published Fine report on firearms?
- (2) If yes, is it intended to support the recommendations of the report?
- (3) If not, why not?

Mr TAYLOR replied:

- (1) Yes.
- (2)-(3)

This report is of some interest if related to firearm laws at a national level, but has nothing to offer in the way of improvement to this State's gun laws, which are generally regarded as being the best in Australia.

### FIREARMS ACT

#### *Vintage Firearms*

640. Mr CASH, to the Minister for Police and Emergency Services:

Is it intended to amend the Firearms Act to provide for vintage firearms from our colonial past to be held by collectors without the need to license either the firearm or the collector?

Mr TAYLOR replied:

Vintage firearms can quite often be fired and therefore they can be just as lethal as other types of firearms presently licensed. It is essential that control be retained over their possession. Legislation under section 15 of the Firearms Act covers this type of firearm.

### FIREARMS ACT

#### *Fine Report - Amendments*

641. Mr CASH, to the Minister for Police and Emergency Services:

- (1) Is it intended to amend the Firearms Act in line with the conclusions of the Fine report which in broad terms recommended various changes to the current licensing procedures of both firearms and persons holding those firearms?
- (2) If so, when will these amendments be brought forward to the Parliament?

Mr TAYLOR replied:

- (1)-(2)

No amendments are to be proposed as a result of the recommendations contained in the Fine report.

### COAL PRICES

643. Mr COURT, to the Minister for Economic Development and Trade:

- (1) Further to question 499 of 1988, have coal prices been able to rise or fall as a result of the "automatic" price adjustment mechanisms under the agreed indexation formula over the years 1980-1988?
- (2) What coal production levels are required to give rise to a lowering of coal prices?

Mr PARKER replied:

- (1) Yes.
- (2) Increases in coal purchases under existing contracts above a total level of approximately 3.2 million tonnes per annum will give rise to a lowering of coal prices.

**PASTORAL LEASES**  
*Emanuel - Aboriginal Lands Trust*

647. Mr COURT, to the Minister for Lands:

- (1) Has the Government approved the transfer of some of the former Emanuel pastoral leases from Exim to an Aboriginal organisation?
- (2) If yes, when did this occur?
- (3) What is the name of the Aboriginal organisation?

Mrs HENDERSON replied:

- (1) No. However, three reserves have been excised from Gogo Station for the "Use and Benefit of Aboriginal Inhabitants". These are Reserves 40570, 40569 and 40568 being Yurabi Location 38, 39 and 40 respectively.
- (2) 27 May 1988.
- (3) Aboriginal Lands Trust.

**LAND ACQUISITION**  
*Louisa Station - Aboriginal Affairs*

648. Mr COURT, to the Minister assisting the Minister for Economic Development and Trade:

- (1) Has the Government given a first option to an Aboriginal organisation for the purchase of the remainder of the Louisa Station?
- (2) If yes, what are the terms of this option?
- (3) What is the name of the Aboriginal organisation with this option?

Mr GRILL replied:

- (1) Yes.
- (2) The Western Australian Government will give the right of first refusal on the purchase at a commercial rate.
- (3) The Department of Aboriginal Affairs.

**PASTORAL LEASES**  
*Emanuel - Aborigines*

649. Mr COURT, to the Minister for Economic Development and Trade:

- (1) What parts of the Emanuel pastoral properties have been given to the Aboriginal people as specified in the Government's agreement with the Federal Government?
- (2) In whose name are these properties currently vested?
- (3) Were these properties handed over as viable pastoral concerns?
- (4) Were the properties "clean" as required under the BTEC programme?

Mr PARKER replied:

- (1) None.
- (2)-(4) Not applicable.

## DAMS

*Ord River Dam - Hydropowered Generators*

651. Mr COURT, to the Minister for Economic Development and Trade:

What are the maximum size hydropowered generators that can be installed at the Ord River dam?

Mr PARKER replied:

The dam was designed to accommodate two 20MW turbines. With minor modification two 30MW units could be installed.

## URANIUM EXPORTS

*Western Australia*

657. Mr COURT, to the Minister for Economic Development and Trade:

Will Western Australia become a uranium exporter within the next two years?

Mr PARKER replied:

Until the Commonwealth Government announces any change to current policy, it is not possible for the Western Australian Government to make any prediction about the future of uranium mining and exports. It should also be borne in mind that even with any change to current policy it will take a reasonable time to negotiate sales contracts, arrange financing and develop mining and associated transport facilities.

## TAILINGS TREATMENT (KALGOORLIE) AGREEMENT BILL

*Kaltails Project - Capital Costs*

659. Mr COURT, to the Minister for Economic Development and Trade:

- (1) In relation to the Kaltails project, which is to be the subject of the Tailings Treatment (Kalgoorlie) Agreement Bill 1988, what is the capital requirement for the project now that it has escalated considerably?
- (2) Will the Kaltails project be delayed for several months?
- (3) If yes, what will the additional cost be in the construction of this plant?

Mr PARKER replied:

- (1) If the Tailings Treatment (Kalgoorlie) Agreement Bill 1988 is passed before Parliament rises on 23 June, the capital cost for the project is estimated to be \$37 million.
- (2) The joint venturers have completed all preparatory work required before commencing construction. They would therefore be able to proceed almost immediately upon the passage of this Bill through the Parliament. Should the Bill be delayed by several months the joint venturers will therefore experience a considerable delay.
- (3) In recent months, the capital costs for this project have been escalating at approximately \$600 000 per month. If the passage of the Bill is delayed it is anticipated that capital cost escalation of this magnitude will continue.

## LOTTERIES

*Permits*

661. Mr MacKINNON, to the Minister for Racing and Gaming:

With respect to the recent gazetted changes to the fee scale for lottery permits, would the Minister give the -

- (a) previous cost and conditions of obtaining a permit to conduct a lottery;
- (b) new fee scale and accompanying conditions for conducting a lottery; and
- (c) reasons behind this change of policy?



Mrs BEGGS replied:

The member is referred to the answer to question 574 of 14 June 1988.

# WASTE DISPOSAL

## *Chemical Waste Dump - Orange Grove*

662. Mr MacKINNON, to the Minister for Environment:

- (1) Is he aware of the article which appeared in the *Daily News* of 26 May which indicated that "A chemical waste dump at Orange Grove could be a serious health and environmental risk"?
- (2) Has his department examined this claim?
- (3) If so, what was the result of that examination?

Mr HODGE replied:

The situation has not changed since yesterday when I answered the same question.

# ANIMAL DISEASES

## *Live Viruses*

673. Mr BLAIKIE, to the Minister for Agriculture:

Has his department used live viruses in experimentation of stock diseases and afflictions in the last five years, and would he provide details?

Mr GRILL replied:

Yes, the following have been undertaken -

- (i) Caprine arthritis-encephalitis (CAE) viruses have been inoculated into sheep and goats to study this disease.
- (ii) Mucosal disease virus (cattle) was inoculated into sheep to develop improved diagnostic tests.
- (iii) Viruses isolated from wild birds have been inoculated into chickens to test virulence.
- (iv) Infectious bursal disease virus (poultry) was inoculated into poultry to prepare material for diagnostic tests.
- (v) Infectious bronchitis virus (poultry) was inoculated into poultry to test vaccine effectiveness.

# ANIMAL DISEASES

## *Johne's Disease*

675. Mr BLAIKIE, to the Minister for Agriculture:

- (1) What has been the occurrence of Johne's disease in Western Australia?
- (2) Has each suspected outbreak been positively proven, and if not, would he give details?
- (3) What is the quarantine and testing procedure used to determine Johne's disease?

Mr GRILL replied:

- (1) Four outbreaks since 1982. Prior to that time - before 1970 - two single cases were reported.
- (2) Since 1982, three cases have been confirmed by bacteriological culture. The fourth case was confirmed by histological sections.
- (3) Johne's disease is diagnosed using clinical and post-mortem signs, examination of stained histological sections and bacterial culture of the affected tissues in special media over a period of several months. Serological testing - blood sample - can be used to give some indication of the extent of the disease, however, serological tests are not sufficiently accurate to be used

reliably in individual animals. During any period of suspicion, whilst tests are being completed, the animals and those in contact remain in quarantine.

**ARGENTINE ANTS**  
*Organochlorine Spraying*

676. Mr COWAN, to the Minister for Agriculture:

- (1) Has organochlorine spraying for Argentine ants resulted in loss of earnings for Western Australian farmers?
- (2) If yes -
  - (a) what size was the area sprayed;
  - (b) where was the area sprayed;
  - (c) who sprayed the area;
  - (d) when was the area sprayed;
  - (e) how many farmers were affected;
  - (f) what crops were affected;
  - (g) were farmers compensated for loss of income; and
  - (h) if yes to (g), what was the total sum paid to farmers?

Mr GRILL replied:

(1)-(2)

Between 1970 and 1985 a total of 66 rural properties were treated for Argentine ants in Western Australia. The total area sprayed is estimated at 2 093 hectares. These properties are located as follows -

Albany/Denmark/Plantagenet	27
Augusta/Margaret River	9
Busselton	1
Esperance	1
Manjimup	1
Nannup	1
Armadale	2
Gosnells	3
Stirling	5
Swan	2
Wanneroo	14

Of these, 23 are beef producers, with an estimated 584 hectares of sprayed areas. These properties are mainly located at Albany, Augusta, Busselton, Nannup and Wanneroo.

From 1970 to 1972, dieldrin was used for Argentine ant control. From 1972 to 1985, heptachlor was used. Heptachlor has not been used on pastured properties since 1985. All spraying operations were carried out by the Argentine ant operators of the Department of Agriculture.

The policy of the department is to provide whatever technical and managerial assistance is required to solve the residue problem. This has included fencing, pasture reseedling, ploughing, dam sinking, etc. Affected cattle have been agisted or purchased under the cattle buy-back scheme. To date, \$27 000 has been spent to rehabilitate properties.

**TERTIARY EDUCATION**  
*Federal Green Paper - State Government Policy*

677. Mr COWAN, to the Minister for Education:

- (1) Does the State Government have a policy on that part of the Commonwealth's green paper on higher education that proposes a lesser role for State Governments in influencing higher education policy?
- (2) If yes, what is it?

Dr LAWRENCE replied:

- (1) It is not clear to me what part of the green paper on higher education the member is referring to in his question. In my reading of section 7-1 of the green paper, on Commonwealth-State responsibilities, I find no proposal for a diminution of the role of State Governments in influencing higher education policy.

On the contrary, section 7-1 proposes the establishment of formal advisory and consultative mechanisms between the States and the Commonwealth, such as have not previously existed: Joint planning committees would be set up for each State or Territory, responsible jointly to the relevant State and Commonwealth Ministers; the Commonwealth-State consultative committee, to be established by the Commonwealth Government, would make available to the Commonwealth the collective view of the States.

The State would never accept a lesser role in influencing higher education policy, being fully cognisant of the power conferred by its unique legislative authority over higher education.

- (2) Not applicable.

#### GRADUATE TAX *Government Policy*

678. Mr COWAN, to the Minister for Education:

- (1) Does the State Government yet have a policy on the proposed graduate tax?
- (2) (a) If yes, what is it; and  
(b) if no, why not?

Dr LAWRENCE replied:

- (1) Cabinet has the matter under active consideration.
- (2) The tax debit scheme recommended by the Wran committee raises some highly complex issues; it requires careful evaluation and consultation with the groups involved. Responses to the scheme have been sought from student unions and associations in Western Australia. The State Government will determine its policy when it has completed its examination of the range of views on this important matter.

#### URANIUM MINING *Federal Government Policy - Costs*

679. Mr COWAN, to the Minister for Economic Development and Trade:

Is he able to advise the cost to the State of Western Australia of the Commonwealth Government's current policy on uranium mining?

Mr PARKER replied:

In the absence of detailed mining plans and sales contracts, it is not possible to estimate with any accuracy the cost of the current uranium policy.

#### QUESTIONS WITHOUT NOTICE

#### TEACHERS CREDIT SOCIETY *Newspaper Article - Scapegoat*

90. Mr READ, to the Premier:

- (1) Is he aware of the report in today's *The West Australian* quoting the Deputy Leader of the Opposition as claiming the Government is "looking for a scapegoat" for the failure of Teachers Credit Society?
- (2) Can he comment on the accuracy of that claim?

Mr PETER DOWDING replied:

(1)-(2)

I am amazed that the Deputy Leader of the Opposition should have the extraordinary temerity to claim that somehow or other people are being singled out to be made scapegoats. Let us remember that he is the Deputy Leader of the parliamentary Liberal Party which endorsed a statement in the Parliament that two people were guilty of criminal offences before a trial was completed. It is difficult to understand how the Deputy Leader of the Opposition can have any credibility on this issue.

What was said last night in the course of a debate in which the Leader of the Opposition endlessly interjected was that the people responsible for the management of Teachers Credit Society are the same kind of people who are responsible for managing any other business. The people who are responsible for Teachers Credit Society are subject to an inquiry and that is where the matter properly lies. If, as a result of the inquiries, the registrar believes other people should be examined, so be it.

It is not correct to say that I have singled out any individual and said that the person bears the responsibility for the collapse of TCS; nor have I said that anybody who is appearing before the inquiry should be singled out and lumbered with that responsibility.

What I have said repeatedly is that when a business fails the question of who is responsible for that failure will emerge and that the R & I Bank, as the organisation which has taken over that responsibility for sorting out the liabilities of TCS, may well have the option of taking some form of civil action to recover damages if it sees fit. I do not want to preempt the taking of that action by the R & I Bank, but it simply stands to reason that where there is a major commercial failure one can reasonably think that some form of litigation will occur when the issue is sorted out.

I cannot understand how the Deputy Leader of the Opposition could misrepresent what I said in Parliament last night to suggest that I am looking for a scapegoat. I do not want anything to occur in relation to TCS except for the R & I Bank to pursue, on behalf of the community generally, the course of action that will best result in the commercial problems of the TCS being sorted out; and if there is civil liability, that should be sorted out also.

An extraordinary suggestion emerged in the Press that some sort of criminal action may emerge from it. I do not know about that and I certainly have not asked anyone to investigate whether there is any criminal liability. That is for the registrar and the R & I Bank to decide when they have completed their investigation.

What should be understood by members in this Chamber is that the Opposition knows that the proper procedures have been carried through, not by me, not by any Ministers on the front bench and not by politicians, but by the people who should be carrying it through and in whom we can have the greatest sense of their integrity.

#### STATE ENERGY COMMISSION

##### *Power Poles - Decontamination*

91. Mr STEPHENS, to the Minister for Economic Development and Trade:

With respect to pesticide contamination caused by the treatment of State Energy Commission power poles -

- (1) Has the SEC undertaken, as a matter of urgency, to decontaminate all poles in affected areas?
- (2) If not, why not?
- (3) What is its policy?

Mr PARKER replied:

(1) No. Such an approach is not practical. The SEC is devoting the resources available to decontaminating poles in quarantined properties or those where wallow pits are present around poles.

(2)-(3)

I understand my colleague, the Minister for Agriculture, will be releasing further details very shortly.

**STATE GOVERNMENT REVENUE**  
*Taxes and Charges - New South Wales*

92. Mr RIPPER, to the Premier:

(1) Would the Premier advise members of the details of the increases in rates and charges announced recently by the new Premier of New South Wales?

(2) Would the Premier comment on any implications of this announcement for the future course of rates and charges in Western Australia.

Mr PETER DOWDING replied:

(1)-(2)

It is a very important question because it gives me the opportunity to remind the community of Western Australia of how much they can trust the sort of promises that emerge from the Liberal Party. In the case of New South Wales the following are the more notable increases implemented by Mr Greiner, who had campaigned on the very opposite policy. The increase in public transport fares was 12.5 per cent.

An Opposition member: What was the increase in Western Australia in 1983 when you guys took over?

Mr PETER DOWDING: Does the Opposition know what happened in 1983? This Government was left with a \$12 million deficit and it did not break any promises, but the Opposition would not know about that.

Mr Greiner has also increased the cost for public patients in public hospitals by 15 per cent.

By the way, what was the inflation rate that the previous Government left this Government? It certainly was not between the five and six per cent which we have now. It was nearly double that.

*Point of Order*

Mr MENSAROS: Mr Speaker, I would be obliged if you were to examine whether the question and answer belong to the portfolio of the Premier. Reference has been made to the Premier of New South Wales and I do not know to what extent it relates to the Premier of Western Australia.

The SPEAKER: I listened carefully to the question to determine whether it was in order. While matters relating to New South Wales may not be considered to come under this Premier's portfolio, nonetheless the second part of the question which asks the Premier to outline how these taxes and charges might impact on Western Australia certainly does involve the Premier of Western Australia.

*Questions without Notice Resumed*

Mr PETER DOWDING: In New South Wales there has been a 50 per cent increase in fines for parking offences, a 9.8 per cent increase in bulk electricity tariffs and the introduction of a \$100 administrative charge for TAFE students. I remind the Opposition that these increases have been in the face of four election promises. First, to keep such increases below the inflation rate.

Mr Blaikie: Hear, hear!

Mr Pearce: They did not do it.

Mr PETER DOWDING: I hope Hansard recorded the laughter then. Secondly, it involves the breaking of a further promise to increase capital works spending, which is now to be cut by 10 per cent. It imposes a massive transfer of Government imposts from the well off to the battling families of Sydney's western suburbs; and it foreshadows tax cuts for prosperous businesses and families. In New South Wales it has been labelled the North Shore Government and in this State the equivalent name would probably be the Nedlands or Claremont Government.

I contrast that with the performance in Western Australia: Four successive years of real reductions; five successive years of Budget surplus; a freeze this year on domestic rates and charges; the abolition of the motor vehicle third party insurance surcharge; and, for the first time since the Factories and Shops Act was instituted many years ago, the complete abolition of all charges relating to registration of businesses and machinery. I know that some editorials have grudgingly stated that that is not a bad effort, but it is the first time in the history of Western Australia that a Government has been prepared to grapple with an issue such as that and with one sweep do away with the red tape.

Members opposite may like to remember one other statistic: During the last three years in which the Liberal Party was in power in this State, rates and charges increased at the rate of 20.7 per cent per annum, almost double the rate of inflation. The members for Cottesloe and Floreat, and the temporary Leader of the Opposition were all sitting around the Cabinet table making those decisions. As a result of the energy and vision that Ministers of the Government since 1983 have brought to Western Australia, Government revenues from these areas of activity have increased fivefold and the impost on the average, ordinary man in the street has significantly reduced.

#### TEACHERS CREDIT SOCIETY

##### *Select Committee - Inquiry*

93. Mr COURT, to the Premier:

- (1) Does the Premier recall stating on the *Sattler File* on Radio 6PR on 1 June 1988, when discussing the Teachers Credit Society, that -

There is an inquiry which we're running about who's responsible for the failure and there is a litigation which will be taken when the responsibility is sheeted home.

- (2) Will the registrar's current examination of the Teachers Credit Society taking place at the Supreme Court be aborted now that the Premier has said both inside and outside the House, prejudging the case, that litigation will ensue and those responsible for the collapse will be identified?
- (3) Will the Premier now support a Select Committee of this Parliament to inquire into the collapse of the Teachers Credit Society?

Mr PETER DOWDING replied:

(1)-(3)

The Opposition is not satisfied with the proper authorities conducting inquiries, it wants politicians to conduct inquiries. When I studied legal history I learnt that in the United Kingdom they called that the Star Chamber approach. I have said that this inquiry will produce information on which the people responsible for taking action can decide.

Mr MacKinnon: You said that litigation will ensue.

Mr PETER DOWDING: They will take what action they think appropriate.

Mr MacKinnon: You said "litigation".

Mr PETER DOWDING: What is litigation?

The SPEAKER: Order! The Leader of the Opposition will cease interjecting.

Mr MacKinnon: You are prejudging those people.

The SPEAKER: Order! When I said that the Leader of the Opposition should cease interjecting, I meant it.

Mr PETER DOWDING: I said that the results of the inquiry will be used by the responsible people.

Mr Court: The inquiry has become a farce.

The SPEAKER: Order! The Deputy Leader of the Opposition will cease interjecting.

Mr PETER DOWDING: I find that extraordinary. An inquiry is under way that will produce some information. I do not know what the information is, but I am sure it will be of assistance to the R & I Bank. I have never said anyone would be charged; I have never said there will be criminal prosecutions or that civil action will be taken against one person or another.

Mr Court: You said that "there is a litigation which will be taken when the responsibility is sheeted home".

Mr PETER DOWDING: What does that mean?

Mr Court: It means that you are saying someone is guilty.

Mr PETER DOWDING: I am not saying that and let us get to the point.

Several members interjected.

The SPEAKER: Order! I consider this to be a question and answer time; it is not a time when members on either side of the House can harass people asking or answering questions. I am sick and tired of approaches by people who say that insufficient time is allowed for question time, particularly when incessant interjections are made as a result of which answers take three or four times longer than they would normally take. I am reluctant to call question time to an end and do not propose to do so at this stage, but if members ignore responsible requests, I will do that.

Mr PETER DOWDING: What is the point of holding an inquiry into the failure of the Teachers Credit Society if it is not to produce for the registrar and the R & I Bank information about whether an individual or a number of individuals have some responsibility? The Liberal Party has become used to inquiries having no purpose at all except to raise political smokescreens, and those are the only inquiries it understands. This is a legitimate and proper inquiry which I hope will produce results. I do not know what the results will be but I am certain the registrar will ensure that the inquiry produces the information he needs. I am also certain that we can trust the R & I Bank to ensure that its inquiries and its examination of whatever emerges will enable it to pursue the actions which are lawfully and properly pursued.

Unlike members opposite, I do not prejudice anyone. The Opposition has prejudged two people and has named them in this Chamber. The Opposition, not I, asked for the names of the people the registrar intended to call before the inquiry. If any identification has been made of the people who will be the subject of questioning, the Opposition is responsible for that. I make it absolutely clear that I do not prejudice the outcome of that inquiry or that litigation in which the R & I Bank or the registrar may wish to engage. But, as sure as eggs are eggs, I will not inhibit them in taking whatever action they, as responsible servants of the community, wish to take.

#### AEROSOL PROPELLANTS *Liberal Party - Legislation*

94. Mr THOMAS, to the Minister for Environment:

- (1) Is the Minister aware that the Opposition intends to introduce draconian new legislation into Parliament to make it a serious offence for members of the public to use spray cans?

- (2) Can the Minister confirm that the Opposition-sponsored legislation will provide for very heavy fines and even long gaol sentences for the use of deodorants, hair sprays, etc., which contain CFC propellants?

Mr HODGE replied:

- (1) Yes, I am aware that the Liberal Party intends to introduce such legislation and I believe we may expect it to be presented in the Parliament tomorrow.
- (2) Very strong rumours have reached my ears about the nature of the penalties the Liberal Party is writing into the draft legislation. I have been told that it is modelled to some degree on the Tasmanian legislation and, therefore, I looked at that legislation. Members will be interested to know that the maximum penalties in the Tasmanian legislation are \$100 000.

Mr Pearce: What is the fine for using a machine gun?

Mr HODGE: There are many rumours around the House and around politics in general about what is in the Liberal Party legislation. I am told there are three different groups of penalties in it. The first is that any person who discharges chlorofluorocarbons into the atmosphere commits an offence, and the penalty for that is \$100 000 plus five years' imprisonment. Secondly, the penalty for any person selling or buying chlorofluorocarbons will be \$250 000 and 20 years' imprisonment. I am told that any person using a refrigerator, air conditioner, fire extinguisher or inhalant for asthmatics containing chlorofluorocarbons commits an offence with a \$500 000 fine and 50 years' imprisonment.

Mr Pearce: If the Leader of the Opposition gets his way it will be capital punishment.

Mr HODGE: This puts a new emphasis on the Leader of the Opposition's call for the reinstatement of capital punishment.

Mr Watt: You admitted at the start of your answer that this was a rumour.

Mr HODGE: I believe the Liberal Party could toughen it up a little more so that on top of the \$500 000 fine and the 50 year imprisonment sentence, at the end of that period the person could be hanged.

The legislation on the use of chlorofluorocarbons which the Liberal Party is intending to introduce is totally unnecessary because people who have been in the House today would have noted that I have already tabled regulations under the Environmental Protection Act to control the use of chlorofluorocarbons in aerosol spray cans in a sensible and responsible way and in a way that will complement what the Federal Government is doing. I have to admit that the maximum penalty for breach of our regulations is a measly \$200. I would have strengthened that penalty, but the section of the Environmental Protection Act that I had intended to use, which provided for a maximum penalty of \$5 000, was deleted by the Liberal Party in the Legislative Council, despite our protests. Nevertheless, I am reasonably happy with our regulations. I believe the maximum penalty of \$200 is a reasonable penalty to apply for a new set of regulations. If we find that amount is not a sufficient deterrent, I give an undertaking we will proceed to review the Act to ensure that a higher penalty is introduced.

## UNIVERSITIES

### *Mergers*

95. Mr COWAN, to the Minister for Education:

I refer to the Minister's answer given to question 677, which was asked on notice today, regarding higher education. The Minister claims in that answer that the State would never accept a lesser role in influencing higher education policy, being fully cognisant of the power conferred by its unique legislative authority over higher education. In light of that claim, I ask -

- (1) Has she approved the proposed merger of the University of Western Australia and Murdoch University, or whether the Government and the



Minister for Education had any involvement in that decision to merge?

- (2) Will she acknowledge that Murdoch University has issued a statement which would indicate some need for the State Government to approve and promote the proposed merger?

Dr LAWRENCE replied:

(1)-(2)

This question is timely, given that we will be debating the issue this evening. As the member will know, the proposal to merge was initiated by the University of Western Australia in January this year. It approached Murdoch University, as is its right as an autonomous institution. The universities informed the public generally in March of their intention to negotiate or to examine the possibility of a merger. Each of the institutions has set up a working party to look at whether it is in its mutual interests to merge. They have had extensive discussions with their staff, and most recently with their Senate, and all that has been decided to this date is that both Senates will continue to examine the possibility of amalgamation.

Mr Cowan: Where does the State Government sit in relation to this unique legislative power?

Dr LAWRENCE: Universities are established under State legislation, which means that any repeal of that legislation is a matter for this Parliament, and any amalgamation is a matter for this Parliament. As the Minister responsible I have been kept informed of those negotiations. There have been other discussions at various times between other institutions. It is clear that the power to amalgamate, to set up a new Statute, or to rescind existing Statutes, rests with this Parliament, and the appropriate place for the final debate is in this House.

At this time we have not given approval or disapproval to the discussions that are taking place. We have indicated in our own response to the green paper - which I intend to table at a later stage - that we do not agree that size is in itself a virtue, and that in any rearrangement, either of programs, courses or institutional arrangements, we would need to be convinced that it was in the best interests of the State, from the point of view of student needs, economic development and social resources. So there is no question of my having endorsed the proposal, which at this stage is to continue to examine the feasibility of a merger. If at the appropriate time the arrangement seems to us to be not in the State's best interests, and if it is to the benefit of Murdoch to stand alone, and if that is what they want, they will receive from us the appropriate support, and no doubt from members opposite as well.

SIMPSON, MR KEITH

*Awards Nomination*

96. Mr BERTRAM, to the Leader of the House:

Bearing in mind the editorial in tonight's *Daily News*, headed "Right way to self destruct", and further to his most informative answer to question on notice 84 relating to the Liberal Party President, Mr Keith Simpson, will he state the developments which appear to have occurred last night in Parliament House?

Mr PEARCE replied:

I did indicate to the House yesterday, when saying that we were not proposing to nominate Mr Simpson for an award, that it would be more appropriate if members of the Liberal Party could be made to do that. I understand my hint was taken within hours of it being issued, and that a meeting was held in this House last night, which was attended by - among others - Mr Viner, a former Federal Minister, who has had some experience in campaigning against his leaders, particularly in the Federal Parliament, and our old friend, R.G. Bob Pike, whom the Premier christened as the Minister for silly smiles. I understand that in the course of the discussions between those two people and

some members of the Parliamentary Liberal Party last night, they in fact discussed putting Mr Simpson forward for an award or honour. In fact it was the order of the boot that they were considering for Mr Simpson, and I thought that was a little bit mean, given that although I had hinted that some discussion of this kind might take place among Liberal Party members, I did suggest to members of the Parliamentary Liberal Party that supporting their president might be a good thing in their own interests. I am sorry that some of them sought to not follow my advice.

#### TELEPHONE TAPPING

##### *Police Powers*

97. Mr MacKINNON, to the Minister for Police and Emergency Services:

Will he detail to the Parliament the circumstances under which he would approve of and allow phone tapping?

Mr TAYLOR replied:

Some of the Federal police in this State already have the power to tap telephones. That is a matter which comes under the jurisdiction of the Federal Attorney General. This State Government is currently looking at whether we should follow the Commonwealth in this area and extend to the Western Australia Police Force the power to tap telephones. We would only do that in circumstances that exactly mirror those faced by Federal Police and the National Crime Authority, and that is, we would require at the very least a warrant or approval from a Federal Court judge. It is a matter I take very seriously indeed, and one that the Government is considering. If we deem it appropriate we will follow the lead of the Federal Government in this area.

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