Legislative Council

Wednesday, 22 June 1988

THE PRESIDENT (Hon Clive Griffiths) took the Chair at 3.30 pm, and read prayers.

FAMILY AFFAIRS COMMISSION BILL

Introduction and First Reading

Bill introduced, on motion by Hon P.G. Pendal, and read a first time.

Second Reading

Leave granted to proceed forthwith to the second reading.

HON P.G. PENDAL (South Central Metropolitan) [3.35 pm]: I move -

That the Bill be now read a second time.

Apart from the individual, no unit in man's history has played a more crucial role in society than the family. Whatever form it has taken throughout the ages, the family unit has meant security, satisfaction, contentment, and status to those who comprise it. There is, of course, another side, a less edifying side wherein the family - at least to some - has only ever meant insecurity, dissatisfaction, discontentment, and a notable lack of status. Despite that, the ideal remains. Regardless of changing times and attitudes - to the point where the Government has asked the Parliament to look at the status of de facto relationships - most people aspire to close, satisfying, and enduring relationships.

Whatever changes have occurred, and whatever pressures have been imposed, the family as a unit has continued to win the recognition, support, and encouragement of an overwhelming number of Australians. But huge, long term and deeply embedded problems face the Australian family today. To many - even the most optimistic among us - the family is in a state of crisis. One in three marriages - the institution which largely underpins the family - today ends in divorce in Australia. There is almost no family which has been left untouched either directly or indirectly. The cost of that rise in marriage and family collapse is massive. In human and social terms, the dislocation caused by divorce is virtually incalculable.

The impact goes beyond the home. Some recent research in the United States provides disturbing evidence that within the work force family breakdown has been identified as being the single biggest cause of stress and absenteeism. Closer to home, the Australian based Public Policy Research Centre surveyed more than 1 500 people and produced the uncomfortable, even alarming, news that one person in five accepts the idea that wife bashing is normal. As well, 22 per cent of men believe that some physical force used against their wives is acceptable. Some 17 per cent of women accept violence meted out by the spouse, and fully 50 per cent of those surveyed either know a victim, or a dispenser, of domestic violence. That is a bleak picture, yet there are signs - I would suggest very healthy ones - that Australians are not happy with that scenario. They do not accept that the picture needs be that bleak; that many are waiting for a lead from someone in authority - which so far has not come - for some positive measures that will help minimise the desperation and dislocation I have just outlined.

A recent study by the Cleminger organisation posed a series of questions to middle-class Australians to gather information about their feelings about living in Australia in the late 1980s. Amongst the findings were that AIDS, crime rates, and family and community breakdown are evidence of a deteriorating society, that traditional moral values are disappearing, and that most Australians had little respect or sense of responsibility for others. These same people nominated what they wanted, and among their aspirations was a return to traditional family values and structures that provide reassurance. Further evidence of that was a survey conducted by the Australian Institute of Family Studies among 18 to 34 year olds to determine their attitudes to these traditional bases. It may surprise members to learn that, in an era of high marriage breakdown, this group of young Australians, measured at 75 per cent of those surveyed, still believe that marriage is for life. This, and other results of the survey, is strong evidence that those who scoff at marriage and traditional institutions as being "old fashioned" do so at their own peril.

But despite the bleakness of the evidence that the family is on the point of collapse, and despite increasing evidence that Australians want the trend reversed, Governments continue to ignore both matters. Governments continue to apply band aids while ignoring the deeper issues that can be addressed with preventive measures. While marriages collapse at an alarming rate, they impose not just an emotional drain on those involved, but a financial drain on those looking in on the problem. Currently, marriage and family breakdowns cost the State and Federal Governments around $2 000 million annually. Put another way, each Australian pays around $100 a year to sustain this crisis.

On the preventive side, Governments provide about one third of a dollar in support of marriage and family guidance agencies. Is it any wonder that the crisis continues to mount? The evidence that preventive measures do work can be found in the US survey to which I have already referred. Remember that the problem was found to be one of family breakdown actually contributing to absenteeism and lack of performance in the workplace. The company was prepared to come to the party by way of counselling facilities. The results were quite startling. Over a carefully evaluated 10 year period, there was a 40 per cent reduction in lost time, a 60 per cent reduction in sickness and accident benefits, and a 50 per cent drop in the number of workplace accidents.

I challenge those in authority in this State, and those dealing with workers compensation, rehabilitation, and industrial relations, to address themselves to the question of whether half their problems actually arise out of stressed, unhappy people experiencing the trauma of family collapse. The reality is that that one isolated act of leadership in another country is not reflected in Australia. The meagre funds directed towards marriage and family guidance agencies is testimony to that.

In this House this week alone we have seen that the resources are indeed there. A special Treasury Bill passed a day or so ago sought more than $30 million for unforeseen contingencies. Another Bill - to do with a silicon plant - will mean at least $8 million, and some say up to $20 million, of taxpayers' funds going towards the relocation of the industry. In another spectacle, we see the Government, at the stroke of a pen, prepared to spend around $9 million to turn a disused brewery into an Aboriginal arts centre. To people working in the marriage and family guidance fields, trying to come to grips with a $2 000 million crisis, those figures are simply mind boggling. But the problem is even worse than a lack of funding. It goes deeper . Governments actually work against couples wanting to survive marriage difficulties and in favour of those wanting to divorce. For example, a couple deciding to separate and proceed to divorce are given free counselling at the Western Australian Family Court. On the other hand, a couple desperately seeking to work through their problems and save their marriage must pay full rates at a marriage guidance agency, and the full rates are much higher because of the pitiful support they receive from Government.

All of that is to focus attention on the need for Governments to take the family seriously. Whatever they say to the contrary, Governments have not taken the family seriously. This Bill, initiated by the Liberal Opposition, is a small but highly significant step towards correcting that neglect. It is but one part of an overall, comprehensive Liberal policy on the family that we will implement upon a change of Government in this State next February. It is not for a moment suggested that Governments or Government agencies, of themselves, can solve the mysteries and complexities of human behaviour and relations. What is suggested, however, is that the establishment of a Family Affairs Commission will for the first time anywhere in Australia formally put the focus on the family and its wellbeing.

Does it not strike members as odd that we have Government bodies to enhance the interests of Aborigines, migrants, the aged, youth, children, the handicapped, consumers, the business and technology community, the environment, women, tourists, unions, the arts, the farmers, and the sportsmen, to name but a few. But no such body exists for the enhancement of the family. This Bill seeks to correct that historical anomaly. Its principal aims are -

> to promote the recognition by the people of this State of the contribution made by the family, and to enhance the appreciation of that contribution;
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> to advise the Minister responsible for family affairs and to make recommendations on funding to community groups committed to the enrichment of family life; and
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> to implement programs aimed at enriching the institutions of family and marriage and to promote measures which seek recourse to family reconciliation.

The details of its activities are clearly spelt out in clauses 4 and 13 of the Bill.

There will be appointed a Commissioner for Family Affairs. Presiding over the structure will be a president of the commission and seven other members drawn from community groups committed to the enhancement of the family. It is emphasised that the Family Affairs Commission will not be the provider or dispenser of physical services. Its task will be to work with and use the expertise of existing community based and private organisations. In Government we will not attach the commission to the Department of Community Services. Indeed the two will be administered by separate Ministers on the grounds that the important but essentially crisis related work of the department should be kept apart from the work of the Family Affairs Commission.

The new commission will be required to abide by the usual annual reporting provisions, and the Bill has a sunset clause which gives it a limited life of eight years. At the end of that period it, like any other agency, will need to show that it is worthy of being continued. I make no greater claim for the commission than that, apart from being the first of its kind in Australia, it will provide an important focal point. It will give hope to those who believe the family has been neglected - and those people are legion. It will require Governments of whatever political colour to pay more heed to the role and importance of the family.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Fred McKenzie.

COMMUNITY CORRECTIONS CENTRES BILL

Introduction and First Reading

Bill introduced, on motion by Hon J.M. Berinson (Minister for Corrective Services), and read a first time.

Second Reading

Leave granted to proceed forthwith to the second reading.

HON J.M. BERINSON (North Central Metropolitan - Minister for Corrective Services) [3.50 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill and the accompanying Acts Amendment (Community Corrections Centre) Bill are to establish community corrections centres and programs to divert fine defaulters from prison. They will also meet the requirements of a community based work release program. The Community Corrections Centre Bill establishes the centres and their management, and the nature of their programs. The Acts Amendment (Community Corrections Centre) Bill amends the Justices Act to enable the diversion of a fine defaulter from prison. It also amends the Offenders Probation and Parole Act to provide the Parole Board with a discretion to approve the conditional release of an offender from prison for the purposes of employment and participation in a program.

The community corrections centre concept is based on the attendance centres which are operating successfully in Victoria, although the Victorian model has been modified to meet Western Australian conditions. The system is an important part of the Government's program to reduce the rate of imprisonment and to require offenders to do useful community work instead. It will, of course, be limited to cases which do not compromise the public's safety and security. The proposed programs for fine defaulters and community based work releasees are basically similar. However, while both will be closely supervised, the community based work release program will feature more intensive supervision. The intention of these Bills is to constructively deal with two separate categories of offender. On the one hand, we have offenders in respect of whom the courts, by imposing a fine, have indicated that imprisonment is not an appropriate sentence. Imprisonment in such cases would appear to benefit neither the offender nor the community. On the contrary, the cost in both social and financial terms of imprisoning offenders who default on payment of fines suggests that the community and the offender would be better served by alternative measures.

A separate group of offenders will participate in the proposed community based work release

program. This is designed to replace the current work release scheme which, under the Prisons Act, is institution based. The community based work release program is aimed at offenders at the other end of the spectrum from the fine defaulters. These are prisoners who have served substantial terms of imprisonment and who, in the absence of a suitable program, could be released back into the community without proper family and social skills. The risk of recidivism in such circumstances would be obvious. The community based work release program is designed to address these potential problems by providing intensive supervision and systematic resocialisation for prisoners who are nearing the end of their sentences. This specifically structured resocialisation aims to assist in the orderly, peaceful, and successful reintegration of prisoners into the general community.

Before a prisoner is considered for community based work release, reports will be prepared by prison staff and community corrections officers who will closely scrutinise the prisoner's prison history and work release plan, including the proposed employment and accommodation arrangements. These reports will be sent to the Chief Executive Officer of the Department of Corrective Services and then forwarded to the Parole Board, which will have the absolute discretion either to approve or not approve the offender's work release application. The Parole Board will also have an absolute discretion to cancel a work release order. In addition, the chief executive officer may, where necessary, suspend a work release order at any time. Although the prisoner has the right to make representations to the Parole Board, the rules of natural justice will not apply to any decision of either the Parole Board or the chief executive officer to approve, cancel, or suspend a work release order. This reflects the status of work release as a privilege and not a right, and maintains the position which applies in the current institution based work release program.

For both fine defaulters, who will be subject to a work and development order, and work releasees the convicted person will be required to devote 14 hours per week to participation in a specific program. The 14 hours will consist of a minimum of eight hours of unpaid community work, normally a full weekend day, and a maximum of six hours, normally during the week, on a personal development or treatment program. A problem drinker, for example, could be required to attend an alcohol education course.

Community corrections centres will be the focal point for the organisation of programs, but community involvement in their implementation will be encouraged. It is hoped that volunteers as well as departmental staff will work at the centres and in the community to ensure the efficient operation of their programs.

For the purposes of these Bills, the definition of a fine would include all fines which have been imposed in a nominated Court of Petty Sessions and are payable to the State Treasury. At the time of the imposition of the fine or other monetary obligation, the Court of Petty Sessions may direct that a work and development order must not be issued if default is made on payment. This provides the court with a veto power which it can use at its discretion. If, however, the court does not give such a direction and the offender does default on his payment or obligation, the resulting default imprisonment will be automatically converted to a work and development order. The default term of imprisonment, imposed under section 167 of the Justices Act, will be converted at the rate of one week's - that is, 14 hours' - community corrections centre attendance for every seven days or part thereof of default imprisonment. Hence, seven days' default equals one week's attendance; eight day's default equals two weeks; 14 day's default equals two weeks; and so on up to a maximum of 12 months on the program. As now, the offender always has the option of paying off the balance of the fine or fines at any time.

The offenders subject to a work and development order will not be eligible for remission under section 29 of the Prisons Act. The offender will have to sign and agree to conditions and obligations. The conditions applying to a work and development order are -

(1) In the case of an offender who is in prison when the community corrections centre order is made, the offender must report to a community corrections officer within 72 hours after being released from prison.

(2) The offender must report to the supervisor of a community corrections centre in accordance with the requirements of the community corrections centre order to which the offender is subject.

(3) The offender must attend at the place or places on the dates and at the times required by the supervisor.

(4) The offender must devote to the community corrections program an aggregate of 14 hours for each period of one week during which the offender is subject to the order, including not less than eight hours of community work and not more than six hours of personal development activities as determined in the case of that offender by the supervisor.

(5) The offender must undertake and perform in a manner satisfactory to the responsible officer the community work and personal development activities required to be undertaken by the offender for the purposes of the order.

(6) The offender must comply with every reasonable direction of an officer or volunteer.

(7) The offender must, if so directed by the supervisor, submit to testing for alcohol or drug use.

(8) The offender must notify an officer if unable to attend when and where required to do so, and obtain an officer's approval for any failure to so attend.

(9) The offender must not commit any offence while subject to a community corrections centre order.

(10) The offender must notify an officer within 48 hours if he changes his residential address or place of employment.

(11) The offender must not leave the State without the prior approval of the supervisor.

(12) The offender must comply with any prescribed conditions.

Programs of activities will be approved by the chief executive officer. These programs may include, but are not restricted to, any of the following -

(a) Community, voluntary or charitable work;

(b) programs for the treatment of alcoholics or drug dependent persons;

(c) counselling programs;

(d) social and life skills courses; and

(e) educational, occupational, and personal training courses.

Internal disciplinary procedures will control an offender's behaviour while at a centre or participating in a program. If the offender fails to abide by the conditions of his order, the chief executive officer may cancel the order and issue a warrant of commitment for the balance, if any, of default imprisonment. Once a work and development order has been cancelled, the offender will not be able to reconvert this warrant to a work and development order.

To be eligible to be released from prison under a community based work release order, a prisoner will have to be not less than 17 years of age and have served not less than 12 months' imprisonment. A prisoner cannot be released on a community based work release order until six months prior to his date of release from prison or, where applicable, six months prior to his eligibility for parole.

The prisoner will have to attain a security rating which indicates that his approval for work release will involve a minimum risk to the security of the public. The chief executive officer may refer the prisoner's application to the Parole Board for consideration as to whether a work release order should be made. A prisoner cannot be released under a work release order unless he makes a declaration in writing that he understands the obligations imposed and undertakes to comply with them.

A work release order must not be made by the Parole Board except with the prior approval of the Governor in respect of a prisoner who is -

undergoing strict security life imprisonment;

in strict custody;

in safe custody;

undergoing life imprisonment;

serving a term of imprisonment, or an aggregate of terms of imprisonment - without regard to remission - of more than 15 years; or

an offender sentenced pursuant to sections 661 and 662 of the Criminal Code.

In addition to all the conditions applying to a work and development order, a work release order is subject to further conditions: The offender -

must not leave the State;

must obtain the prior approval of an officer before changing his residential address or place of employment;

must seek or engage in gainful employment; and

must comply with any prescribed conditions.

An offender is still under sentence while subject to a work release order. A sentence is deemed served if a work release order is not cancelled during its currency, and the prisoner has completed the performance of his obligations under the order.

If an offender, subject to a work release order, commits a disciplinary offence while undergoing the program, the centre supervisor may issue a reprimand or order a forfeiture of up to three days' remission. However, if the offender commits any offence or in any way breaches the conditions of the work release order, the chief executive officer may forthwith suspend the work release order for a period of up to one month, and if the suspension is not lifted within the one month period, the matter must be referred to the Parole Board for a decision to cancel the order. If the work release order is cancelled the offender will be credited only for half "clean street time" while he was in the community subject to the order. This is analogous to the provisions of the new parole legislation.

The Community Corrections Centre Bill and the consequential amendments will effect significant improvements in the way in which two distinct groups of offenders are dealt with. The alternative which it provides to the imprisonment of fine defaulters is right in principle and important in practical terms as well.

Again, the alternative of community based work release is a positive measure for the resocialisation and successful reintegration into society of the longer serving prisoner. The work and development order and community based work release order are similar in their program content, the major difference being that the latter will be more intensively supervised in the interests of public security.

The establishment of community corrections centres offers a new and important innovation in the task of dealing with the complex problems of law enforcement and appropriate punishments. It also tackles the excessive rate of imprisonment in this State in respect of less serious offences. It is proposed to phase in the system of community corrections centres with an initial establishment of four centres in the metropolitan area. On the basis of the Victorian experience, it is expected that the achievement of a State-wide system should be possible within about two years thereafter.

To enable ample opportunity for public and professional consideration and comment, debate on the legislation will be held over to the Budget session.

I commend the Bill to the House.

Debate adjourned, on motion by Hon G.E. Masters (Leader of the Opposition).

ACTS AMENDMENT (COMMUNITY CORRECTIONS CENTRES) BILL

Introduction and First Reading

Bill introduced, on motion by Hon J.M. Berinson (Minister for Corrective Services), and read a first time.

Leave granted to proceed forthwith to the second reading.

Second Reading

HON J.M. BERINSON (North Central Metropolitan - Minister for Corrective Services) [4.05 pm]: I move -

That the Bill be now read a second time.

The Bill before the House seeks to amend the Offenders Probation and Parole Act and the Justices Act and complement the Community Corrections Centre Bill, thereby facilitating the proposed legislation for the establishment of community corrections centres. Specifically, the Acts amendment Bill amends the Justices Act to enable the diversion of a fine defaulter from prison and amends the Offenders Probation and Parole Act to provide the Parole Board with absolute discretion to approve an offender being released from prison for the purposes of employment and participation in a program.

I commend the Bill to the House.

Debate adjourned, on motion by Hon G.E. Masters (Leader of the Opposition).

LOCAL GOVERNMENT AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by Hon Graham Edwards (Minister for Consumer Affairs), and read a first time.

Leave granted to proceed forthwith to the second reading.

Second Reading

HON GRAHAM EDWARDS (North Metropolitan - Minister for Consumer Affairs) [4.07 pm]: I move -

That the Bill be now read a second time.

Members know that the Minister for Local Government has announced that his department is conducting a comprehensive review of the Local Government Act. However, as members will appreciate, this will be a lengthy task; the Statute is the State's largest and the Minister intends to consult widely with local government. In the meantime, because the Local Government Amendment Bill (No 2) was not restored to the Council Notice Paper, it is necessary to bring before Parliament a Bill to amend the Local Government Act in a diverse number of ways.

The first of these concerns the enforcement of parking restrictions. This activity falls primarily on local governments which appoint their own officers for the purpose. Members will recall that recently the Act was amended to allow the making of uniform by-laws to deal with offences against special parking facilities set aside for vehicles of disabled persons. These by-laws were gazetted in February this year. It is now intended that local governments be given the power to appoint persons other than their own officers to enforce parking offences. This is seen as most desirable to assist those local governments which could not otherwise justify the need to engage full time officers for this purpose and also which have a need to have enforcement undertaken outside normal hours.

The rating of mining tenements granted over land held in some other tenure was thrown into doubt in 1986 by a decision of the Supreme Court. It had previously been generally accepted that a tenement over land held, for example, as a pastoral lease, was rateable in both tenures. To restore the situation to that which had previously been thought to exist, the Bill clarifies the rateability of mining tenements in such circumstances and validates that past practice. This is a matter of vital importance to many rural local authorities.

The Valuation of Land Act was amended last year to remove the requirement that the gross rental value of land be not less than five per cent of the site value. On that occasion, time did not permit further amendments to that Act and to the Local Government Act to remove other provisions which related to concessional values being provided in certain circumstances. The Bill therefore provides for removal of those now superfluous provisions in both Acts.

Different interpretations have been placed on the electoral provisions by local governments in respect of the manner of conducting different kinds of elections held on the same day. From time to time a need arises to hold with the annual elections further elections to fill

additional vacancies created on a council. In some cases, multiple vacancy elections have been conducted and, in others, separate elections have decided the annual vacancies and the newly created vacancies.

It is considered the Act has contemplated the holding of single elections, but the obvious doubt is seen as a matter requiring clarification. The opportunity has been taken to ensure that any vacancies filled on the same election day for the same electorate will be by way of a single election, including extraordinary vacancies. It is felt that all prospective candidates should nominate for the one election with the most supported candidate obtaining the longest term of office available. This will overcome the possible situation of a number of good candidates nominating for a normal three year term and only one candidate nominating for a lesser term for an extraordinary vacancy.

Another electoral related matter is the setting of fees for the sale of electoral rolls. It is proposed to remove the statutory limit and let local governments set their own fees, with the proviso that they must be commensurate with the cost of production. This is in keeping with the Government's policy of allowing greater decision making power to rest with local governments.

The final area covered by the Bill relates to local government boundaries. The Government has a responsibility to determine the structure of local government so as to achieve an alignment of economic, social and demographic characteristics consistent with the development and enhancement of contemporary society. The structure of local government needs to be open to adaptation. Local government boundaries should be seen not only in the context of fixed lines on a map, but also as a means of sensibly grouping the local needs of communities. What is needed is the means of engendering present day community of interest rather than retaining symbolic dividers from yesteryear. The fact is that in many cases events have overtaken existing local government structures through, for example, changing land use from rural to urban. Consequently, previous boundaries are simply no longer appropriate. This has caused conflict in some instances over the use of facilities and differences in rate relativity between municipalities.

With a view to more readily accommodating the consideration of proposals for change in keeping with the need for improved government at the local level, the Bill proposes the following -

> to amend section 12 of the Local Government Act to repeal obsolete provisions, to provide consistency of terminology and to provide consistency in the number of electors who may initiate the respective petitions seeking change;
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> to clarify the right of petitioners to seek the exercise of more than one power vested in the Governor relating to the constitution of local governments;
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> to repeal section 30A, added in 1975, which is seen as providing only an effective means of preventing, or at least delaying, what may well be most desirable change initiated by electors;
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> to require the Minister, where he proposes to recommend to the Governor an exercise of power under section 12 of the Act, to refer the matter to the Local Government Boundaries Commission for inquiry and report;
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> to restrict the Minister, where he proposes to recommend to the Governor an exercise of power under section 12 of the Act, to such proposals as are in accordance with the report of the Local Government Boundaries Commission; and
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> to require the Minister to accept the nominees of the associations of local government in filling two of the three positions on the Local Government Boundaries Commission.

The Government's wish to amend the procedures for altering local government boundaries is widely known within the local government industry and has been much discussed. The Minister recognises that the question on boundaries is a significant one for local government and that while there is general agreement on the need for reform, there will always be - just as there have always been - disagreements when specific proposals are considered. With this in mind the Minister has made a number of alterations to the original proposals to indicate his preparedness to find a procedural solution acceptable to all parties.

The Government is thus prepared to reduce significantly the scope for ministerial involvement in the ways that I have just described. Under these provisions it will not be possible for the Minister to recommend to the Governor an exercise of power under section 12 unless the Local Government Boundaries Commission, to which the associations of local government will have nominated two of the three members, has reported. Additionally, if the Minister wishes to recommend the exercise of a power, it cannot be at variance to that which the Local Government Boundaries Commission has recommended. Thus to a large degree local government will be sitting in judgment upon itself.

While the Government has no intention to embark upon large scale changes to local government boundaries, it is strongly committed to providing a suitable mechanism for the review of those boundaries. It believes these proposals can better accommodate changes which can establish a more effective and efficient system of local government in the interests of the community at large.

I commend the Bill to the House.

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

TAILINGS TREATMENT (KALGOORLIE) AGREEMENT BILL

Receipt and First Reading

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

Second Reading

HON KAY HALLAHAN (South East Metropolitan - Minister for Community Services) [4.18 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to ratify an agreement dated 6 June 1988 between the State and joint venturers Mulga Mines Pty Ltd and the Western Australian Mint. The agreement will facilitate the development by the joint venturers of a gold tailings treatment operation. The agreement will also ensure that the interests of the State are guaranteed by providing that the joint venture must abide by its stringent obligations to the State or in default the dumps revert to the Crown.

This joint venture will ensure that the benefits obtainable by the State from this project are maximised. In particular there will be a valuable infusion of new technology into Western Australia which may lead to the treatment of other tailings dumps located around the State. Environmental approval for this project was granted prior to the execution of this agreement.

The capital investment in the project is estimated at $37 million and approximately 250 people will be employed during the construction phase with a permanent work force of 67. The gold tailings dumps which are the subject of this agreement are situated in the Lakewood area south east of the township of Kalgoorlie in the Shire of Boulder. The dumps were created many years ago and have been a constant environmental problem. The dumps contain 32.5 million tonnes of tailings.

Title to the dumps has been held by licences to treat tailings - known as LTTs - issued under the 1904 Mining Act and title has continued to be held in this form under the transitional provisions of the 1978 Act. These licences are issued on a yearly basis with provision for renewal. The current holder of the LTTs, Mulga Mines Pty Ltd, has been investigating for several years the possibility of treating these tailings on a large scale. Their research led them to the conclusion that the tailings could be treated using hydraulic mining techniques and carbon-in-pulp gold extraction technology. The tailings have to date been processed only for the purposes of evaluating the viability of treatment. The requirement to treat high tonnages of low grade material necessitates a large capital outlay. This outlay cannot be justified when tenure is renewable only from year to year.

Mulga Mines Pty Ltd approached the Western Australian Government in March 1987 seeking assistance in securing adequate long term tenure to the dumps to facilitate the level of investment required for this operation. The Government considered this approach from the company and decided to fully investigate the potential of the project as well as the

environmental impact it would have. Several Government departments were involved in assessing the viability of the project, particularly with regard to the use of saline water to slurry the dumps, rehabilitation of the underlying tenements, satisfactory siting of the treatment plant and the new tailings dam, and relevant rehabilitation.

The Environmental Protection Authority was also concerned that the environmental advantages to be gained from this operation should be maximised and that it should cause minimal environmental disruption. Consequently the EPA requested that a Public Environmental Report be prepared on this project. As well as requesting a PER from the company, the EPA also sought from Government and industry a strategy for the overall development of the Golden Mile. A preliminary report, produced by the Golden Mile mining development committee which was established by the Minister for Economic Development and Trade for this purpose, was completed before the PER for this project was released to the public. This delayed the project by several months.

After the project was fully evaluated by Government departments it was decided that the State should enter into an agreement to give the proponent adequate security of tenure by authorising the Minister for Mines to issue a special licence over the tailings dumps for a period of 10 years. To facilitate the issue of the special licence, clause 5 of the Bill provides that the Minister for Mines may issue a special licence, notwithstanding the Mining Act 1978, for the treatment of the tailings. Clause 6 of the Bill allows the joint venturers, whenever required to do so in writing by the Minister in order to comply with their obligations under the agreement and the Environmental Protection Act with respect to the rehabilitation of tailings areas, to enter and re-enter the underlying lands for that purpose. The underlying lands means the mining tenements specified in the table to clause 3(1) of the Bill and any amendments thereto or other lands specified pursuant to clause 3(3).

The Bill also provides that on expiry or determination of the special licence any tailings remaining shall, unless the Minister declares otherwise by notice in the *Government Gazette*, become the absolute property of the Crown.

I turn now to the specific provisions of the agreement scheduled to the Bill before the House.

Clause 1 contains definitions of specific words and phrases used in the agreement. Clause 2 outlines the intended interpretation or effect of specific references in the agreement. Clause 3 contains the State's obligation to introduce the agreement to Parliament for ratification. Clause 4 details the criteria to be fulfilled before the agreement can become operational. If the criteria are not met by 31 December 1988 the agreement shall determine unless the parties agree otherwise.

Clause 5 provides for a special licence over the tailings dumps to be issued to the joint venturers. Subclause (1) makes the issue of the special licence subject to the withdrawal by Mulga Mines Pty Ltd of its applications for renewal of the licences to treat tailings. Clause 5(2) sets the term of the special licence at 10 years from the grant thereof and any extension not to exceed the aggregate five years. Any extension is at the sole discretion of the Minister and is provided for to enable the joint venturers to treat the tailings dumps of third parties in addition to the dumps the subject of the special licence. The logical development of the project may require the third parties' dumps to be treated prior to the treatment of some of the dumps covered by the licence.

Subclause (3) of clause 5 prevents the joint venturers from surrendering the licence without the prior consent of the Minister. Subclause (4) specifies the fee for the special licence. Subclause (5) provides for the inclusion of other tailings held by the joint venturers to be included in the special licence at the sole discretion of the Minister.

Clause 6(1) requires the company to implement the approved project in accordance with the terms thereof. Subclause (2) of clause 6 prohibits the joint venturers from treating tailings from the dumps within the special licence other than in accordance with the conditions of the agreement.

Clause 7 deals with the issue of general purpose leases for the treatment plant and tailings residue dam. Subclause (1) declares that the State shall, upon application by the joint venturers, cause to be granted general purpose leases for the treatment plant and tailings residue dam. Clause 7(2)(a) sets the initial term for the general purpose lease over the treatment plant at 21 years. Subclause (2)(b) states that the general purpose lease over the

tailings residue dam shall not expire until 10 years after the expiration or determination of the special licence. This is to allow the joint venturers adequate time to carry out rehabilitation. Clause 7(3) prohibits the joint venturers from surrendering the general purpose lease for the tailings residue dam without the prior consent of the Minister. This will ensure that the joint venturers have fulfilled the environmental requirements on the project prior to their relinquishment of the lease.

Clause 8 of the agreement deals with additional proposals. Subclause (1) specifies that should the joint venturers wish to significantly modify, expand or otherwise vary their activities they must give notice to the Minister and, if required by the Minister, present detailed proposals. Should the Minister not require detailed proposals under subclause (1) the joint venturers may, under subclause (2) of clause 8, proceed with the modification, expansion or variation of the project. Subclauses (3) to (5) state the requirements for the consideration and implementation of the proposals submitted pursuant to subclause (1). The Minister's decision on such proposals is final and not subject to arbitration.

Under clause 9 the joint venturers may be required to report to the Minister with regard to any measures and investigations they have undertaken and any proposed changes for the protection of the environment. The joint venturers must also liaise with the Minister if required to do so by the Minister on additional environmental monitoring, protection and management requirements arising from its operations.

Requirements for the use of local labour, professional services and material are included in clause 10.

Clause 11 of the agreement deals with the water requirements of the project. Under clause 11(1) the joint venturers shall endeavour to obtain their water requirements from subterranean water beneath land to which the joint venturers hold title. Subclause (2) provides for the granting of a licence to explore for water beneath the joint venturers' land. Subclause (3) requires the submission of a report on the result of investigations pursuant to subclause (2). If the State is satisfied with the report a licence shall be granted, under subclause (4), to construct bores and draw water to a specified maximum amount, subject to such conditions as necessary. Clause 11(5) specifies that the joint venturers shall be wholly responsible for the investigation, construction and development of the subterranean water supply. Subclause (6) allows for third party access to water from the aquifer. A licence to draw water may be granted by the State to a third party provided the Minister determines that such grant will not unduly prejudice the joint venturers' operations under this agreement.

Under subclause (7) of clause 11 the State may determine that the joint venturers shall obtain water from sources in lieu of or in addition to those provided and the joint venturers shall bear the costs involved. The intention here is that if the saline ground water to be used for this project proves to be environmentally damaging that the State may direct the joint venturers to utilise alternative water sources.

Clause 12(1) provides that the joint venturers shall be financially responsible for any private roads associated with the project. Subclause (2) stipulates that in the event of a public road being damaged or requiring upgrading as a result of the joint venturers' operations, the joint venturers shall contribute an equitable portion of the cost of repair or upgrading as determined by the Commissioner of Main Roads. Clause 13 of the agreement requires the joint venturers to confer with the Minister and local authorities to provide adequate housing for the joint venturers' work force and assist in the provision of community facilities. Clause 14 provides for the joint venturers to pay compensation to the Executive Director of the Department of Conservation and Land Management at an annual specified amount for removal or destruction of natural vegetation. The executive director and the joint venturers may agree that land shall be transferred in lieu of a payment under this subclause.

Clause 15 contains the usual provision providing for resumption of any land required for the purposes of this agreement, with the joint venturers being responsible for any costs involved. Clause 16 allows the joint venturers, with the consent of the Minister, to assign, mortgage, charge, sublet or dispose of any of their rights and obligations under the agreement upon certain conditions. Clause 17 provides for the variation of this agreement, subject to any such variation being laid on the Table of each House of Parliament. Clause 18 enables the Minister to extend, at the request of the joint venturers, any period referred to in the agreement. This standard provision allows flexibility to make adjustments that become necessary due to unforeseen circumstances.

Under clause 19 the agreement may be determined if the joint venturers fail to treat at least three million tonnes, or such lesser tonnage as the Minister may allow, in any 12 month period. The clause also provides for the determination of the agreement under other standard circumstances as outlined. In the case of a dispute the matter is referable to arbitration.

Clause 20 outlines the effect of cessation or determination of the agreement. Subclause (1)(a) stipulates that subject to paragraph (b) of this subclause the general purpose lease for the treatment plant shall cease and determine without prejudice to any liability of the parties under the agreement. Clause 20(1)(b) provides for the continuation of the general purpose lease for the treatment plant if the joint venturers have completed their obligations under the agreement in respect of the licence areas. Paragraph (c) provides for the continuation of the general purpose lease for the tailings residue dam, notwithstanding the cessation or determination of the agreement. Paragraph (d) states that the joint venturers shall pay all moneys owed to the State. Paragraph (e) states that except as I have just mentioned the parties to the agreement shall have no claim against each other.

Under clause 20(2), upon the cessation or determination of the agreement except as otherwise determined by the Minister, provision is made for buildings, erections, and the general purpose lease for the treatment plant to become the property of the State without encumbrance, subject to the provisions of subclause (3). Subclause (3) provides that the joint venturers shall give an option to the State to purchase in situ fixed or movable plant and equipment should the joint venturers desire to remove such plant and equipment from the land.

Clause 21 states that the joint venturers are not exempt from complying with the provisions of the environmental protection legislation of the State. Clauses 22 to 25 are standard clauses on indemnity, subcontracting, arbitration and notices as incorporated in State resource development agreements of recent years.

Clause 26 provides that the agreement will expire on the expiration or sooner determination or surrender of the special licence. Clause 27 stipulates that the agreement is to be interpreted in accordance with Western Australian law.

The schedule to the agreement contains the format of the special licence to remove and treat tailings. This agreement provides numerous benefits to the State, including the introduction of new technology and the removal of a long endured environmental nuisance for the people of Kalgoorlie-Boulder. It provides for Crown ownership of the dumps in the event of default. Without this agreement, a project to treat the tailings on this scale could not be undertaken under the existing laws of this State, and the resultant economic benefits to the region would not accrue.

I commend the Bill to the House.

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

ACTS AMENDMENT (PARLIAMENTARY SUPERANNUATION) AND TRANSITIONAL ARRANGEMENTS BILL

Receipt and First Reading

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

Second Reading

HON KAY HALLAHAN (South East Metropolitan - Minister for Community Services) [4.35 pm]: On behalf of the Leader of the House, 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 -

Hon H.W. Gayfer: Some of the remaining members.

Hon KAY HALLAHAN: It says, "not necessarily". 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.

Hon H.W. Gayfer: Big deal.

Hon KAY HALLAHAN: 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 years contributory membership of the fund.

Hon H.W. Gayfer: How do you do that with somebody who has served for over 20 years?

Hon KAY HALLAHAN: I am sure some mathematician will find a way.

Hon H.W. Gayfer: Ridiculous.

Hon KAY HALLAHAN: 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. 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.

Hon H.W. Gayfer: Big deal.

Hon KAY HALLAHAN: For the purpose of calculating the supplementary payment, the basic salary payable to members on 21 May 1989 will be used.

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. 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 Hon A.A. Lewis.

REAL ESTATE AND BUSINESS AGENTS AMENDMENT BILL

Second Reading

Debate resumed from 15 June.

HON G.E. MASTERS (West - Leader of the Opposition) [4.42 pm]: The Opposition supports the Bill but I have some reservations and some fairly important questions that need to be answered, and I am sure the Minister will accommodate me in his reply to the second reading debate.

As I understand it, the Bill authorises the Real Estate and Business Agents Supervisory Board to put some of the money that has been earned by investing the funds in the deposit trust towards educational purposes. I understand the deposit trust is a fund which was set up and which is made up in this way: Real estate agents are required to put certain moneys into trust accounts. If they have in any one year more than $2 000 in the trust account they must pay 35 per cent of that into what is called the deposit trust. I think they pay that in annually, so it is an annual calculation. The funds paid into the deposit trust amount to a large sum of money, which is invested, and the interest is then used for a number of purposes.

First of all, some of the money earned from the deposit trust investments is used to pay for the costs of the board. I understand that is not very expensive - somewhere around $100 000. I am not arguing whether it is $100 000 or $150 000; I understand it is around that figure. The rest of the money amounts to a considerable sum. It surprised me to learn the total amount earned in 1986-1987 from investments by that deposit trust was just under $1.4 million. If we say for the sake of argument it was $1.4 million, and if the board used $100 000, it means $1.3 million was left. I understand that was distributed into three accounts: The home buyers' assistance fund which had 60 per cent of that fund last year; the educational fidelity account which had 10 per cent; and the fidelity guarantee fund which had 30 per cent. I understand there have been changes and now there is an equal share to all of those groups, but again I could stand corrected by the Minister.

On page 3 of his second reading speech the Minister made this comment -

> . . . these funds, which are substantial, could be more appropriately utilised and applied more broadly to permit the board to conduct educational seminars . . .

The Minister's speech recognises the funds are substantial. I would have thought it appropriate for the board to spend some of that money for educational purposes and to conduct educational seminars and the like; I have no argument about that at all. However, I understand some of the money to be used for these purposes will be granted to the Department of Consumer Affairs for the purpose of acquiring equipment and so on. That seems to me to be going away from the proper direction of the fund. I understood the fund was for the purpose originally agreed to in this House, but the Government is proposing in this legislation that some of the money earned by way of interest - some of the $1.4 million - will be paid to a Government department. That is, if you like, subsidising the Department of Consumer Affairs to a certain degree, even if it is for the purpose of purchasing equipment for educational purposes for real estate agents and so on.

It will indeed save the Government some money because I guess otherwise the Department of Consumer Affairs would have to have that money paid to it by the Treasury. If that is the case, I raise the question of what the use of the phrase "substantial funds" would mean - and we must bear in mind those funds are public money, in effect; they are funds gained and taken by the use of their money invested by the board. They are legitimately funds that should be made available to the home buyer, among other people, and realistically therefore it is an additional cost to the home buyer and to other people who buy real estate. That seems to me to be something we should look at very carefully. All too often we impose levies and costs on various industry groups and organisations, and some of those are unnecessarily high and then are pocketed by the Government rather than being paid back to those people who are in the main entitled to them. It is their money and whether or not anyone else invests it, it still relates back to them.

Having said that, I raise another question. I understand that very limited amount of the earnings of the fund is paid towards administration of the board. However, I was interested to read in the annual report of the Real Estate and Business Agents Supervisory Board for 1986-1987 on page 11 a reference to which I want to draw the attention of the House. It says, and I quote -

> Although the majority of the agents submitted their deposits -

The deposits I am talking about are the 35 per cent of their trust funds. The annual report continues -

> - or exemption declarations by the due date, in the report year a considerable amount of time was spent following up the remainder.

In other words, some people are not forthcoming and have to be chased up. The annual report continues -

> It is anticipated that the follow up in the 1987-88 year will be restricted because of inadequate staff and reporting facilities.

If substantial funds are available for educational purposes and for payment to the Department of Consumer Affairs, would it not be better to spend more on the administration to ease the workload of the board? If revenue is lost, money is not paid, or other difficulties occur in the administration of the board, perhaps this should be investigated. From the money earned by the deposit trust, just under $1.4 million was used for other purposes.

I do not intend to oppose the legislation, but questions need answering in view of the issues I have raised. I understand the industry agreed to some funds being used for educational purposes but I do not think it agreed to a donation of funds to a Government department. I make that point because at the end of the Minister's second reading speech he stated -

> The industry through its representative on the board has clearly indicated support for this amendment.

I wonder whether they are fully aware of what is proposed; indeed whether my information is correct that they agreed in part that an educational area should be addressed, or whether they agreed to donating unlimited funds - there was no reference to a particular sum so any amount the board decides could be directed to a Government department.

I support the Bill.

HON H.W. GAYFER (Central) [4.53 pm]: One works under difficulty in a minority party. I have been dogging the footsteps of the research officer for the Liberal Party in attempting to research this Bill. I wish I was in Hon Gordon Masters' position and that I had a Mr Wells who could supply me with heaps of papers; but unfortunately, being in a minority party - even though I was at one time a party leader - none of these facilities is available to me. I may not sound as knowledgeable as Hon Gordon Masters but I think he has become mixed up along the line. Like Hon Gordon Masters, I noted during the Minister's second reading speech that the funds are substantial; I have not carried out research to establish the exact amount. I am also told, by another source, that the funds have increased so much that something has to be done. Again, like Hon Gordon Masters, I am afraid that eventually the funds under the control of the Minister for Consumer Affairs will be dispersed for the education of the community at large rather than for the education of the members of the Real Estate Institute and towards the services they give.

Section 130 of the Act states in part that the board shall pay all moneys to the trust interest account. It says that those moneys from time to time shall be applied firstly in payment of costs and expenses of administering the trust and then after payment of the first part the payment shall be made in equal shares or such other proportions as are prescribed - to the fidelity fund; to the assistance fund; and for the establishment and maintenance of such educational facilities relating to the functions and duties of persons under the Act.

I understand that regulation 11(b) prescribed that education disbursement and divided the areas into three: Technical education, the Real Estate Institute and WAIT - which is of course now Curtin University. That is all well and good, but the important thing to remember is that, even though amendments are being made, the rule governing the regulation directing the disbursement of that money states that regulations shall not be made under section 145 to prescribe the proportion in which moneys are to be paid under subsection (1)(b) except on the recommendation of the Minister, and the Minister shall make such recommendation only after he has consulted the board. So it appears no allocation can be made in reality unless the board agrees. Whether this Bill would tend to allow it to be bypassed, I am not sure. I would like the Minister handling the Bill to assure us that no matter which way the moneys are dispersed, at all times the Minister shall make such recommendation only after he has consulted the board.

With that proviso, I endorse Hon Gordon Masters' remarks regarding the provisions being too orientated towards consumer affairs. The Bill should be supported, but I do require assurance that this point is still applicable; indeed, the real estate industry felt comfortable under the auspices of the Minister for Administrative Services. Some apprehension exists within the industry because this has now come under the auspices of the Minister for Community Services. I endorse Hon Gordon Masters' remarks.

HON GRAHAM EDWARDS (North Metropolitan - Minister for Consumer Affairs) [5.00 pm]: I thank members opposite for indicating their support of the Bill. The amendment focuses on the manner in which income received on the deposit trust for educational purposes can be used; that is, purely for educational purposes. The legislation is not an attempt to circumvent the Real Estate and Business Agents Supervisory Board in any way whatsoever. My method of operation is to work with the boards which are set up to work within industry.

The reason the legislation is before the House is because of the initiative taken by the board to seek the proposed changes so that the money can be better spent in the area of education. The current legislation is restrictive when it comes to spending that money in a meaningful and worthwhile way for the benefit of education. The existing restrictions prevent that from occurring in a reasonable way.

I reassure members that the money will be spent on education. The money can be spent on the basis of recommendations from the board and from the Ministry and after approval has been given by me and that approval has been prescribed by regulation. Perhaps I should have emphasised that point in my second reading speech and it is remiss of me not to have done so. I reiterate that the money can only be spent following approval by the Minister and by regulation. It is my intention to work with the industry in this regard. I do not see how the Ministry could usurp any powers of the board. It is terribly important that the board be allowed to operate with that purpose in mind.

I take on board the suggestion made by Hon Gordon Masters in relation to administration. Of course, this Bill does not deal with that matter.

Hon G.E. Masters: I know.

Hon GRAHAM EDWARDS: If we are to better spend the money on education the reality is that the administration will gain dramatically simply because people will be far more aware of how transactions are conducted and how the industry works within the community.

I cannot see anything but good resulting from this legislation. I certainly give members an assurance that I will not bypass the board and that I will continue to work closely with it within the flexibility that hopefully will be granted following the passage of this Bill through the Parliament.

The amount of money involved is substantial and at present it is in excess of $1.198 million. I refer members to section 127 of the Act which states -

> Subject to subsection (3), every licensee who is the holder of a current triennial certificate shall, within 14 days after the conclusion of the financial year during which this section comes into operation, deposit to the credit of the Trust an amount, being not less than the prescribed percentage of the lowest balance of his trust account, or, where he maintains more than one, of the lowest sum of the balances of his trust accounts occurring on a day during that financial year.

My understanding of the break up of the money is that 50 per cent went into a fidelity fund and the other 50 per cent was divided between the assistance fund, the establishment and maintenance of education and administration.

I hope I have answered the questions which were raised during the second reading debate. If I have not, I will be more than happy to deal with them in more detail during the Committee stage. To reinforce the purpose of the Bill I advise members that it resulted from a suggestion put to my predecessor by the board. The Government is responding in a positive way to the board's request and in a manner that will simply free up the ways and means by which that money can be spent on education and, ultimately, it will be to the benefit of everyone concerned.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chairman of Committees (Hon P.H. Lockyer) in the Chair; Hon Graham Edwards (Minister for Consumer Affairs) in charge of the Bill.

Clause 1: Short title -

Hon G.E. MASTERS: I wish to seek some general information from the Minister. I understand that under the existing legislation if a real estate agent receives more than $2 000 a year, 35 per cent of that amount is paid to the board and is deposited in the trust fund. When real estate agents invest trust funds do they earn interest from those funds and where does that interest go? The Minister has agreed, and Hon Mick Gayfer made the point, that a substantial sum of money is involved.

We are talking about a large sum of money; that is, $1.198 million which is income earned from the board's fund. There must come a time when those funds become too substantial. The value of properties is rising dramatically and the amount of money in the trust fund will rise dramatically also and, therefore, next year instead of the $1.198 million there may be $2 million in the fund.

Surely the stage will be reached where the Government will get its hands on some of the money because the board has the authority to hand more money to the department if it wishes. It would be far better, when there are sufficient funds and a reserve is no longer required, for some of the money to be returned to the purchasers of property. I do not mean that the purchaser should receive assistance in cash, but the Government could use some of the money to assist the purchaser with paying stamp duty or whatever. Presently, the stamp duty imposed on home buyers is substantial and it could be reduced, even if only slightly. That would certainly be of benefit, rather than allowing these funds to build up over a period. It can be anticipated that property prices will double in the next few years and the fund will become quite substantial.

Hon GRAHAM EDWARDS: I am not in a position to confirm that percentage, but I will follow it up and advise members. It is important to note that the money is not coming from the pockets of the industry.

Hon G.E. Masters: It is their money.

Hon GRAHAM EDWARDS: It is trust money which has been invested by the board. Not all of that money is available for education; the money is available for the fidelity fund, the assistance fund and, from time to time, to service the needs of the education sector. I simply return to the point that this Bill seeks to make more flexible the way in which the Government can expend money on education. I am prepared to consider the suggestions that have been made, but my major concern is to ensure that there are sufficient provisions in the fidelity fund, although we are not dealing with that now.

Hon H.W. GAYFER: I hope that the Minister does not take the suggestions of the Leader of the Opposition too far, because I would hate to think that any Government could get its cotton-picking fingers in this trust account for the purpose of offsetting stamp duty or something of that sort in the real estate industry. Once it became a common pool, with no depth, we would be allowing forever persons other than those presently permitted to put their fingers into it. In the second reading debate I said that this money cannot be spent except on the recommendation of the Minister, and the Minister shall make such recommendation only after consultation with the board. I do not believe that any board or set of trustees would be happy with the idea of Parliament deciding that a proportion of the funds could be used to offset the tax the Government is imposing on the community. Much as I like Mr Masters, I cannot agree with his recommendation that we should take the matter that far.

Hon GRAHAM EDWARDS: I did not interpret Mr Masters' remarks in that way, and that is certainly not the way the Government would proceed. It is fortunate that the Minister for Budget Management is otherwise engaged, but in his absence I want to focus on one point: It is important that we attempt to better educate everyone involved in like or kindred industries. It is totally sensible for industry representatives to be as educated as possible. This money can be used for expenditure on seminars and the like. I emphasise the importance of education; in the general area of consumer affairs we are often working from behind the problem rather than getting in front of it. If, by expending this money on education, we are able to better educate people in the industry, that must be to the benefit of the community at large.

Hon G.E. MASTERS: I am not arguing about the purpose of the Bill or about the importance of education in the industry; I support that concept. However, already the Government is getting its cotton-picking hands on some of that money by handing it to the Department of Consumer Affairs. The Government may have a good reason for doing that, but once that process starts it goes down the line. As a result of increased property values the time will come when the funds in that account will be very high and in that case some means should be provided whereby the Government can return to the purchasers of property some of their own money. When a real estate agent puts money into a trust account - after he has paid 35 per cent under certain conditions to the board - what happens to it? Can he invest that money in safe areas and, if so, and he gets some return of interest money, is that returned to the consumer?

Hon GRAHAM EDWARDS: I am not sure, but I will get that information and provide it to members. However, it does not impact on this amendment.

Hon G.E. Masters: No, but if the interest from the trust account can be returned in one form to the agent, some of it could go to the consumer in the same way.

Hon GRAHAM EDWARDS: Except there is a need to maintain a reasonable amount of money in the fidelity fund. That is much more important than the amount of money in the education sector. I am happy to clarify that point and I will advise the member.

Hon MAX EVANS: What is the income of the fund each year from all real estate agents? How much does it increase by each year?

Hon GRAHAM EDWARDS: I do not have that information, but once again I am more than happy to get it. I sought the current balance of the fund which I provided to the Committee in approximate terms.

Hon MAX EVANS: What percentage of the current balance of $1.198 million is in the fidelity fund, the assistance fund and the education fund?

Hon GRAHAM EDWARDS: Listed on page 60, clause 130, are details of the three funds: The fidelity fund, the assistance fund and the educational facilities fund. Fifty per cent of the money goes to the fidelity fund, one per cent goes to the assistance fund, and the balance goes to the educational facilities fund.

Hon MAX EVANS: Income is being generated on the fund itself, and more income is coming in. I am trying to work out what is the magnitude of the money in the fund, because that is a material factor. We could see developing the situation of educational seminars being conducted by the department of training, and we could start having a little bureaucracy running these seminars, as happens in the Department of Sport and Recreation, and just consuming private enterprise funds. Real estate agents get their own education in the school

of hard knocks. I am not sure how valuable this form of training will be; it may be a way of putting a lot of money into the Government coffers.

Hon GRAHAM EDWARDS: The money could be used to go to the moon if I as a Minister was prepared to give approval for a regulation to be drafted along those terms, but that is not what we are about. It is not a matter of a Government bureaucracy trying to get its hands on this money. We are attempting to spend this money on better education, in a more flexible manner, and in the face of the needs of the industry, remembering that an approach has come from the industry to spend the money in this way.

Hon Max Evans: I am surprised that we do not have a dollars and cents figure that we are talking about spending. I do not know whether it is $50 000 or $100 000.

Hon GRAHAM EDWARDS: All I can do in the short term is refer the member to the annual report, but in the longer term I will obtain those figures for him. However, it is still not going to have a bearing on what we are here seeking to achieve.

Hon G.E. MASTERS: For the benefit of the Chamber, I have had supplied to me some figures for the year ending December 1986. The income from the interest on agents' deposits to 31 December 1986 was $713 895. The income from trust interest accounts was $17 972 for the same period. So we are talking of big money when we are talking about the average sums of money paid into trust accounts. We are not talking just about home buyers - and there are tens or hundreds of thousands of those; we are talking about large property deals. It would be interesting to get a complete picture of the huge amounts of money that undoubtedly must be paid into agents' trust accounts. We are talking in large terms if 35 per cent of that money must go into the board's trust account. I believe there will come a time when these funds will be too big, and it may be that the Government of the day will come along with another proposition, which is to pay an increased sum to the Department of Consumer Affairs, or to another department.

Hon H.W. Gayfer: It is interesting that this money has been transferred from the Department of Administrative Services to the Department of Consumer Affairs.

Hon G.E. MASTERS: Yes. It seems that up to now the Department of Consumer Affairs has been accepting this obligation, and there has also been some subsidising of the department in this regard. I understand the amount that used to be paid into the fidelity guarantee fund was 60 per cent. The Minister is now saying it is being reduced to 50 per cent. We could assume from that reduction the fund is building up quite nicely and there will come a time when it may be reduced to 40 or even 30 per cent, and then as time goes on there will be a larger sum of money to spare. Somewhere along the line that large sum of money which is to spare ought to be returned to consumers, who are the rightful owners of the interest from those funds.

Hon GRAHAM EDWARDS: What the member is saying is that from time to time we might need to look at the proportions in which that money is distributed to the three funds. That is a reasonable point, but it is important to remember the need that may arise to service the fidelity fund. I am happy to look at the situation in the future, and after we have run this educational fund for the period covered by an annual report, we will be in a better position to see what the demands will be.

Hon MAX EVANS: I want to give a word of warning about the fidelity fund. We in this State have been very fortunate in the last few years because I do not know of any major drawings down of the fund. I ask the Minister whether there have been any such drawings down in the last five years. I would have thought the fund should have been getting larger rather than smaller because the transactions have been getting larger.

Hon GRAHAM EDWARDS: There was one situation in recent times that I am aware of, but I am not aware of how many there have been in the last five years. I remind the Committee that we are dealing with the education fund, but I am happy to seek out the information that members have sought about the fidelity fund.

Hon MAX EVANS: We are actually taking money away from the fidelity fund and putting it into the education fund. It is necessary to keep a close watch on the fidelity fund. We have had a good run lately, but there has been a boom in the property market. It was only a few years ago that a well known former Australian boxing champion ran off overseas with a client's money, who had deposited about $75 000, and he was eventually extradited from

Paris to come back and serve a goal term. The fidelity fund should be getting larger rather than smaller, and once funds go into the education fund, they will not be available for the fidelity fund. The fidelity fund was set up to protect the people of the State. It should not be put into the hands of the Government, to be used for other purposes.

Hon GRAHAM EDWARDS: I do not disagree with any of the remarks that have been made.

Clause put and passed.

Clauses 2 to 5 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon Graham Edwards (Minister for Consumer Affairs), and transmitted to the Assembly.

LOCAL GOVERNMENT GRANTS AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Graham Edwards (Minister for Consumer Affairs), read a first time.

Second Reading

HON GRAHAM EDWARDS (North Metropolitan - Minister for Consumer Affairs) [5.31 pm]: I move -

That the Bill be now read a second time.

Before addressing the substance of the Bill before the House, I consider it appropriate to provide members of the House with some background to the present system of allocating funds to local governments through the Local Government Grants Commission.

The origins of the present system rest with the recognition by both major parties that local government's revenue position was suffering. In 1974 the Whitlam Government, through the Commonwealth Grants Commission, began making general purpose grants to local governments. The Fraser Government, through the establishment of local government Grants Commissions in each State, provided local governments with an opportunity to be involved in the process of allocating funds.

Mr George Strickland, a former South Perth City Councillor, was the first chairperson of the Local Government Grants Committee, which later became the Local Government Grants Commission. He oversaw a period in which the commission based its decisions on data which was often inadequate and in circumstances where the existing Commonwealth legislation provided no substantial guidelines for the Grants Commissions. Despite these difficulties the commission served local government well and its grants contributed to improvements in the position of local governments right around the State.

In 1984 the Commonwealth Government initiated an inquiry into local government finance which was chaired by Professor Peter Self, and which included in its committee membership Mr Noel Dawkins, then the Town Clerk of the City of Canning and presently the Chairman of the WA Local Government Grants Commission. The Self inquiry recommended the adoption of the principles for the distribution of Commonwealth funds to local government based on criteria of equalisation. Basically the Self inquiry recommendations sought to equalise the financial capacities of local governments around Australia. At the same time the database on which Grants Commissions could base decisions was improving and the local government accounting system itself was reviewed and new methods put in place.

The Western Australian Local Government Grants Commission decided in 1984, before the Self inquiry had undertaken or completed its work, to adopt a mathematically based method of allocating grants. It also decided that it was important for its methods to be opened to public scrutiny and for the local governments to have an opportunity to disagree with the

commission about its recommendations. The Minister for Local Government is pleased to advise that those decisions have been put in place and are supported by the work of the Self inquiry. Members on both sides of this Chamber have attended hearings of the Grants Commission and will have noted that the tone and level of debate between the commission and local governments is very constructive. In effect, the Grants Commission is improving its methods and its judgments with the assistance of local government. While local governments will face reduced grants in some parts of the State in both rural and metropolitan areas there are other local governments which, in response to the new method, will receive increased grants and have their financial capacities improved.

I believe that background, while it has taken up the time of the House, was important for members on both sides of the Chamber because of the fundamental importance of local government within their electorates.

I turn now to the substance of the Bill. The Bill proposes changes to reflect the requirements of the Commonwealth Local Government (Financial Assistance) Act 1986, which established new principles for the distribution of Commonwealth funds to local governments. This provides for the removal of the element "A" per capita grants and the element "B" needs related grants and ensures that all funds are distributed on a full horizontal equalisation basis; that is, on the basis that all municipalities are able to function, by reasonable effort, at a standard not lower than other municipalities in this State.

The Bill also deals with two other minor matters. At present there is no requirement for the Grants Commission to complete an annual report, and the Bill now provides that a report be prepared for the Minister and be laid before both Houses of Parliament. Also, provision is made for the commission to report on any matter related to local government finance which the Minister may require. Over the years the commission has built up an enormous amount of information about financial matters and has developed considerable expertise on this subject.

I commend the Bill to the House.

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

GERALDTON MID-WEST DEVELOPMENT AUTHORITY BILL

Second Reading

Debate resumed from 16 June.

HON MARGARET McALEER (Upper West) [5.35 pm]: The Opposition supports this legislation to establish the Geraldton Mid-West Development Authority, the third of this type of authority which has been established in the State. I would think that there are a number of people in the region, and certainly in Geraldton, who think perhaps it should have been the second such authority established in the State, if not the very first.

The steps which led up to the establishment of the authority were perhaps hardly as spontaneous as a cursory reading of the second reading speech would lead one to believe. The present Minister for Regional Development, then the Minister for Local Government, himself set up the regional grouping of local government and then chaired the management committee, which had as its object the making of a study of the region. When that study recommended, as one of its chief recommendations, that a regional agency be established for the development of the region, that was conforming to the pattern of Government policy for regional development which was initiated with "Bunbury 2000" and the South West Development Authority.

I think it is fair to say that the Government's regional development policy is a logical but not necessary extension of the Court Government's embryonic regional structure which put into place a regional administrator, a small staff, and regional development committees. But having said that, and giving due recognition to the Government's initiative, I think there are a couple of things that I should add. The first is that the regional study was a very comprehensive one, professionally carried out by a Miss Kaye Bowman with the assistance of a Geraldton man, David Moustaka. It was comprehensive not only in going into every aspect of the region - industrial, economic, and social - but also in the fact that the region was divided into subregions and that working parties were set up in each of those subregions to study them in some detail.

The study was very well received in its making because many people participated in it and there was no difficulty in getting working parties in each of the subregions. In all, I believe some 300 individuals participated, as well as officers from Government departments and people from other Government agencies. The enthusiasm of the people who participated was quite evident when interim reports were made and they were asked to come to Geraldton; many of them had to come great distances but great numbers of them came. When the study was finally published it was very well received indeed and there was a great deal of enthusiasm.

The second thing I want to add is that I think back on this occasion to an early regional council which was set up in Geraldton - I think in the 1960s, but certainly it was flourishing in the early 1970s. It had no effective Government recognition but it toiled away at the perennial problems of the region such as the inadequacy of the Geraldton harbour and, if I remember rightly, it actually christened the region "the mid west". I mention this because I believe that both the former Government - the Court coalition Government - and the present Government have had a very good foundation to build on and that that early regional council illustrated very well that the people, especially in this case the people of Geraldton and the districts within the Greenough electorate, had a real consciousness of the interdependence of Geraldton and its hinterland, and that its progress and development would proceed much better if they banded together.

So not only did the Governments have a firm foundation to build on from this early regional experience of the people of the various districts, but also I think the regional study and the participation of so many people demonstrated a real willingness by people of the region to work in a regional manner. I suppose it will be up to the regional authority now to capitalise on that goodwill and make sure it does not dissipate and that they are not, by reason of their structure, distanced in some way from those people; that they will in fact be able to feel they can continue to participate in the work of the authority.

One of those early regional councils remains within the Upper West Province - namely the Moore Regional Council which functions side by side with the Central West Regional Development Committee. The council is supported by some shires within the region and meets regularly with the representatives of those shires and with other people from various organisations. Government policy is to foster interlocking regional development committees and when the time is right those committees may evolve into regional development authorities in one regional development authority. The fact that the Moore Regional Council still exists seems to demonstrate that people at the grass roots feel the need to participate in and influence the course of events within a region.

The evolution of the Mid-West Regional Council through the regional advisory committee to the Geraldton Mid-West Development Authority is in itself an interesting process. The early regional council had a very loose structure and was composed of delegates from the shires and representatives of various organisations, and it had no directly elected membership. It had no effective recognition by the Government until later in the 1970s. The then Tonkin Labor Government signified that the Minister would pay some attention to the council's views. This was a day of great satisfaction for the council, but this was superseded by the change to a regional development committee attached to the regional administrator and his office.

The people on the regional development committee were exactly the same as those who formed the regional council - that is, from local government, and various authorities such as the port authority. In a structured situation, the members were limited and it was chaired by the regional administrator with secretarial staff coming from the office of the regional administrator. In turn they have been superseded by the Geraldton Mid-West Development Authority. The situation is now a much more structured one and the authority has been given more power and responsibility and certainly will have increased funding. The authority has become integrated into the administration of the Government. We have appointed members on the board of management which also includes the regional director, who is a public servant. In turn this body has its own advisory committee which no longer advises the Minister but only the authority. In a sense it is vestigial because the staff of the authority are all public servants.

A number of people do feel, I believe, cautious or even apprehensive about the imposition of

another layer of administration on the people. I suppose members of Parliament feel more doubt about this because the authority is interposed between the people and the Parliament. All the same it had become quite clear that the structure set up by the Court Government - that is, the office of regional administrator, regional coordinator or regional manager - was not in itself adequate to achieve the level of coordination among Government departments, and the promotion of private investment that had been hoped for, in spite of the hard work and successes on the part of that office. Obviously something further had to be done and either the situation had to be reviewed and a new direction taken or the logical step advanced to - and in my view that is the regional authority.

Apart from the difficulties which the office of the regional manager experienced, which were largely due to the smallness of the staff, which prevented it in many cases from leaving Geraldton, which caused dissatisfaction in outlying areas, I often observe that the members of the regional development committee suffered considerable frustrations. They felt their ideas and recommendations were slow to progress. They chafed under the restriction on communication with Ministers other than their own. The long delays in getting replies from Ministers and the recommendations they made often took years to accomplish. As in the nature of many committees - and no doubt of regional development authorities - there are times when there is a dearth of ideas. Perhaps having got bogged down in a series of initiatives there was nowhere to go and sometimes the committee became despondent. I do not think this is special to a regional development committee; it is a hazard faced by an authority which is expected to produce initiatives continuously.

It will be interesting to see, in this context, how the relationship between the new advisory committee and the board of management of the authority develops. It will be interesting, too, to see which direction the authority follows in its efforts to promote both the economic and social wellbeing of the region. The Minister said that he saw the authority's role as being that of a coordinator or facilitator. I certainly think that is the right role for it to take, and I hope that it will do so.

However successful the new authority may be, at this stage I would like to express my appreciation for the way in which the regional advisory committee worked for so many years. This is especially true with regard to the commitment made by its members - the time and energy they put into work on subcommittees and the long distances many of them had to travel - and the real successes they achieved in spite of the limitations imposed on them.

I appreciated the regular invitations to meetings, and I regularly accepted them, as did many other people. There were usually many observers at the meetings from local government and private business interests within the towns in which they were held. There was also very good regular attendance on the part of senior departmental officers, who were very helpful with the information they gave. For members of the public who were interested in and had access to those meetings, it was often a rewarding experience, which was not only informative - which was especially true for members of Parliament - but in itself contributed to the feeling of the success of the whole regional idea.

For most of its life the Regional Development Committee had a brief to deal only with economic matters, and its members were selected accordingly. However, it is true to say that one cannot deal solely with economic matters without impinging on social matters, because the two are often intertwined. Latterly, the brief was widened, the committee dealt with social development, and the membership was varied accordingly. In fact, throughout its life the Regional Development Committee dealt with matters such as education, including schools, TAFE and hostels.

Some of my colleagues in another place have expressed concern about the inclusion of the name of Geraldton in the Geraldton Mid-West Development Authority. They believe that as the South West Development Authority does not need the name of Bunbury, and the Greater Southern Development Authority does not need the name of Albany, which are the principal centres in those areas, there is no need for the name of Geraldton to be included in this case. They back that proposition up by saying that the inclusion of the name enhances the fear which people in outlying districts and local governments in the shires often express, which is that development will be concentrated on Geraldton, and it will become the "Geraldton Benefit Development Authority". While giving due weight to the need for proper regional development, and the fear that Geraldton may be expanded at the expense of other parts of

the region, I feel that this fear is unfounded as far as the name is concerned. During the lifetime of the various councils and committees the name has been changed a number of times. I seem to remember that at one stage it was called Geraldton-Greenough. I have never received any direct complaints or representations about the inclusion of the name Geraldton.

The fact that the South West Development Authority does not mention Bunbury has not prevented the authority from focusing fairly strongly on that town, probably to the exclusion of some other parts of the region. The chief danger is not in the name, but in the Government's own policy, which tends to centralise, not on Perth, but on its regional centres.

The Minister who has the power to direct the authority happens to be the member for Geraldton. I know the personnel on the board of management and the advisory committee. I think they have been selected by that very same Minister in a very representative way, not only representing many interests but also the various areas. In fact, Geraldton is rather less represented than it might consider proper for its size, and the percentage of the population of the region which it contains. Given the membership of the authority I believe that everything will be done to take into account the importance of the outlying districts; certainly it will only be through the commitment from the personnel involved in that authority that that will be achieved.

This discussion reminds me of the vastness of the area which we are discussing. It comprises 22 per cent of the whole land area of Western Australia. With Geraldton as its centre, it goes right to the South Australian border, just as those early shires of Greenough and Irwin used to do. The distribution of the population does not match the extent of the region. The population is 45 000 people. Of that, in the City of Geraldton, there are just over 20 000 people, with a further 2 000 to 3 000 people who belong to the town spilling over into the Greenough Shire. One hundred kilometres away from the coastal area there are only 6 000 people. The bulk of the population of the region lies along the coast.

The regional study to which I referred identified the main industries and interests within the region as agriculture, mining and fishing. Of those, agriculture has the highest value for the region of about $248 million, mining comes a close second with $240 million, and fishing is worth $57 million. Of the three, although fishing is worth far less in monetary terms, both it and agriculture are the main employers. The study pointed out that the main possibilities for development in the immediate future for the region is through diversification within those main industries, with the hope that further processing within them will give added value to the products of the region.

Sitting suspended from 6.00 to 7.30 pm

[Questions taken.]

Hon MARGARET McALEER: Before the adjournment I was describing to the House the principal industries in the region, which are its primary source of wealth, namely agriculture, which takes in pastoral areas of the Murchison, as well as the wheat belt areas; mining, which is largely concentrated in the Murchison, although there is an important area of sand mining in Eneabba, and an important talc mine at Three Springs; and fishing, particularly lobster fishing, which exists up and down the coast from Kalbarri to Leeman. It will be obvious to members that all those industries, and the wealth which they generate, are situated outside Geraldton, and are its reason for being. I also mentioned that the regional study plan had identified the most promising directions which those industries should be taking; namely, that there should be diversification and innovation within existing areas, and an endeavour to add value to the product by way of manufacturing.

There would seem to be every reason for the Geraldton Mid-West Development Authority to concentrate heavily on the hinterland of Geraldton, so that fears of people that it would concentrate on the City of Geraldton should be groundless. Nevertheless, there is some reason for the fears held by the outer shires. In that connection I would like to give an example of a recent success achieved by the Geraldton Mid-West Authority - the arrangement which has been made with the Bell mining company to fly out its work force from Geraldton to the mines. This project is well worthwhile and has been well received. However, the mining areas of the Murchison come very close to the agricultural region. For instance, the Shire of Morowa is not very far from the Golden Grove project. The people of

Morowa hope to gain employment from that project, but in order to take advantage of their proximity they have to travel by road into Yalgoo, and the road to the mine site is defective - in fact, a stretch of it is unmade. It does not come within the Shire of Morowa, therefore some negotiation had to take place with a neighbouring shire and the Government in order that the people of Morowa might be in a position to benefit from the employment opportunities. It is the fear of the Morowa Shire that, because of the ease with which it is possible to fly people from Geraldton to the mine sites, the authority might take the easier option of concentrating on flying the work force from Geraldton, thus excluding the people in the Shire of Morowa from employment opportunities in that area. For anybody dealing with development in outer regions there is always the temptation to work from the centre, whether it is metropolitan or regional, because it is often easier and cheaper. We all know that encouraging development in smaller places incurs cost, and a great deal of effort and thought. I still hope that the authority will undertake this sort of work in the course of carrying out its duty.

There are people who say, and I think some members in another place have done so, that the responsibility and the money which has been given to the authority should have been channelled to the shire councils. While I am not yet convinced that the new regional development authority is the only way in which to develop the region, I have observed over the years that it is very difficult for any municipality, even for the City of Geraldton, to achieve many projects on its own. There is a need for a coordinating or facilitating body of some sort.

I return to the point that no matter how well the Geraldton Mid-West Development Authority functions, nevertheless, its function is or should be limited - when I say limited, I mean that it should not become entrepreneurial in its own right - and the money to develop the outer regions must come from the State Government. In a vast region like the Geraldton mid west, there is the question of roads. We all know the difficulties involved with road funding. We know that the limitation of Commonwealth funding is such that money has to be found by the State Government, and in all matters of infrastructure, whether it is the harbour at Geraldton or the roads, the bill comes back to the State Government. The regional development authority can be expected to push plans for the region to the State Government, but in the end it is the Government which will have to take responsibility for the development of the region.

I believe that the authority has begun with success, not only with the Bell mining project, but also on the social side by seizing on the Kamien report to try to give effect to some of its recommendations. I believe that the members appointed by the Minister are approved and appreciated by people in the region, and I wish them well. However, I am glad that there will be a review in five years' time, because we will have a chance of evaluating the worth of the authority to see whether we should be taking another path towards regional development.

I support the Bill.

HON TOM McNEIL (Upper West) [8.10 pm]: It gives me great pleasure to support the Bill. The Government is to be congratulated for introducing such a measure. It is logical, now that Geraldton is a city, that the Government should attempt to do something for the mid west. Hon Margaret McAleer referred to the Great Southern Development Authority and the South West Development Authority. I feel that the name of Geraldton being attached to the title of this authority indicates the importance of Geraldton to the mid west region. However, it was not found necessary to include Albany in the name of the Great Southern Region Development Authority or the name of Bunbury in the title of the South West Development Authority. The suggestion was made in the other place that by including the name "Geraldton" in the title of this authority gives everybody a good idea of where the mid west region is and indicates that Geraldton is the heart of that centre.

There has been much resentment in the mid west region about the part that Geraldton has played in the development of the mid west. I believe Hon Margaret McAleer would have acknowledged that in our travelling throughout the Upper West Province. Resentment exists about the fact that Geraldton has not contributed much to the development of the mid west. However, things have improved since the mid west games were held in Geraldton. They were an example of how the barriers were broken down. People who came from outlying shires received more pleasure from those games than anyone who took part from within the

Geraldton and Greenough regions. They were delighted with the way they were welcomed to Geraldton and by the fact that the games were called the mid west games and not the Geraldton games. That event assured Geraldton's position as the heart of the mid west and repaired any damage that had been done in the past.

Local government councillors change and with those changes come new ideas. I believe that the surrounding shires were justified in their feelings towards Geraldton because they were pushed into the background and subsidised only to the benefit of the Geraldton region. Now that the Geraldton Mid-West Development Authority is being established, the region can only go ahead.

I agree also with Hon Margaret McAleer's comments about her confusion on the number of advisory councils, studies, authorities and committees that exist in this State today. I find it extremely difficult to remember their names. I am often confused in attempting to put the correct names to different groups.

Many people are contributing towards the development of the region, a fact that will serve the region well. It is said already that the authority has initiated a number of projects which will provide benefits for the region, including education and the redevelopment of the Geraldton foreshore. That development is important because it is a beautiful city. I have lived in Geraldton for 18 years and in all that time there has been talk about development of the foreshore. I cannot think of a prettier site on the coast. Something should be done to get rid of the rocks so that we can see the sea and restore the area so that it can be used by families for picnics and swimming. Mining companies should also be encouraged to make Geraldton their headquarters. Benefits from that will be felt by the whole of the mid west region.

In conclusion, I join with Hon Margaret McAleer in congratulating the Government for its choice of the people it has appointed to the board, the authority and to the support staff. They represent a wide cross section of the community. It is unfortunate that nobody from the Shire of Greenough has been appointed, and I do not know what the latest development is in that regard. However, everybody has had a chance to be involved in the setting up of the authority. I believe that every area is represented and each area will be in a position to have an input into the authority.

The National Party supports the legislation.

HON D.J. WORDSWORTH (South) [8.16 pm]: It is with interest that I see the Government is to set up the Geraldton Development Authority.

Hon Margaret McAleer: It is the Geraldton Mid-West Development Authority.

Hon D.J. WORDSWORTH: May I, in speaking about this legislation, refer to it as the Geraldton Development Authority and forget about the mid west region. I was the member of Parliament for the Albany area when the Government set up the Great Southern Development Authority.

Perhaps I can tell Hon Margaret McAleer and her friends in the National Party exactly how this all works because I have seen it all before. Cocktail parties will be held in Geraldton the likes of which have not been seen since the Aga Khan visited Perth. The authority will throw money around like it is going out of fashion. A booklet of 80 glossy pages including photographs of scenic spots around Geraldton and other lovely features will be produced. A video will probably be made as one which lasted for a half an hour was made of Albany. The video was taken from a helicopter which flew over the Albany region taking photos of the beautiful features of the area. When elections are to be held, members of Parliament will receive a letter from the Minister asking them whether they would like copies of the booklet. I said I wanted five, but the Labor candidate took 10 000 from door to door. These booklets cost $8 or $10. The Labor candidate will doorknock in Geraldton asking people to look at what the Government is doing for them and telling them that they ought to vote for him because these are the types of benefits they will receive if he is elected. The Labor Party's advertisements for that election will be the video that was taken from the helicopter, at no cost to it. Everything will look cosy for the Minister for Local Government who is trying to keep his seat of Geraldton. That is what happened in Albany.

The Labor candidate for Albany - a woman - bought new gear in an attempt to prove that she was as good as the person on the other side. Someone asked her whether it had not gone

to her head because she thought she was going to be the member, but the Premier stepped forward and said that she had not bought it, that it was bought by the party because she was going to represent Albany in the future and it was most important that she be suitably dressed. A few days later the local traders in Albany woke up and asked her where she had bought the clothes. She said that she had bought them in Perth. So much for the Great Southern Development Authority supporting local businesses.

This legislation is an indication of the insincerity of the Government. This is a political gimmick and is likely to land it in just about as much trouble as the authority did in Albany. The electors in Albany were sensible enough to see through it and elected Leon Watt.

Hon Graham Edwards: Despite what the Liberal Party tried to do to him. Didn't it try to get rid of him?

Hon D.J. WORDSWORTH: If it did, the Labor Party did a far better job with its candidate. It would have been better to let her be on her way. She was quite a reasonable candidate and she would have done a good job. But now we have decided we will have the Geraldton Mid-West Development Authority, and I have a sneaking suspicion that someone is worried about whether Mr Carr will be re-elected at the next election.

Hon T.G. Butler interjected.

Hon D.J. WORDSWORTH: There is no doubt about it. How many votes did he win by last time?

Hon John Williams: Sixty-four.

Hon D.J. WORDSWORTH: A Minister of the Crown won by only 64 votes!

Hon T.G. Butler: Well, he won.

Hon D.J. WORDSWORTH: It does not matter how many votes one wins by, as long as one wins.

Hon T.G. Butler: I backed a horse last week that won by a nose, and I still got the money.

Hon D.J. WORDSWORTH: I do not know how big a nose Mr Carr has, but I think he will need a big one. I have a sneaking suspicion that is why the Government seeks to establish this authority. I hope that it does the Government as much good in Geraldton as it did it in Albany.

All joking aside, I supported the establishment of the Great Southern Development Authority, despite the fact that it was a Government gimmick. I will not make too many comments on how successful it has been in Albany. It certainly has not been too successful in the south west, and it is also having some problems in Albany. Nevertheless, I wish Geraldton all the best. It is nice to think that the Government recognises this particular area.

The Government is getting itself in a bit of a fix. Will it also recognise Kalgoorlie-Boulder? That area has some very good members of Parliament. They will not get any support from Government initiatives to advantage other areas. I suppose they have safe seats; but I think that the people of Kalgoorlie-Boulder would be inclined to think they should have some sort of authority too. Prior to the last election the possibility of an authority for Kalgoorlie-Boulder was raised, but it did not eventuate. In any event, I wish Geraldton all the very best. I suppose I should do the decent thing and extend those wishes to Mr Carr also.

HON GRAHAM EDWARDS (North Metropolitan - Minister for Consumer Affairs) [8.23 pm]: I thank members opposite for their support of the Bill, particularly the two members who have an intimate knowledge of the region. The first thing that needs to be said is that the people of the Geraldton and mid west region have indicated their enthusiasm and support for the authority.

As the debate was wide ranging, this may be an appropriate time to remind the House of the functions of the authority. The authority will plan, promote, coordinate and facilitate the economic and social development of the Geraldton mid west region. These aims will be achieved by close cooperation, a point I emphasise, between the authority, other Government agencies, local government, private developers and community groups. Being a city member, I am sometimes a bit jealous about the enthusiasm and initiative that is shown in

some of these areas. I would be very happy to capture some of that enthusiasm and transfer it to my electorate. As a matter of interest, we are doing something similar in my electorate.

Hon D.J. Wordsworth: They are not worried about your seat too, are they?

Hon Barry House: You could get another half a dozen people working on your election campaign.

Hon GRAHAM EDWARDS: A body is being set up for no other reason than that it will be of immense value to the region and will complement the things that the region itself has to offer. Each region, while having certain similarities with other regions, has its own identity and character. I am sure that this will be identified during the course of the operations of the Geraldton Mid-West Development Authority. I fear that we will be unable to do very much to dispel the fear that some people have about the focus on Geraldton. The only way we will properly dispel that will be in time. People who live in the outlying districts need to consider this new authority in the context of total regional redevelopment. Members of the board and the advisory committee will be selected on the basis of being representative of the entire region. The manner in which they carry out their tasks will need to be responsible and reflect the needs of the entire region. I am sure that that will happen.

I point out to Hon Margaret McAleer that while one of the functions of the authority will be to increase activity generally, employment opportunities will be increased as a result of success in that area. That does not mean to say, however, that the authority will become entrepreneurial for its own ends. It will be entrepreneurial only to the extent that it will fulfil the aims of promotion, coordination and facilitation of the economic and social development of the Geraldton and mid west region.

Again, I thank members opposite for their comments. I will be happy to respond to any queries they may have in the Committee stage. I thank the House for its indicated support of the Bill. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

[Quorum formed.]

Committee

The Deputy Chairman of Committees (Hon P H Lockyer) in the Chair; Hon Graham Edwards (Minister for Consumer Affairs) in charge of the Bill.

Clause 1: Short title -

Hon MARGARET McALEER: I am not sure that I understood the Minister in the remarks which he directed to me during the course of his speech. I thought I understood him to say that any development, even if centring on Geraldton, would be good for the rest of the region.

Hon GRAHAM EDWARDS: I was replying to the member's comments with respect to increased employment opportunities and her concern that the Geraldton Mid-West Development Authority might be entrepreneurial to such an extent that it would cut out State Government involvement. I am saying that the aims are set out in the functions of the authority, which will be to plan, promote, coordinate and facilitate the economic and social development of the Geraldton mid west region and, to some degree, they will need to be entrepreneurial, but not beyond working with the local government and other Government agencies, private developers and community groups. I am saying that the authority will not be usurping anyone; hopefully, what it will do is generate activity that itself will lead to the generation of more employment. That is an important function - that there be more employment across the region.

Hon MARGARET McALEER: The Minister said that the authority will not be impinging on the areas of local government, and so forth. I did not understand him to say that it would not be impinging on private enterprise. I could infer from what he said that it might be competing in the fields of private enterprise.

Hon GRAHAM EDWARDS: I think the word that we should be focusing on is "facilitating".

Hon D.J. WORDSWORTH: Following on from what Hon Margaret McAleer was saying, will the Minister tell us some of the great things done in Albany by this body?

Hon Graham Edwards: If I had time I would love to recount the achievements of this State Government. However, we are dealing with the Geraldton Mid-West Development Authority Bill.

Hon MARGARET McALEER: In a sense, when the Minister mentioned employment in conjunction with entrepreneurial activity he sidetracked a concern I have in the field of employment. The point I did not elaborate on which is very important to the region is the great loss of population from the shires. This is the major concern of every country shire in the Upper West Province, I would say, because it entails with it a loss of services and the Government is meeting this loss by centring services in Geraldton and saying, "You come to Geraldton." This is not the sort of thing that the shires want; they want services to radiate out and not to all have to come 100 miles or 150 miles into Geraldton. This is a real concern in the region.

Hon GRAHAM EDWARDS: I accept that. As I said previously in a reply, one of the factors we need to consider is that the Bill has been put together with that need for total consideration of the whole region, and I am sure that the activities of the authority will reflect that.

Clause put and passed.

Clauses 2 to 9 put and passed.

Clause 10: Disclosure of pecuniary interests -

Hon MARGARET McALEER: I understand that there are variations in this clause from previous Acts setting up regional development authorities and that while perhaps there must be disclosure of pecuniary interests in the great southern authority no penalty has been involved up to this time. However, in this Bill there is a penalty for non disclosure of pecuniary interests. I do not know why the Geraldton Mid-West Development Authority should be favoured with penalties that do not apply to other authorities, but I would be glad to know.

Hon GRAHAM EDWARDS: From memory there was a fair amount of discussion about this matter when we were dealing with the Great Southern Development Authority Bill. It was following that that a decision was made to include penalties in this Bill. I guess that if the other Bill debated previously in this Chamber came forward now it would probably contain a similar clause.

Hon MARGARET McALEER: It seems a bit unreasonable that it should be left until this stage, or that the Geraldton Mid-West Development Authority members should be singled out for something that does not apply to authorities across the board. I very much hope that the difficulties and embarrassments which have arisen under the Local Government Act in local councils as a result of the difficulties of interpreting pecuniary interest will not be felt by members of the Geraldton Mid-West Development Authority.

Hon GRAHAM EDWARDS: I guess we need to reflect back to that debate, which I cannot recall in its entirety, but during which it was suggested in the course of the general debate that any future Bill should contain this provision. It is following that debate that it is included in this Bill.

Clause put and passed.

Clause 11: Functions of Authority -

Hon MARGARET McALEER: I would be grateful if the Minister would elaborate on clause 11(a) which says that the functions of the authority are to provide a framework within which local authorities, representatives of industry, employee organisations, education and training institutions, etc may formulate, and coordinate action for economic and social development. What exactly is envisaged by "providing the framework"?

Hon GRAHAM EDWARDS: I guess the thing that needs to be pointed out is that it is through facilitation, remembering that this body has no overriding authority over other agencies. It is by collectively utilising the local expertise, the local knowledge that reflects that region, that that framework is best brought together and put to work in achieving the

aims. I guess that is the framework we are talking about. It is not something that one can get up and say is identifiable as to how it will work, but it will create its own framework and within that framework will achieve those things.

Hon MARGARET McALEER: The Minister's explanation is perfectly reasonable. The reason I queried it in the first place is that I associated it with the word "plan" in clause 11; so "planning" and "framework" seemed to suggest a cast iron framework and not the facilitating pattern that the Minister has explained. The authority will not be able to choose the direction for everyone.

Hon GRAHAM EDWARDS: I reiterate that there is no overriding authority here. The authority has to work with existing agencies across that region. I do not see any real difficulty.

Clause put and passed.

Clause 12: Powers of Authority -

Hon MARGARET McALEER: The powers of the authority sound very impressive, even though they do not override any other agency. The powers set out in subclause (2)(c) include dividing land, providing energy, water and other services, building roads and constructing other works. It seems to me that in doing a number of these things the authority could be thought to be taking over the functions of other departments.

Hon GRAHAM EDWARDS: This authority will need to work with existing agencies such as local government and so on. If it wanted to put a proposal to Government, it could do so, but it would need to have the approval of the Treasurer. Once again that is something which would be done in conjunction with all those other groups within the region with whom it is working.

Hon MARGARET McALEER: It seems to me it is more than just a question of requiring approval and getting somebody else to do it when it says it may do all these things. It seems the authority can do this itself.

Hon GRAHAM EDWARDS: That work would be done by the appropriate authorities.

Clause put and passed.

Clauses 13 to 34 put and passed.

Schedules 1 to 3 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon Graham Edwards (Minister for Consumer Affairs), and passed.

ELECTORAL AMENDMENT BILL

Receipt and First Reading

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

Second Reading

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [8.47 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 24 September 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.

Hon G.E. Masters: Shall I say "I told you so"?

Hon J.M. BERINSON: 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.

The 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 Hon G.E. Masters (Leader of the Opposition).

ROAD TRAFFIC AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Graham Edwards (Minister for Consumer Affairs), read a first time.

Second Reading

HON GRAHAM EDWARDS (North Metropolitan - Minister for Consumer Affairs) [8.50 pm]: I move -

That the Bill be now read a second time.

This Bill seeks to amend the Road Traffic Act in a number of areas which may broadly be described as the licensing of vehicles and drivers, and the enforcement and administration of the Act.

As far as the licensing of vehicles is concerned, the Act as amended by this Bill will clearly provide that a vehicle licence will not be required for a vehicle that is being drawn by an animal. Further, it will provide that a vehicle licence is not required for some motorised wheelchairs; that is, those that are not designed to exceed a speed of seven kilometres per

hour. This low speed has been selected as, when regulations have been amended, these vehicles will be permitted to use footpaths. Additionally, motorised, sit-on type lawnmowers will be required to be licensed when they are used on roads. This measure is considered necessary so as to ensure that these vehicles are subject to the applicable third-party insurance contract for personal injury.

In relation to the licensing of drivers the amendments proposed in the Bill will provide for the reclassification of the classes of drivers' licences. In part this reclassification involves the introduction of a passenger vehicle licence. A person will be required to hold this type of licence where he is driving a vehicle that is either licensed to carry passengers for reward or designed to seat 13 or more persons and is in fact carrying that number of persons. In addition to the Bill providing that some motorised wheelchairs will not have to be licensed, it provides that a physically disabled person who drives such an unlicensed wheelchair will not have to hold a driver's licence. The Bill further provides that where a person is the holder of both a driver's licence and a learner's permit, and that licence is suspended or cancelled, the learner's permit is similarly affected.

The enforcement changes are relevant to several matters. The first of these is that where a person obtains a court order directing the Traffic Board to issue to him an extraordinary driver's licence, he will remain subject to the penalties provided for driving while disqualified until he is actually issued with that licence. The effect of section 51 of the Act, which relates to the automatic cancellation of probationary drivers' licences, is to be clarified by providing that it relates to persons who are under the age of 18 years and who have not held a driver's licence for at least one year.

To close a loophole in the Act which permits persons to avoid having to provide urine samples and thereby evade the detection of drugs in their bodies, the Bill will empower police to demand the provision of urine samples. In addition to increasing penalties so as to provide that they remain effective, both as a deterrent and as a punishment, it is proposed to remove the mandatory imprisonment penalties from the Act. In place of such penalties, substantial fines are to be inserted and the discretion to imprison is to be left with the court.

To assist in both the administration and enforcement of the Act, it is proposed that the manufacture of number plates that may be confused with those issued by the Traffic Board be prohibited. Similarly, the sale or supply of such items will not be permitted. These controls are to be achieved by way of regulations authorised by the Act.

Further amendments in the administrative area relate to the reporting of traffic accidents. There will be no requirement to report these where there is no injury and the damage caused does not exceed $1 000; and there will be a repeal of subsection (5) of section 70 which prohibits the results of analysis of samples being admitted in civil proceedings.

Section 84 of the Act is to be amended to allow the Commissioner of Main Roads and local authorities to claim compensation for damage caused to roads or their equipment on roads maintained by them. Certificates as to the ownership of vehicles will be available for use in such proceedings. Further, the Act is to be amended to provide that when a person's driver's licence is suspended, demerit points shall not be recorded for that offence.

The Bill will also ratify several regulations that may be outside the power of the Act at this time. In addition to these matters several other amendments have been made to correct drafting errors that have been identified and to remove spent provisions from the Act.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Margaret McAleer.

MOTOR VEHICLE (THIRD PARTY INSURANCE SURCHARGE) REPEAL BILL

Receipt and First Reading

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

Second Reading

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [8.55 pm]: 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 -

Hon D.J. Wordsworth: You are dwelling on it.

Hon J.M. BERINSON: - 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.

Hon Max Evans: Guarantees $64 million.

Hon J.M. BERINSON: I now 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.

The Government is 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 Hon Max Evans.

ADDRESS-IN-REPLY - NINTH DAY

Motion - as Amended

Debate resumed from 21 June.

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [9.01 pm]: Most members of the House have spoken in this debate. I thank them for their contribution without necessarily indicating support for a great many of them. It is the nature of the

Address-in-Reply debate that discussion is so wide ranging that it really becomes impracticable to attempt a detailed reply. I advise members, however, that, in accordance with our usual practice, the matters which they have raised have been progressively referred to relevant Ministers for their consideration.

Question put and passed; the Address-in-Reply, as amended, thus adopted.

Presentation to Governor

On motion by Hon J.M. Berinson (Leader of the House), resolved -

> That the Address-in-Reply, as amended, be presented to His Excellency the Governor by the President and such members as may desire to accompany him.

GOLD BANKING CORPORATION AMENDMENT BILL

Second Reading

Debate resumed from 16 June.

HON MAX EVANS (Metropolitan) [9.04 pm]: This is a most serious piece of legislation. It is extraordinary that it has been introduced to amend legislation that was passed by this Parliament only last year.

On 19 May 1988, *The West Australian* carried an article headed "Goldcorp back to basics". It stated -

> Having secured a high profile on the world gold stage through its multi-million-dollar gold coin program, Goldcorp Australia could be excused for resting on its laurels.
>
> But a vertically integrated gold program is still the buzz word round the refurbished corridors of the Perth Mint building where the WA Government-backed corporation resides.

What has happened is that this corporation will not be recognised as a bank. It was agreed in the legislation that $10 million would be put into the bank, but the bank has not eventuated. As the journalist said that day -

> To the cynical observer it is WA Inc at work.

It is amazing and very rare that two Press articles appear on two separate days. The second one carried the heading - probably on instruction from somebody - "Goldcorp in line for bank status". That compares with the previous heading, "Goldcorp back to basics". "Goldcorp in line for bank status" is a long way from the truth. The corporation has gone about two years backwards from where it was when the legislation was introduced in November 1987. The article appearing in *The West Australian* of 20 May states -

> Legislation to ensure the WA Government's Gold Banking Corporation adopts and conforms with the Reserve Bank of Australia's prudential requirements has been introduced in State Parliament.
>
> This means the body will not receive full bank status until next year and it will be known as Gold Corporation until then.

These statements are absolutely unbelievable when one remembers all of the things we were told when the legislation was introduced last year. We were told what great things the bank would do for Western Australia. The article continued -

> Amendments to the original Act allow for a transitional corporate name while the banking business of Gold Bank is fully developed.

Surely the Government must have known what would happen with the legislation; if not, it should have been told. The article continued -

> The Premier, Mr Dowding, said yesterday it was important - during the establishment period - that there was no misunderstanding or expectation by the public that the corporation was capable of providing a full range of banking services.
>
> Other amendments include the appointment of three more directors, an increase from five to eight, and increasing the paid-up capital from $10 million to $25 million ...

I believe the situation is far more serious than that, when one considers the legislation we began with last year. I believe sincerely that the Government did not know, even then, what it was going to do even though it was trying to set up a socialist bank, controlled by the Government.

The Gold Banking Corporation received the assent of the Governor in December last year. It is now June 1988 and we are being told that, after all the provisions that were included in that legislation, it cannot go into banking. The Minister said -

> The major function of Gold Banking Corporation is to carry on banking business.

It was, but it is not now; it may be in the future. When introducing the Gold Banking Corporation Bill last year, the Minister informed members that it was proposed to adopt and conform with prudential requirements of the Reserve Bank of Australia applying to trading banks. We discussed that in great detail in a previous debate. The amendments in this Bill are designed to assist the Gold Banking Corporation to do so. The amendments include a change of name because the corporation can no longer carry on as a bank.

Hon J.M. Berinson: I think you are mistaken.

Hon MAX EVANS: Is the Government going to carry on banking business without the name of a bank; without that degree of respectability?

Hon J.M. Berinson: It is the name that is in question in the immediate future, not the nature of the activity.

Hon MAX EVANS: We will go into that a little bit further, but even the name was part of what was approved by this Parliament before. The Minister continued -

> Bank status is conferred upon an applicant financial institution by the issue of an authority to carry on the business of banking . . .

The Minister is now telling me that the corporation is going to carry on business without the name of a bank after what was said in the second reading speech. The Minister said further -

> . . . the applicant financial institution must satisfy the Reserve Bank that it is capable of carrying on the business of banking in a prudent and competent manner.

He then said -

> The sixteen new foreign banks recently established in Australia were authorised through this process over a period of 7 to 18 months.

I would not have thought it was due to the fact of whether they were running a banking operation; it was the speed at which those banks wanted to operate in Australia. It was rightly said -

> . . . State banks do not require a banking authority . . . Reserve Bank prudential supervision on a voluntary basis through regular consultation and discussions.

We found out last night in another debate that the State banks do not comply with the capital adequacy ratio of capital to total assets. The Reserve Bank requires six per cent and the State bank has only five per cent. I hope the Minister will tell us what would be the capital adequacy ratio of the corporation, five per cent, six per cent, or 6.5 per cent. All banks after 1981 are expected to have a capital adequacy ratio of 6.5 per cent. The Minister said -

> The Government has decided therefore that the establishment of Gold Banking Corporation as a bank should be subject to the same administrative process and prudential standards that are applied by the Reserve Bank to other financial institutions proposing to establish as a bank in Australia.

They are talking about complying with all the financial and prudential standards applied by the Reserve Bank to other financial institutions proposing to establish a bank in Australia. This Bill was rushed through the Parliament last year when the Treasurer had a great vision of Gold Bank becoming integrated with the goldmining business. It was envisaged that it would be one of the last major achievements of the previous Treasurer, Mr Brian Burke, during his period in Government. I give him credit for the introduction of the gold coins which were well marketed throughout the world. However, I believe he has slipped up on this issue.

I would like to quote from a report from the Australian Bankers Association which has been critical in the past of the fact that State banks do not comply with the standards imposed on private banks by the Reserve Bank. The report states -

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

It goes on to state -

> 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.

That is quite obvious if one simply works out the arithmetic on the interest earned. It further 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.

The article is referring to the fact that normally an organisation which gives a guarantee charges a guarantee fee in respect of that guarantee; it could be 0.75 of one per cent or up to 1.5 per cent. A State bank would have the guarantee of the State Government, which does not involve any cost to the bank. With regard to company tax of 49 per cent - it was formerly 46 per cent - it states that in recent years the R & I Bank has paid between 15 and 20 per cent as dividend to the Western Australian Government compared with a dividend of between 30 and 40 per cent paid by major private banks.

In addition, it is interesting to note that the legislation relating to Exim and WADC requires them to pay the equivalent of taxation charges, but they are not required to pay a dividend over and above that. That gives those bodies an extra advantage. Most companies pay 49 per cent taxation, retain reserves and pay a dividend to shareholders. The R & I Bank has not paid anywhere near the portion of its profits that is expected of the major private banks.

The new legislation for the R & I Bank and for Gold Bank requires them to pay taxation on the basis of the Federal Income Tax Act, and also to pay a dividend on a normal commercial basis. I commend the Government for introducing this legislation. I thought it might amend the legislation relating to WADC and Exim on a similar basis to ensure that they are run on a competitive basis with normal commercial operations. The article continues -

> 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.

The R & I Bank does not have to compete and to worry about that aspect. An interesting comparison is made between the two -

> 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.

We are lead to believe that these banks will be made equal to other banks and will compete on equal terms; but they are not operating under the same terms as other banks. Perhaps they are on equal terms with other State banks, but I am not making a comparison between State banks.

Three amendments are included in the legislation: Clause 4 of the Bill proposes to amend section 4 of the Act to provide for the use of a transitional corporate name during the period in which the banking business of Gold Bank is being fully developed to the point where it could be accorded bank status. The time involved could be 12 to 18 months. This House was not given that information in November last year. The Minister must be very

embarrassed at having to introduce this legislation to amend the Bill passed by Parliament last November. The Minister must know that this matter was not fully researched, or the officers involved were not fully briefed. We should have been told of the problems that would arise with the Reserve Bank in this area. The second reading speech states that the end of the transitional period will be discussed with the Reserve Bank, and that a notice will be published in the *Government Gazette*. I hope that Parliament will be informed of that date so that members will know what the position is.

It is interesting that the experts at WADC, the lawyers and so on, could have assisted in framing legislation which included another factor not approved of by the Reserve Bank: I refer to the requirement that banks must have a majority of non-executive directors in attendance at board meetings. It is hard to believe that the Reserve Bank came up with that requirement after the legislation was presented. Presumably it was consulted before the legislation was introduced; I do not believe that afterwards it would have changed its mind about the number of non executive directors. I was critical at the time the original Bill was introduced that the Government did not provide the names of the directors; I believe the House should have been given that information. Legislation should not be introduced to correct a simple item such as that, and I wonder what the advisers were doing with regard to this matter. Had they discussed it with the Reserve Bank before the legislation was introduced, or have they been discussing it since? The proposed amendment will increase the number of non-executive directors from five to eight to ensure that the required majority is maintained in the event that a non-executive director is absent. The Government could have eaten humble pie and simply changed the number of directors; surely one member could have stood down in order to achieve the correct ratio between executive and non executive directors. I hope the Minister has an explanation from the Treasurer and Premier about why the original legislation was not correct and this slip up has been made with regard to the name of the corporation and the number of directors.

This should be a very simple Bill which should pass through this House in two to three minutes. However, I believe it is my duty to point out these facts. It involves more than a change of name, the number of directors, and an increase in capital. In the debate last November Hon Eric Charlton and I sought information with regard to the capital of $10 million, plus $13 million for assets being taken over, making a total of $23 million. At that time no mention was made of a paid up capital of $25 million. Is this another afterthought by the Reserve Bank? It is terrible to think that the Reserve Bank may have changed its mind after the Bill was proclaimed in December! Of course, I am certain that the Reserve Bank has not changed its rules recently; in fact, I have a copy of the rules on prudential standards issued in June 1987 and to my knowledge no further rules have been introduced since that date with regard to banks complying with prudential standards.

I have tried with much legislation in this place to emphasise the importance of having corporate commercial realities brought into these issues, with understanding that there is more to it than just drafting legislation and producing an Act of Parliament. The Government must look at the other implications. I quoted previously from the prospectus.

I have spoken a number of times about the desirability for organisations like Gold Bank having to issue present information similar to a prospectus, in the same way as public companies, and to go through the processes of checks similar to the Corporate Affairs Department. I said also when we were dealing with the legislation relating to corporate bodies such as the WADC, the Western Australian Mint and Exim, that the legislation establishing those Government authorities was far from being satisfactory, when we consider that the Government is putting public money into them. I believe the Minister should take a more serious view of the way such legislation is brought into this Parliament.

I hope the Minister will survive this long speech. He looks as if he is going to die on his feet.

Hon G.E. Masters: I thought he was looking better than usual.

Hon MAX EVANS: The idea of issuing a prospectus for Gold Bank should have been considered, but I would think that the people bringing in such a prospectus would be very grateful that it was not subject to the Companies Code and to the scrutiny of the NCSC. We already have an inquiry being conducted into the Burswood Casino, and we can imagine what would now happen if there had been a prospectus issued for Gold Bank in December. We would have the directors coming along now, six months later, and saying they made a

mistake in their prospectus; they now need $25 million capital, not $10 million. That is an additional investment of more than 150 per cent, which is about the same as that involved in the inquiries into the casino cost overruns. We have to ask, if the Government has made a mistake, how it could let this legislation go through.

Hon J.M. Berinson: We did not make a mistake about the amount of capital required. The Reserve Bank has changed its requirements.

Hon MAX EVANS: That is interesting. How can the Reserve Bank change its mind along the way?

Hon J.M. Berinson: They did, and we were prepared to cooperate in the change.

Hon MAX EVANS: Good. The board of directors would then have to say to the NCSC that they have made another mistake; the number of the directors was wrong; they have to change this to give it more directors. The shareholders could then ask what is happening; does the Government not know what it is doing? We can imagine the NCSC conducting a major inquiry into the establishment of the bank, and sending it back to the drawing boards. If the bank had been a public company, and had issued shares, that would have had a material effect on the value of those shares. We have seen what happened in the case of the casino: When a greater number of shares were issued, the price of shares dropped. If it was said at a public float of Gold Bank that more shares were going to be issued, there would be a lot of ridicule, and the NCSC would conduct an inquiry.

Hon G.E. Masters: I think the Government is getting used to that.

Hon MAX EVANS: Yes. I commend the Reserve Bank for what it has done. I do not take credit for this, but I had talks with the State Manager of the Reserve Bank at the time this legislation was first introduced, to discuss the prudential standards.

Hon J.M. Berinson: So that is what caused all the problems!

Hon MAX EVANS: I thank the Minister. I will take credit for that. I support the principle of the legislation because I have discussed it with people at the Reserve Bank, and it seemed to be good.

Hon J.M. Berinson: So what has changed?

Hon MAX EVANS: I am wondering what else the Government might want to change.

Hon J.M. Berinson: There is not anything which has changed in respect of the purposes of the Bill.

Hon MAX EVANS: I am starting to wonder what else might be changed. There would not need to be anything more significant than the three points we are discussing at the present time in order for us to be worried about what is happening with Gold Bank. There are a lot of other matters we could go into, and I will be interested to see how they come out in the wash.

I made the point previously that Exim Corporation took over Exim Limited and Western Overseas Projects Association, and it did not have any professional valuations conducted when it took over their assets. We have discovered already that the balance sheet of Exim for the previous June was not correct. Creative accounting standards were used to create a false balance figure. If a public company had shown a $4 million loss, as Exim's balance sheet should have shown, the shareholders would not have put any more money into it. I wonder what the Government is doing with these corporate bodies, into which it is putting taxpayers' money, and not telling us all the facts.

Hon G.E. Masters: They are manipulators.

Hon MAX EVANS: Yes. They are just hoping they will get rid of the problems and we will forget about them and go on to the next one. They were hoping we would forget about the $4 million loss of Exim Limited and that the new Exim Corporation would carry on -

Hon A.A. Lewis: I do not think you are right.

Hon MAX EVANS: The Perth Mint took over the former State Batteries. We found it hard to obtain the facts about the Mint. We knew that the balance sheet of the former Perth Mint was misleading, and that there had been losses for the previous three years. We found out it had been manipulating its stock at $0.6 million when it should have been $1.6 million. There

was not taken into account in that balance sheet the sum of $648 000 worth of gold which had been taken fraudulently from the Mint. It had not made proper provisions for accruals, salaries and wages, and other entitlements, which amounted to $397 000. They had been left out of the accounts of previous years. We were not able to find out whether the Mint could make any money. We were told it would increase its refining of gold by 1 million or 1.5 million ounces of gold. The price of refining gold went down to 50c an ounce. It is now up to 70c an ounce. We realise that will not bring in a very much greater return on the money.

I would like to recall for the Minister - because this is all symptomatic of what is going on - that in each of these situations false statements have been made, which would not have been the case if they had been subjected to scrutiny by people from the Corporate Affairs Department, because the Government would then have ensured that it dotted the i's and crossed the t's. In fact, if we had been dealing with a corporation subject to the Companies Code and the NCSC, it would have been necessary to have reports from the consulting engineers and the valuers. It would have been necessary also to have a letter from the Reserve Bank, saying it agreed with this body being called a bank and carrying on trading as a bank. I suggest that before this Government brings in any more legislation of this type, it uses the techniques of the Corporate Affairs Department in checking as though it was a prospectus of a company. If that had been done, we would have overcome a lot of the heartaches and headaches of this legislation. The Corporate Affairs Department methods would have checked a lot of these factors.

Hon E.J. Charlton: They are a little busy at the moment.

Hon MAX EVANS: Yes, and rightly so. They are trying to do their job. I was going to bring in tonight some prospectuses to show the types of things that must be contained in them, because they must have statements by directors.

At the end of the directors' report they say everything is correct up to a certain date, and they confirm nothing material has happened since that date. That might refer to valuations or comments from the Reserve Bank and so on. We found this out later in respect of the WA Mint. Nobody told us, as far as I recall, that the State Batteries had a certain amount of gold in slag heaps which brought in revenue. The batteries may have paid revenue to the Government, but I have not been able to pick that up. Next year's accounts may do that.

Finally, another corporation has been in the news lately with a prospectus and another lot of money involved. The SGIC had many statements which were far from satisfactory, and which I have quoted before. I spoke on the anomalies in the accounting at MVIT and SGIC before they amalgamated. In the private sector one must rectify these matters and make a reconciliation of the true trading position. I suggest the Minister should look at this type of legislation and try to comply with the sort of things one would have to comply with under the Companies Code; then we would have far more responsible and meaningful legislation; something which could be understood in years to come, and we would know why it was put together.

I am proud of the questions I asked, because the Minister made a comment to me. This comes from debate on the Gold Banking Corporation Bill. The Leader of the House said -

> If Tony Barber is ever indisposed I think the sponsors of Sale Of The Century could do worse than employ Hon Max Evans as quiz master. I do not say that with any sense of disrespect; it is just that he does have this disconcerting capacity to convert a second reading debate into a quiz session.

Hon Phil Pendal said, "The question is, will you pass the test tonight at 7.00 pm?" Half an hour later, but *Hansard* did not record it, I said, "You would not win any prizes because you did not answer any of my questions."

I am asking one final question now. When all the legislation is through, when this bank is named 18 or 24 months down the line, will it be subject to the Reserve Bank of Australia, or will it still rest on the guarantee of the Western Australian Government? I have mentioned this before, and it has become quite meaningful since 17 August last year, when we took on Swan Building Society and Teachers Credit Society. We now realise what an indemnity or guarantee means. We have to find real money; $13.3 million under the guarantee to pick up the losses on Swan Building Society, and $48.5 million on TCS, and the sum could become a lot bigger. With a bit of luck we might get away with Rothwells; there are no known losses

to indemnify there. What is the ability of the Government to satisfy those guarantees? It can only come from revenue. The Government does not have many assets to sell; after this Government has finished there will be none; it has sold most of the real estate.

Hon E.J. Charlton: That is not a question.

Hon J.M. Berinson: A couple of weeks ago you were complaining about our accumulating assets.

Hon MAX EVANS: I was complaining about the way the Government was not telling us about the facts. In the 1960s a senior businessman in England talked to a building company executive who said, "We are short of mortgage money for developing homes. Could we borrow any money from England under Government guarantees?" This friend of mine, Sir William Carrington, had been an advisor to the Government over there; he was a well known identity. He said, "How good is a Government guarantee? The Government guarantee is only as good as the revenue the Government can raise in a year." We raise $1.1 billion, and we need every dollar of that. Another $3 billion comes from the Federal Government in the form of grants, but we need all of the $1.1 billion.

We have already found chickens coming home to roost. The Minister must have great respect when giving guarantees. World banks thought it was great to put money into South America. I forget the Italian man's name, the head of the Bank of America, but he became the guru of banks. The largest banks in the world put money into South America under Government guarantees. There is never a register of Government guarantees. There will come a day of reckoning. The Government never has any money to meet those guarantees. Money is borrowed by the Government and by the private sector. This worries me, this ad nauseam provision of Government guarantees by the State Government.

The Gold Bank is a body which could have $25 million. Multiply that by six per cent about 17 times and we have nearly $400 million worth of assets on a capital adequacy ratio of six per cent. That is pretty good business, and I hope the bank knows what it will do. We are starting with $400 million worth of assets on a capital of $25 million, and when one is new in business like the Australian Bank that is a good thing at first. It decided to run a bank and got into serious financial trouble. When one is late in the market it is often hard to get good business, and international banks have found this out. Take care with the Gold Bank because we, the taxpayers, are the last resort. The money will come out of our pockets; out of revenue. There are not many more assets to sell.

I do not blame the Minister; I blame the previous Premier for rushing this through. I cannot believe, in proper consultation with the Reserve Bank, there was not a nod and a wink between Brian Burke and Paul Keating, indicating, "She'll be right, you'll have your bank." We should have that answer as to how there was such a major change in this banking legislation which was seen as a great saviour and earner of revenue for the State Government by the WADC, Exim, SGIC and so on. We will not go into all those things at this stage.

Hon Fred McKenzie: A great success story, and you do not like it.

Hon A.A. Lewis: How do you know? Have you seen the figures?

Hon Fred McKenzie: I have seen the figures, yes.

Several members interjected.

Hon MAX EVANS: There is limited time, or I could give considerable detail. It might take two or three hours and I might beat the records of past members. I have been planning to do that, and I will do it because it should be in *Hansard*. I will record all the problems which the State has suffered. One day I will document all that happened to these bodies and what they have done.

I support the legislation; it has been supported before, and it now requires to be changed. It is a sad day when such major changes must be made to such important legislation.

HON E.J. CHARLTON (Central) [9.38 pm]: My comments will be very brief because the previous speaker has not only covered all the aspects of the proposed changes in this legislation, but he has touched in depth on a number of other related issues. With regard to the Minister's comment about "Sale of the Century", perhaps the Minister will have either the money or the bank. I wonder what we will have when the next amendment is proposed.

As Hon Max Evans has said, only a few months ago we had the original legislation before the House. The National Party had the opportunity, as did everybody else, to go through it clause by clause. We covered the background of how the Gold Bank and other aspects would be set up, and we asked a number of questions. We reached the point of wanting to amend various clauses because we believed that was required. However, in the final analysis the proposition put forward went through. Some of these amendments to the gold banking legislation were originally concerns expressed by everyone, and they have been dealt with in depth by Hon Max Evans. I will not deal with those points because I think the Minister has certainly enough questions to deal with in that respect. We will be interested to hear his answers.

I will touch on a couple of points. Firstly, in respect of the change from $10 million to $25 million. That was one area we questioned in the beginning and it was then explained to us that it was not required. In the second reading speech the Minister referred, not only in respect of that point but in respect of others, to the fact that the State had the opportunity to implement things and in order to be in line with the rest of the banking world, it is required to do those things in that way. With that background to these changes provided by the Government, the main point I wish to make is that members on this side of the House cannot be confident when they are given a guarantee that that is the situation. We have the best available research and information and as far as I am concerned we are not in a position to question at great depth some of the technical information and background of the financial information put forward. However, it does not inspire confidence when one looks at this as a lay person and puts forward queries and is told that one is jumping at shadows and something like that will not happen, only to find a few months later that the changes are required.

The National Party has tried at all times to be understanding of the need to implement certain legislation because of economic reasons or for managerial reasons, or simply to enable the State to keep up with other developments around the world, particularly in the financial area. We have seen the large impact which substantial changes in banking deregulation have had over recent years. I would have thought it would be more imperative that this bank is set up and put into place with the Government and the people of Western Australia being doubly sure that something so all embracing as Gold Bank would be able to participate in every aspect of the gold industry, the financial market and the trading which was going to take place because of the very nature of its operations.

Another aspect of the matter is simply the name of the bank. I note here that its name will not be announced for some time. I guess there is nothing in a name, but I am interested to learn what is behind this. We have seen changes in the commercial field in respect of other organisations and I wonder what the Government has in mind in this respect.

Hon G.E. Masters: Burke's bank.

Hon E.J. CHARLTON: It might have to go out of the State, as Mr Burke did.

Hon G.E. Masters: He could always be called back.

Hon E.J. CHARLTON: The name is not an important matter. Hon Max Evans spoke in depth about a number of other issues which I was going to raise. I will not go on with them simply to see them in print. The National Party's concern is related to three main areas. It is of great concern to us that this sort of legislation has come into the Parliament so soon after the principal legislation was passed. We are also concerned about the increased input which is required. Our overall and major concern is where the line will be drawn in respect of being requested to put through legislation for all the reasons I outlined earlier, only for members to be told further down the track that certain changes have taken place and amendments are needed.

I have always been an exponent of the view that we can be certain of only one thing in life, and that is that nothing stays the same. That is true of all things, including the Leader of the House.

Hon J.M. Berinson: I am very flexible.

Hon E.J. CHARLTON: The only time the Leader of the House is flexible is when he expects members to be flexible enough to move when the wind changes direction. Members on this side are very responsible and we cannot shift whenever the wind blows in another direction.

Hon G.E. Masters: We have a few principles.

Hon E.J. CHARLTON: That is right; high principles. We must not be frivolous about this matter because obviously we all not only hope that this bank will play a significant role in the future, but that it will be a successful operation. Nobody has denied that right from the beginning. Certainly there were some big question marks about what effects the bank would have on other banks and in respect of other matters such as the particular commodity involved.

Hon H.W. Gayfer: And such as the president.

Hon E.J. CHARLTON: Well, we do not know who will be the president.

Hon Max Evans: Yes, John Horgan. He got the trifecta - WADC, Exim and Gold Bank.

Hon E.J. CHARLTON: We probably need a bank to pay him if what we read is true. I am anxious to hear the Minister's comments to all the queries raised. The National Party hopes that when we come back next session, or whenever - when there may be different people at the helm - we will not have to make any further changes to the legislation.

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [9.47 pm]: I think I should acknowledge at the outset that although the speakers in this debate have been very critical in a number of ways, nonetheless their general approach to the Bill has been very fair.

They acknowledged their support for the parent Act last year and they do not move away from that. For that reason, they support this amendment Bill as well. I think it is putting their position fairly to say that to the extent that they are critical of the legislation it is more a matter of being critical about the need for it rather than of its detailed provisions.

Hon Max Evans: Beautifully put.

Hon J.M. BERINSON: Hon Max Evans having been kind enough to say that part of my comments is beautifully put, I hope he will accept that the rest of my comments should be accepted in the same spirit because the basic situation is that the amendments we are now moving to do not, as a matter of fact, illustrate any terrible flaw in the original proposition, and some of them simply could not have been anticipated.

I once said in this Chamber that the only thing I will ever remember out of Philosophy 1A was Wittgenstein's statement about the meaning of a word being its use in the language. Since then I have remembered a second thing from Philosophy 1A, which is that all analogies are suspect. The analogy which Mr Evans offered was between Government support by way of guarantees in respect of State institutions such as the SGIC, the R & I Bank and Gold Bank of the future and State guarantees for bodies such as Teachers Credit Society, Swan Building Society and Rothwells; and he may have gone on to talk about Bunbury Foods and so on. The point I make is that these are not analogies at all; on the one hand we are dealing with commercial ventures entirely separate from Government and Government accountability standards; whereas when we come to the R & I Bank, the SGIC and Gold Bank we are in a position where accountability functions to a very full and complete extent.

Hon H.W. Gayfer: Was not Hon Max Evans pointing out a limit to that sort of thing because some day the Government has to account for things, as Canada did years ago?

Hon J.M. BERINSON: Sure, but I am saying that the chances of doing that to meet guarantees by way of cash payments in respect of State institutions such as the R & I Bank are infinitely less than the chances of being called on to meet the potential liability of Bunbury Foods; that is the distinction I am drawing. I am not in any way denying the importance which Mr Evans attaches to this.

Hon Max Evans: In the Minister's Treasury report the commercial guarantees were limited. We are talking about $2 million for St John of God, and the amount is limited. The Premier is not so happy about the possible ongoing liability for asbestosis victims, as it may wipe out the $60 million capital of the SGIC.

Hon J.M. BERINSON: That is a good speech; in reply could I simply make the point on the serious question of asbestosis that what we are dealing with there is not really to be regarded as in the nature of a commercial guarantee on insurance company operations by the SGIC.

What we are dealing with in that case, Mr Deputy President, is a State guarantee of industrial disease liabilities. There has never been a suggestion that that liability would be covered by the SGIC in a commercial way; the reason being we could not get commercial cover for it. That is why in that area the SGIC has the monopoly - not a monopoly that it is anxious to have, but a monopoly imposed on it because that was the only way of securing an indefinite liability which was understood many years ago to attach to the problem of industrial disease. Mr Deputy President, I do not wish to take that argument too far but I did not think I should let it go altogether, either.

Hon Max Evans' comment on those guarantees was in the context of asking whether the Gold Bank will have the benefit of the protection of the Reserve Bank or whether it will "just" have the support of the State. I think that was putting the State's capacity at rather a lower level than it ought to be recognised.

Hon Max Evans: I did not mean it in that way.

Hon J.M. BERINSON: I think the position can be summarised in this way: The Reserve Bank stands behind all established State Banks and offers to them lender of last resort facilities. On the basis of that practice it would be reasonable to expect that once GoldCorp moves to Gold Bank status with the agreement of the Reserve Bank it would come within those same provisions. That is not a matter which has been determined; it is something for the future; but in the meantime the institution will of course continue to have the support of the State.

Two matters were raised which were related. One was to suggest that the Government was somehow remiss in its capital arrangements for this institution last November and that that is the only way of understanding the need to now have a further injection of capital. At that point we had another part of Mr Evans' analogy with private companies in which he suggested the use of the Corporate Affairs Department procedures in respect of prospectus checking. I think I interjected at that point to say that that comment by Mr Evans was not appropriate because we were not dealing with a case where the State did not organise itself correctly from the outset. We had a position where the rules had changed since our legislation was passed. The change was of this nature: At the end of 1987 it was understood that capital requirements would be $25 million and members may be aware that I dealt with the way in which that would be met partly by the original $10 million contribution of funds, and to the extent of the remainder by getting credit for the assets of Gold Bank. The position is that since the Act was passed the Reserve Bank has circularised a discussion paper which sets out to establish new standards for capital adequacy of banks. The new standard proposed to establish two standards of capital: Tier 1 and tier 2. Tier 1 is cash and it is tier 1 that the Reserve Bank is now looking for to meet the $25 million requirement.

The paper was distributed in February 1988 and it only then became clear that the original basis on which a satisfaction of the $25 million capital had been approached was no longer acceptable for Reserve Bank standards.

Hon E.J. Charlton: Has the value of the assets changed since November?

Hon J.M. BERINSON: If there has been any change it has been by way of increase. The major asset was the Mint.

Hon E.J. Charlton: What about GoldCorp?

Hon J.M. BERINSON: I think it was only about $2 million, but I say that subject to correction. The tangible non-cash asset was the Mint.

The second matter dealt with by this Bill is the increase in the number of directors and that is to ensure that even if some of the non-executive directors originally proposed are absent, there will still be a majority of non-executive members for bank board meetings. In this respect the Government is moving to meet what might be called a preference of the Reserve Bank rather than a requirement. The Reserve Bank has not said it requires these additional non-executive directors in order to satisfy its standards. It has simply raised this question as one of a number of matters on which consultations are continuing and it is indicating its preference for that position to be achieved. It is really a measure of the extent to which the Government is anxious to meet the standards of the Reserve Bank that this particular aspect of the Bill has been included.

The main question comes down to the use of the word "bank". I start with the constitutional position. It is acknowledged on all sides that a State bank does not formally or constitutionally require Reserve Bank approval. As I understand the position that includes a capacity by a State Bank to use the word "bank" in its title whether or not the Reserve Bank agrees that it should.

At the time of the original legislation it was the position of the State that this was an institution that should properly be called a bank, but it is true to say that that matter had not been finalised with the Reserve Bank. Since then further discussions have made clear that the meeting of not only the prudential standards, but also of other requirements of the Reserve Bank will require further time and some expansion perhaps, of Gold Bank's originally proposed activities in order to cover the whole gamut of the Reserve Bank requirements for its approval of the name. The State does not propose to stand on its constitutional position in this respect. It accepts it is essential to have Reserve Bank approval and backing in a commercial sense and to ensure commercial confidence in the activities of the bank. Therefore, the Government is proceeding in an orderly way to ensure that all the Reserve Bank's requirements are met. Not all of those were clear last November. Some of them are still subject to further negotiation.

What is being made clear in this Bill is the Government's concern to go the whole way to satisfy the Reserve Bank in these respects and that is not a matter of reflecting earlier error, but simply a matter of ensuring that the original intentions of the parent Act are fully met.

If I may conclude on my starting point: I want to welcome the continued support of the Opposition for the basic concept of Gold Bank. It is an important and an imaginative venture and it is designed to function in an industry which is of tremendous importance to this State. To the extent that this institution can provide further impetus to the development of the gold industry; to the extent that we can ensure that additional benefits can accrue to the State from our gold resource, it is important we should take every reasonable measure to do so. Certainly, that is the Government's intention. Accepting all the reservations and criticisms that have been passed this evening I welcome the Opposition's acceptance of the wider principles involved.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chairman of Committees (Hon P.H. Lockyer) in the Chair; Hon J.M. Berinson (Leader of the House) in charge of the Bill.

Clauses 1 to 5 put and passed.

Clause 6: Section 15 amended -

Hon MAX EVANS: I ask the Minister whether the $10 million capital was paid when the Act was proclaimed last year.

Hon J.M. Berinson: No.

Hon MAX EVANS: Is it anticipated that the $10 million, or the full amount of $25 million, will be paid before the end of June? A Treasurer's advance has not been forthcoming in this regard. I understand that $10 million will come from capital works and I ask the Minister from where the remaining $15 million will come.

Hon J.M. BERINSON: No, the funds have not been paid because the Act has not been proclaimed. I understand the proposal is that the Act will be proclaimed to take effect on 1 July so that payments will go into next year's Budget.

I take advantage of this question on capital to respond to an earlier question by Hon Max Evans that I did not respond to in my summing up of the second reading debate. It relates to capital adequacy requirements. The honourable member asked whether the requirement of 6.5 per cent for new banks was proposed to be made by Gold Bank and the position is that it is.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

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

SUPREME COURT AMENDMENT BILL

Receipt and First Reading

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

Second Reading

HON J.M. BERINSON (North Central Metropolitan - Attorney General) [10.12 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to amend section 7 of the Supreme Court Act 1935 to remove the maximum number of judges who may be appointed to the Supreme Court of Western Australia. By deleting the words "not exceeding 9 in number", it will be open to the Governor, in the exercise of his discretion, to appoint the number of judges needed for the administration of the court. The work of the Supreme Court has increased substantially in recent years, and additional judicial appointments will be needed to cope with this workload. No appointments can be made until the Act is amended to remove the present limitation.

I commend the Bill to the House.

Debate adjourned, on motion by Hon John Williams.

JUSTICES AMENDMENT BILL

Second Reading

Debate resumed from 15 June.

HON JOHN WILLIAMS (Metropolitan) [10.13 pm]: One might say that I have good news and bad news for the Attorney General. The good news is that the Opposition agrees with the majority of this Bill. It is a sign of this Government's work that gradually the law of the land with regard to the judiciary is being altered. It has been indicated today that other reforms, such as the Community Corrections Centres Bill, are on their way.

If I deal with the Bill from back to front, I shall relieve the Attorney General of some heartache. In the second reading speech the Attorney General said the Bill contained four major amendments: The first related to the existing provisions for restraining orders and this bears no argument. It is sensible and moves in the right direction. Secondly, the Attorney referred to the introduction of a simplified system of enforcing unpaid infringement notices. That too has the support of the Opposition because too many law officers, particularly those in the Police Force, spend an inordinate amount of time chasing people for unpaid fines and all the problems that go with that. This amendment cleans that up to such an extent that it will become purely an administrative matter and the police will then be free to do the work for which they are employed; that is, keeping the peace and not spending hours hanging around and dealing with paperwork. That seems to flow with the new bail system, under which the working policeman, as opposed to the administrative officer, spends his time out in the community where he is supposed, and would want, to be.

The third amendment relates to an adjustment to the scale of imprisonment for non payment of monetary court orders. In other words, from a scale of $20 per day it will move, with inflation, to $25 a day; that is, for every $25 not paid a person must spend a day in gaol. I notice that in other legislation even that will change in some form or another, but I am not allowed to refer to that Bill because it is not yet before the House.

The Opposition parts company with the Government on the proposed final amendment. It is fair to say that historically one has to go back to the English system to see how this justices of the peace system evolved. It was introduced in Tudor times and as such it was a very high ranking office. It fell into disrepute just after the Stuart era, and the Hanoverian reign started

to build it up again. From the Victorian era until the present day the justices of the peace system has been interwoven into the fabric of the society. The justice was and is picked today in this State for his integrity; his character has been examined and he is considered to be a pillar of society. He has no conviction and has committed no offence and, therefore, by virtue of his office is entitled to sit on the bench and perform the judicial duties prescribed. He listens to serious cases and refers them to another court.

In a vast State such as Western Australia, the metropolitan justices of the peace have had their powers cut from under their feet; they do not do enough within the judicial system as far as I am concerned. I know that they sit on benches in the metropolitan area and listen to traffic offences in cases where the person has pleaded guilty, and they impose the mandatory penalty attached to those offences. However, one does not need to be a justice of the peace to do that; there is no more to it than following a certain way. In the country areas justices of the peace play an enormous part in the building up of communities. I found that in the late 1960s and early 1970s justices of the peace in the bush were people of real character and repute. They would sit in a court dealing with offenders according to the law and as far as I am concerned the whole procedure was appreciated by the community served by the justices. They are on the spot so that when an offence has been committed the accused can be dealt with very quickly - the next day, one might say.

Magistrates, on the other hand, tour around and might visit a place once a month. To refer a defendant for sentence denies that defendant natural justice. I do not quarrel with the fact that written reasons for sentence must be given, but I wonder why the period is one month, when the penalty for the cases they listen to may be much more - it could be six or 12 months. We are now suddenly saying to the justices of the peace it should be one month only, regardless of whether the sentence is for more than one offence. I know the purpose of the Bill is to reduce the number of people being imprisoned. However, there is not a need to put an arbitrary limit of one month on sentencing, because the Government is now introducing other ways of dealing with offenders. If the justices of the peace feel that a person should have a sentence heavier than they can impose, they can refer the case to another court.

We could have the case arising where a person has committed a number of different offences, and could be an habitual offender. I am not talking about the case of drunkenness; I am talking about a person who may have committed the offences of breaking and entering, and car theft, within the same night. Justices of the peace are expected by the community they serve to deal with such cases in a way that the person concerned will no longer be a worry to the community. If each of the offences I have mentioned calls for a sentence of imprisonment of one month, we would be inclined to say that person has committed three offences, and will serve one month in prison for each offence, consecutively, as a deterrent. My party cannot go along with the notion of diluting the sentencing powers of justices of the peace, unless the Attorney General is going to say to us that in every town where justices of the peace now serve, there will be a resident magistrate. I do not think the Attorney General can say that because the cost would be quite horrendous.

Hon J.M. Berinson: Why should that go together?

Hon JOHN WILLIAMS: It would be too expensive for this State to have a resident magistrate in those places where at the moment justices of the peace hold court. A resident magistrate would have to be paid a salary.

Hon J.M. Berinson: But there are many cases held over by the justices of the peace for a magistrate to hear.

Hon JOHN WILLIAMS: That is right, but the point I am making is that by the case being held over, the defendant has had instant recognition and knows what is going to happen. By the same token, those justices can deal with the case. If the justices of the peace give offenders six months' imprisonment, or if they give them now only ten days, under this Bill they have to put their reasons in writing.

I do not think that country justices of the peace have ever overused their sentencing powers. However, because of the limited alternatives we have provided for them, they have sometimes had no option other than that. I was talking to a country justice of the peace last week, who told me that in many cases where they do put a fellow in prison, it is only because

their community feels that something drastic has to be done quickly. I do not wish to labour the point but, lenient as the system now is, we are now providing an enormous number of alternatives for these justices of the peace. They are doing an excellent job. They have helped to weld this State and the fabric of the country community into something which people can say they feel safe about. People can feel safe that justice, law and order are going to be brought to their communities; and this has been woven around the justices of the peace.

The Attorney General has from time to time lectured justices of the peace at seminars, as did his predecessor. I can remember going with his predecessor to Broome, where the country justices of the peace were holding a seminar. I was absolutely amazed at the depth to which that seminar went and at the knowledge of those country justices of the peace.

We support the Bill, with the exception of the clause in the Bill limiting the sentencing powers of justices of the peace. My party feels very strongly about the matter and does not want limitations placed on their sentencing powers.

HON H.W. GAYFER (Central) [10.26 pm]: I would like to look at this Bill in the same form as the previous speaker. The Bill contains four major amendments. I will deal first with the fourth amendment, which is an amendment to the existing provisions on restraining orders. This is the type of provision which is not used very much by justices of the peace. It is likely to be used only in the case where a magistrate is not readily available, and there is a crisis. It would appear from my research that there have been few times when restraining orders have been used by the lesser court.

The third major amendment is the introduction of a simplified system of enforcing unpaid infringement notices. This amendment is designed to reduce the need for evidence to be given on ex parte matters. It is designed also to reduce the clerical work involved in the process of enforcement of minor matters, and will reduce the time taken from offence to payment of infringement. The offenders will of course retain the right at all stages to elect to be dealt with in open court. I am told that is the same as the INREP system, which is presently in vogue in Victoria and New South Wales, or at least it is parallel with it. I was interested to see that it was really a streamlining process, but it contained within it further safeguards, and in fact was an improved system of enforcing unpaid infringement notices. It is a far cleaner way of dealing with the matter than previously existed. For that reason I have no great hassles in respect of this amendment.

The second amendment is an adjustment to the scale of imprisonment for non payment of monetary court orders. It would appear that the simplest way to describe this is to say that we are keeping up with inflation, which is rather a bad thing to say in respect of it, but that is what is happening. There were originally two scales of imprisonment for non payment of monetary court orders. It was at one time $2; it went to $5; and then to $10 and $20. We have now increased the amount from $20 to $25 so that instead of a person serving five days in prison for the non payment of $100, they would serve only four days. One can only say that it is just keeping up with the inflationary trends, and again we have no great argument with that.

The major point contained within the Bill - in fact it is the first point mentioned - is the limitation on the sentencing powers of justices of the peace. This includes the fact that justices and magistrates shall record their reasons in writing when they refuse a request for time to pay a fine; that they shall record in writing their reasons for imposing a term of imprisonment; and that, where justices have authority to impose imprisonment for an offence, the period that they impose must not exceed one month. As the honourable member who spoke before me said, nor shall the term of imprisonment for a multiplicity of offences exceed a month.

We are caught between the devil and the deep sea with this one. First of all, it would appear that this provision is being introduced because of the Law Reform Commission report which is bringing pressure to eliminate the power of justices to impose any imprisonment whatsoever, in accordance with the universal belief at the present time that a prison sentence must be imposed only as a last resort. That seems to be the universal thinking of the Law Reform Commission and of many of those who are far better versed in matters of law than I.

Hon J.M. Berinson: Well, it is the view that has been established by the Criminal Appeal Court.

Hon H.W. GAYFER: I am not arguing with that, but here we are dealing with two different things: We are dealing with the recommendations of the Criminal Appeal Court and of the Law Reform Commission - I understand that they made quite a few utterances - and the practicability of it so far as the justices are concerned. While it would appear that the matter has been discussed by members of the executive of the Justices Association, and while it has been discussed at meetings throughout the country which have adopted the attitude that it is of no great moment - and the Attorney General attended many of those meetings and would know that - we in the National Party, like the members of the Liberal Party, are concerned that the powers of the justices of the peace are gradually being undermined to the extent that they are becoming virtual ciphers.

We are very proud in the country areas of the job that our justices do, and are proud of the people who are made justices in our towns. I believe they are people of repute and the Attorney General, before he agrees to their appointment, has always demanded that they be people of repute. They are investigated by the police and recommended by an elected member of Parliament who usually - and he is a fool if he does not - makes sure that the local government authority agrees to the person for whom he recommends appointment as a justice of the peace. At least, that is the way I have always played it.

Consequently those persons to whom one talks in respect of this contingency in the Bill are very apprehensive of the removal of the powers with which they have been entrusted, and which they do in fact need. These justices, and the country justices in particular, who seem to be at variance with the Justices Association in the city - and I have talked to some of the office bearers today myself - are concerned because they need these powers and should be blessed with them to appear to have the responsibility of power when they sit in the court.

If the Attorney General takes away the power or diminishes the amount of power they have, it seems he is chopping in half the gavel, as it were. The justices are very fearful of this point and I do not think that any of them, knowing full well that a superior court could challenge the findings of an inferior court at any time, would willingly and knowingly impose a sentence that would be greater than the crime demanded. Of course, there will always be the odd case but there is always a superior court to guard against that. In the clause of the Bill relating to the limitation of sentencing powers it is proposed - and we quite agree with this provision - that the justices and magistrates shall record at all times their reasons in writing for fines, prison sentences and so on, so that they are available to the superior court if and when an appeal is lodged against a decision of the inferior court.

I believe that is quite a good step but I cannot believe at this stage - and I will take an awful lot of convincing, as indeed will my colleagues in the National Party - that it is necessary to cut down the limit of imprisonment to one month. We are caught between the investigations we have done with the Justices Association and the feedback we are receiving from the country areas. We are inclined to believe that in the country areas there is a greater need for the justices of the peace to sit on the benches and be able to have greater use of their powers than those justices in the city. A justice of the peace in the city does not seem to play the same active role as does the justice in a country area.

At present we have a fairly open mind. We lean towards retaining the status quo regarding the power of justices of the peace to imprison but we concur with almost everything else that is in the Bill. The National Party supports the second reading.

HON P.H. LOCKYER (Lower North) [10.38 pm]: Like the former speaker, my friend and colleague Hon H.W. Gayfer, I too am very concerned about the lessening of the sentencing powers of justices of the peace. I do not find anything untoward in the rest of the legislation but, as the Attorney General well knows, I, like many other members of this Chamber, take a very close interest in the operations of justices of the peace, and especially their appointment. That is something I have always guarded jealously: The right of members of Parliament to make recommendations to the Attorney General regarding appointments of justices of the peace.

I have always made the seriousness of the job ahead clear to those persons I approach in the community. It is not easy to sit in judgment on one's fellow man. The previous Attorney General, Hon Ian Medcalf, and his department instituted the justice of the peace seminars and I am pleased that the present Attorney General's department is retaining the same procedure and people travel to country centres to educate justices of the peace in various

methods, making them more efficient in their duties. I agree with the comments of Hon H.W. Gayfer about justices of the peace in country areas because by and large justices of the peace in Western Australia provide an enormous service to the State. In some towns they are the only ones dispensing justice, apart from visiting magistrates. In some towns which have a resident magistrate they fill in when the magistrate is on circuit. Apart from a few isolated situations, justices of the peace make few mistakes and are held in high respect in country areas.

I have widely canvassed the clauses of this Bill and the Mayor of Kalgoorlie, who is a prominent justice of the peace of long standing - as is his wife - has given me permission to say that he agrees with the sentiments of my party; that is, that the sentencing powers available to justices should remain. That is also the general trend and comment I have had from numerous justices whom I have approached, as well as the general response from the community at large including local government.

As the Attorney General knows, it is difficult to obtain justices of the peace at Wiluna due to the current workload in the area. From town to town this situation varies. It has been difficult to get justices of the peace appointed in the Murchison due to lack of available people to take on the task. If the powers need to be decreased the situation could become ludicrous because already justices cannot sign passports. That is a situation which I find difficult to reconcile.

Hon J.M. Berinson: The Government has made repeated approaches to the Commonwealth to overcome that.

Hon P.H. LOCKYER: I do not hold the Attorney General's department responsible. I know he has been more than helpful in trying to overcome the situation but that does not take away from the fact that this Bill lessens those powers. We have the situation now where a postmaster in a town can sign passport applications but justices of the peace cannot, and that is a ludicrous situation.

I would like the Attorney General to consider the situation. I will be very concerned if the Government goes ahead with the clause which lessens the powers of justices of the peace. I support the Bill; however we will deal with this matter at the Committee stage.

HON J.M. BERINSON (North Central Metropolitan - Attorney General) [10.44 pm]: The only matter in issue concerns the reduced jurisdiction of justices of the peace which is proposed by this Bill. I will restrict my comments to that. Several speakers have expressed their respect for the work of justices of the peace and I join in those expressions without reservation. Justices of the peace continue a very long and honourable tradition in this State and I think that the emphasis which one earlier speaker put on their honorary service is a point well made. I have often had occasion to reflect on the fact that we live in a community where the amount of relatively free and leisure time is very much greater than it used to be in earlier years, and yet the difficulty of mustering voluntary efforts in many aspects of community life is also greater than it used to be. When we come to the position of justices of the peace, the situation is that the long historical standards of this office have been retained and in many respects enhanced, and so I would certainly join in all expressions of respect which have been paid to justices by earlier speakers.

From that point I go on to suggest to the House that it does not involve any measure of disrespect to suggest that the complexity of the law, taken together with the greater availability of magistrates, now makes it appropriate to look for a modified role for JPs; indeed that continues a process started many years ago when justices were first precluded from dealing with not guilty pleas. No-one suggests that we should revert to a situation where a JP could sit in judgment on contested cases and we are really doing very little more in this Bill than to propose some further, and I might say logical, extension of the changes that have previously been made.

We are dealing here with limits on the role of justices as it relates to the sentencing power only. Sentencing involves a very difficult area and the truth is that it is not just difficult for justices of the peace; it is difficult for magistrates and judges as well. For some years now the Standing Committee of Attorneys General has had repeated reference on its agenda to the question of introducing sentencing councils in Australia to overcome what is a perceived and indeed real disparity in the sentencing standards which apply as between the States; and not

only that but also within particular States on occasions. Such councils have, in fact, been created in other countries and we have looked at the results of those efforts with interest.

If the acknowledged difficulties of judges are of this order, I say again that it in no sense involves any disrespect for justices to say that difficulties in their jurisdictions are even greater. That arises from two situations. In the first place, the absence of professional training for justices and, in the second place, the relatively limited experience which justices have on the bench. The situation varies from court to court, but there are many courts in this State where only a small proportion of available justices are ever called, and where many of those would not be expected to spend as much as one session every three months on bench duty. As I have acknowledged, that varies from place to place, and one does face the situation which Hon Philip Lockyer has mentioned where there is a community with a very limited number of justices, and a disproportionate burden of work falls on them. That, however, is the exception rather than the rule.

The result of this combination of nonprofessional background and limited experience for most justices has produced concern over a number of years in relation to the sentences handed down by justices of the peace. For the purposes of the Law Reform Commission's consideration of the Justices Act a very detailed analysis was made, at my request, of patterns of sentencing by magistrates and justices of the peace. This demonstrated a clear pattern of greater penalties by justices than by magistrates, which confirmed subjective and anecdotal views on the position, as well as the results of earlier but less extensive studies. On earlier occasions there have been calls to abolish altogether the use of justices in petty sessions courts.

The Law Reform Commission has recommended greater limitations on the sentencing powers of justices than the Government is proposing in this Bill. We have modified the recommendations of the Law Reform Commission because we accept that we are dealing here with competing interests. On the one hand there is the desirability for full-time, professional, judicial officers, where people's liberty is at stake. On the other hand, there has to be recognition of the practicalities. We are dealing here with a huge State, with sparse populations in many areas, and the impracticality of attempting to cover all our courts all of the time with full-time magistrates.

I have no doubt, as Hon Mick Gayfer suggested, that views among justices of the peace themselves are mixed. I put it to Hon Mick Gayfer, and other members who have taken an interest in this issue, that it is not simply a difference of view between justices in the metropolitan area and justices in country areas. As I have attended JP seminars, and have taken the opportunity to have other meetings with justices in country areas, it has become very clear to me that there is a difference of view among country justices themselves on these and related issues. There is no way to quantify it by going around and asking people. My own impression is that there would be as many country justices accepting the proposals in this Bill as there are those who would have reservations about them. I think I am being generous there. Frankly, I believe that there are more country justices supportive of these measures than there are against them.

I would put into the balance of that discussion the comment that has often been made to me by country justices, which is that even now, when looking at a case where they come to the view that any substantial sentence at all might be imposed, they reserve the sentence to the magistrate, rather than proceed to impose it themselves.

Because I respect the role being played by justices, I respect the reservations that have been expressed by a number of members, but I put it to the House that what we have in this Bill is a reasonable resolution of the competing interests to which I have referred. It retains an important role on the bench for JPs, but once we go beyond the limitations of one month's sentence, or $1 000 fine, in particular cases, we reach the situation where, given the current availability of magistrates on country circuits, we ought to be reserving sentencing decisions to those full-time, professional officers.

I commend the Bill to the House.

Question put and passed.

Bill read a second time.

MOTION

Sessional Orders - Suspension

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [10.59 pm]: I move -

That the House continue to sit and transact business beyond 11.00 pm.

I would indicate that this is only for the purpose of completing the Justices Amendment Bill, and perhaps any second readings which are relayed from the Assembly tonight.

Question put and passed.

JUSTICES AMENDMENT BILL

Committee

The Chairman of Committees (Hon D.J. Wordsworth) in the Chair; Hon J.M. Berinson (Attorney General) in charge of the Bill.

Clauses 1 to 7 put and passed.

Clause 8: Section 165B inserted -

Hon H.W. GAYFER: Although the Attorney General spoke well, he failed to convince my colleagues and me of the argument that the powers encompassed within clause 8 should be instituted or that the powers that justices of the peace currently have should be taken away. We would all give the Attorney credit for the great concern he has shown in respect of reform of the justice system. I trust that in turn the Attorney will believe that we also have concern for the people in our constituencies who take on the full responsibility of being a justice, knowing full well what that entails.

With due respect to the Attorney and his beliefs, which he has clearly enunciated, I regret that we will have to oppose the inclusion of clause 8 and will vote against it.

Hon J.M. BERINSON: As Mr Gayfer has not raised any new argument in his comment on clause 8, it is rather difficult for me to say anything new by way of reply. Nonetheless, I again urge on the Chamber the view that the clause ought to be accepted. I do not deny that justices take on the full responsibilities to which Mr Gayfer referred, and I do not question for a moment their conscientious approach to these very serious duties. On the other hand, the evidence is that there is a significant disparity between sentences - especially sentences of imprisonment - imposed by justices and those imposed by magistrates.

It is no answer to look to appeals against those sentences, as Mr Gayfer did. Of course, it is open to appeal against a sentence of a justice of the peace as it is open to appeal against sentences at any level of the judiciary. But is not such a small or easy matter. An appeal against a sentence from the Court of Petty Sessions has to go to the Supreme Court, so that no matter where the sentence was imposed, for all practical purposes the issue has to be transmitted to Perth and someone must appear in court on that account. The cost of that exercise and the delay involved, even when the issue is dealt with very expeditiously, would undoubtedly be enough in many cases to discourage people from taking that course and their counsel from suggesting it.

Another aspect to the problem applies in a number of communities at least. It arises from the absence of local legal representation. The result is that in many cases people appear before justices, plead guilty and are sentenced without anyone on the spot to provide them with legal advice as to whether their cases might be appropriate for appeal. Considerations like that have led the Law Reform Commission and a number of review bodies before it to suggest some limitation.

A theoretical question that might be raised is whether the comparison between the sentencing pattern of justices and that of magistrates is appropriate. It might be suggested that to the extent that there is a difference in sentencing pattern between the two groups, the justices are right and the magistrates are wrong. I can fairly say that I have never had that point of view put to me either by JP representatives or individual justices. Indeed, we would not expect that argument to be put, given the professional background which magistrates bring to their duties, the fact that they are engaged on a full time professional basis in building up their

experience in those duties, and given their closer contact and therefore very great sensitivity to the attitude of the appeal court on relevant matters.

I do not think I can say much beyond that, except to suggest that, taken together, all these considerations support the quite modest amendment which the Government proposes in the Bill. I do not believe that the passage of the Bill would in any way reflect on our justices or lessen their standing in the courts over which they preside. That is certainly not intended, but I do not think it would have that result either. Justices who act on the bench have the benefit of many years of experience and respect and they are still bolstered by that. At the end of the day, though, we come across the reasons which led the Law Reform Commission to the recommendations which it made. Those reasons basically are a significant disparity between the sentencing patterns of justices as opposed to magistrates and the impossibility of suggesting in such a situation that the magistrates' sentencing powers ought to be limited.

Hon P.H. LOCKYER: With the deepest respect for the Attorney General, I have no doubt about the sincerity of his comments. However, I believe that by and large to compare justices of the peace to magistrates in relation to sentencing over the total of Western Australia is an unfortunate way to put things.

Hon J.M. Berinson: That was not the basis of the study; it was done on a court by court basis.

Hon P.H. LOCKYER: That does not necessarily mean that the Law Commission was right, because there is a body of people who believe that justices of the peace, as I said in my speech, are persons who in a proportion of cases know individuals and just about everyone who appears in front of them, particularly habitual offenders.

The Attorney General freely told us in summing up his second reading speech that justices made it quite clear to him that at times they are reluctant to use the power available to them. There is a very good reason for that; in most cases they look to the circuit magistrate to give them guidance. It is my experience that justices are reluctant to hand out jail sentences if there is a possibility of handing a matter to the magistrate.

What the Attorney seeks to do here is make it mandatory when it is my strong belief that justices should not have that power taken away from them. As I have said before, with deepest respect I believe that the Attorney is wrong when he assumes that most justices support his point of view.

Hon J.M. Berinson: Perhaps "accept" might be a better word than "support".

Hon P.H. LOCKYER: All right, "accept". In my view there are two separate bodies of justices; those in the metropolitan area and those in country areas. Those in the metropolitan area, because of the very fact that they are in that area, rarely perform bench duties because there are courts nearby which have regular magistrates and judges. However, in the country, and particularly in the remote towns, it is very necessary for the justice to attend to nearly all of the day to day court duties.

Take a situation in some of the places that have a high tendency to crime such as Wiluna, Fitzroy Crossing and Halls Creek, which are prime examples for various reasons. Without a shadow of a doubt the justice of the peace in that area knows of just about every case that comes before him. His practicality in sentencing relates very closely to commonsense; it has to or he simply could not carry out his duties.

Hon J.M. Berinson: I do not know that as a fact, but I would think that a great proportion of sentences in the particular areas to which the member is referring would be less than 30 days.

Hon P.H. LOCKYER: I do not dispute that point at all. I think that probably supports my argument because I cannot see, apart from recommendations of the Law Commission and that sort of thing, what will be gained by taking away some more little snips from the justices, because in the end they will have nothing; once this bit is gone the next thing will be that they will not be able to sentence at all and will end up being nothing.

I have always maintained in this House that the best magistrates are those who perform the duties of Clerk of Court. Now they have to have a law degree; is that correct?

Hon J.M. Berinson: All the new ones.

Hon P.H. LOCKYER: A great many times a magistrate or a justice of the peace has to rely

very much on his or her commonsense when sitting on the bench. By and large, the disparity between the sentences of magistrates and justices is not serious enough to cut down on their sentencing duties. I do not agree that magistrates are, in fact, always right with their sentencing. In fact, it is a quite common of late that people think they are far too lenient. However, it comes down to a judgement of the law and the judgement of a particular magistrate.

I will stay on the side of the justices, because I think they do a great practical job. Nothing will be gained by snipping away at their power. I listened closely to what the Attorney General said, but he did not convince me.

Hon J.M. Berinson: I must be slipping -

Hon P.H. LOCKYER: No, the Attorney is definitely not slipping; he was at his persuasive best.

Hon J.M. Berinson: - because the merits of the case seem so clear.

Hon P.H. LOCKYER: I know that. If the Attorney had not been a very good Attorney General the acting profession was badly robbed. Notwithstanding that, he is always persuasive and courteous and I am trying to be the same. I cannot go along with the Attorney because I think this would be a step in the wrong direction and would affect the morale of justices. I know that justices in country areas do not want their powers cut back. They realise that they do not use them often, but they do a good job, so I urge the House to reject this clause.

Clause put and a division called for.

Bells rung and the Committee divided.

The CHAIRMAN: Before the tellers tell I cast my vote with the Noes.

Division resulted as follows -

Ayes (10)			
Hon J.M. Berinson	Hon John Halden	Hon Garry Kelly	Hon Fred McKenzie
Hon T.G. Butler	Hon Tom Helm	Hon Mark Nevill	*(Teller)*
Hon Graham Edwards	Hon Robert Hetherington	Hon S.M. Piantadosi	

Noes (11)			
Hon E.J. Charlton	Hon Barry House	Hon G.E. Masters	Hon D.J. Wordsworth
Hon Max Evans	Hon A.A. Lewis	Hon W.N. Stretch	Hon Margaret McAleer
Hon H.W. Gayfer	Hon P.H. Lockyer	Hon John Williams	*(Teller)*

Pairs

Ayes	Noes
Hon B.L. Jones	Hon Neil Oliver
Hon D.K. Dans	Hon C.J. Bell
Hon Doug Wenn	Hon N.F. Moore
Hon Kay Hallahan	Hon P.G. Pendal
Hon J.M. Brown	Hon J.N. Caldwell
Hon Tom Stephens	Hon Tom McNeil

Clause thus negatived.

Clauses 9 to 15 put and passed.

Title put and passed.

Leave granted to proceed forthwith to the report and third reading.

Report

Bill reported, with an amendment, and the report adopted.

Third Reading

HON J.M. BERINSON (North Central Metropolitan - Attorney General) [11.21 pm]: I move -

That the Bill be now read a third time.

May I take this opportunity to indicate my reason for seeking leave to go this far is to ensure that the Bill reaches the other place before it rises. The current arrangement is that the other place will complete its business tomorrow and will not sit on Friday.

Hon G.E. Masters: Thank you.

Question put and passed.

Bill read a third time and transmitted to the Assembly.

House adjourned at 11.23 pm

QUESTIONS WITHOUT NOTICE

BURSWOOD CASINO
Prosecution - Kwinana Petrochemical Plant

76. Hon G.E. MASTERS, to the Attorney General:

In reference to the headline in the *The West Australian* today, was the Attorney General consulted or advised by the Commissioner for Corporate Affairs with regard to the possible loss of an $850 million petrochemical plant at Kwinana if the Burswood Casino prosecution were to proceed?

Hon J.M. BERINSON replied:

I was certainly not formally advised. I can only say that I cannot recall any informal advice of that matter, either.

EDWARDS, MR KEVIN
National Companies and Securities Commission

77. Hon G.E. MASTERS, to the Attorney General:

Can he say whether the demeanour of Mr Kevin Edwards as a witness before the NCSC inquiry has been a subject for discussion between the NCSC and the Attorney General?

Hon J.M. BERINSON replied:

I do not think that that is a proper question, but I will answer it, anyway. I do not think that it is a matter which properly comes to me in any capacity at all.

Hon G.E. Masters: The Attorney said he would answer? Did he say he had or had not?

Hon J.M. BERINSON: I said I was going to answer, but I have changed my mind. The reason that I have changed my mind is for reasons of consistency with my answers to other questions which have gone to details of the private hearings of the NCSC. The NCSC has made clear in a number of forms that it did not conclude its inquiries; that it cut them short because of the commercial agreement entered into and that all aspects of inquiries prior to that point were overtaken by the agreement which eventuated. In those circumstances, I have said before that it does not strike me as being a proper exercise to enter into discussions on those earlier matters and I think on some short reflection that that is appropriate to this question, as well.

NATIONAL COMPANIES AND SECURITIES COMMISSION
Bond Corporation - State Government Insurance Commission

78. Hon G.E. MASTERS, to the Attorney General:

I will try the Attorney with this question just to impress upon him that the Opposition is keen to find out the details of the inquiry that he just addressed and I believe said in effect that he would not answer any other questions on the matter. I am not sure whether or not he said that.

THE PRESIDENT: Will honourable members cease their audible conversations and their comments and adjudication on what is or is not a proper question.

Hon G.E. MASTERS: I refer to the NCSC report released on 5 June 1988 and ask the Attorney whether it is correct that an agreement between Bond, the SGIC and the NCSC was reached on the night of Friday, 3 June 1988, and that the SGIC advised that it could not sign until authorised by the Attorney General and such authorisation was received at 3.30 am Eastern States time or 1.30 am Western Australian time.

Hon J.M. BERINSON replied:

I do not know the source of that report, but it must be wrong since I was neither asked for, nor did I give, approval to the SGIC to do any such thing.

R & I BANK
Investment - Consolidated Revenue Fund

79. Hon MAX EVANS, to the Attorney General:

Will he answer the question I asked yesterday regarding the $35 million, the date it was paid and the nature of the investment in the R & I Bank?

Hon J.M. BERINSON replied:

I passed that question to Treasury with a request that a written response be prepared. I hope to have that within a short time.

SPORT
Handicapped - Wheelchairs

80. Hon P.H. LOCKYER, to the Minister for Sport and Recreation:

Can the Minister inform the House what funds are available for disabled sportsmen to purchase the appropriate wheelchairs required for basketball and for long distance, I guess it is, wheelchair racing?

Hon GRAHAM EDWARDS replied:

We do not have any specific funds available to provide that sort of equipment. No matter how sympathetically I try to view it, I still come up with the fact that we do not have funds for that type of equipment. What we do is fund the Western Australian Disabled Sports Association. I understand that they, too, are reluctant to put funds into this area. It is a situation of catch as catch can; there are avenues through which people can go outside of the Government and, indeed, outside of the Department for Sport and Recreation. They are such avenues as the Appealathon Trust and the Telethon Trust, which I firmly believe are areas that should be prepared to fund this type of equipment. If the member has any specific queries relating to individuals, I will endeavour to look at them. I understand that we have already had a letter from him. In my experience, it is best to respond to those matters on an individual basis, anyway, and apart from that we will help where we can and as we can.

FAMILY SERVICES BRANCH
Premier and Cabinet, Ministry of

81. Hon ROBERT HETHERINGTON, to the Minister for The Family:

Could the Minister tell me what is the role of the Family Services Branch in the Ministry of the Premier and Cabinet?

Hon KAY HALLAHAN replied:

I thank the member for that question. The Family Services Branch in the Ministry of the Premier and Cabinet was established to support the work of the Minister for The Family and members here would appreciate that Western Australia has the only Minister for The Family in Australia and that that Ministry has a very important coordinating role and one of determining priorities for family wellbeing.

The important thing about that branch is its whole of Government response to family policy issues which this Government sees as absolutely critical if there is to be any serious addressing of issues of concern to the wellbeing of families today.

I could give members an example of a family package last year which provided funds to hundreds of groups providing support to families. It meant the coordination of 11 Ministries, and it is the sort of work which must be done to bring services of central concern to families in the difficult times they experience now and again these days.

The honourable member will no doubt be interested to hear that by comparison the Opposition has committed itself to a very tired and ineffective model which it tried in 1980 with an advisory committee. Members will be interested to know that that committee met 10 times in three years, and I

challenge any member to remember anything of significance it did to lift the State of Western Australia.

Hon P.H. Lockyer: Speak from the Opposition side about it.

Hon KAY HALLAHAN: By comparison the Opposition has had the most enormous struggle with the central plank of its platform leading to the next election. On 4 April the Leader of the Opposition and the shadow spokesman in this House invited people from the community to a meeting to launch the policy of the Liberal Party. These were extraordinarily busy people, but when they arrived they were told there was no policy. Many people left that meeting feeling very inconvenienced and angry that their time had been taken up in that way without the courtesy of being told the position before they came. They could appreciate the Opposition had not got its act together, but they did not appreciate not being told earlier that the policy was not ready; they would have to come back another day.

Hon H.W. Gayfer: You are very worried about the next election; you have lost a lot of weight lately. Mind you, you are looking a lot better for it.

Hon KAY HALLAHAN: And fitter for the third term in Government. I would like to draw that comparison between the two policies and say that the Family Services Branch is a very powerful unit in Government, central as it is to decision-making right across Government activity. It is possibly the most coercive, persuasive and powerful place in which we could place our family coordination and policy development on families in Western Australia.

PARLIAMENTARY TIMES OF SITTING

82. Hon FRED McKENZIE, to the Leader of the House:

In view of the many requests I have been receiving from staff, members and other interested persons as to the sitting times for the remainder of this week, may I ask the Leader of the House if he has any plans in relation to that matter.

Hon J.M. BERINSON replied:

I have also had a number of inquiries this evening. I intended to seek your indulgence, Mr President, a little later to indicate to members what the position is. After discussion with the Leader of the Opposition and Hon Mick Gayfer on behalf of National Party members, we have reached the position where the number of Bills which require to be passed this session has been agreed, and it has also been agreed that they can be dealt with by means of ordinary sittings tomorrow, and a special sitting on Friday commencing at 11.00 am.

SWAN BREWERY SITE
Brewtech - Plans

83. Hon D.J. WORDSWORTH, to the Attorney General:

The public is very concerned about the old brewery site. Indeed we see headlines announcing that the brewery will be a black centre, a cultural centre and a tavern. It was understood that negotiations were going on with Brewtech for a brewery. Are they to run the tavern, or is it to be run by Aboriginal groups?

Hon J.M. BERINSON replied:

The plans in respect of the brewery site are being conducted in the main by the Minister for Planning, and I ask the honourable member to put his question to that Minister on notice.

SWAN BREWERY SITE
Brewtech Principal

84. Hon D.J. WORDSWORTH, to the Minister for Corrective Services:

The principal of Brewtech happens to be one of the Minister's guests in Bartons Mill. He owns 50 per cent of Brewtech, so perhaps he could tell us how the Minister has been negotiating on this deal with Brewtech.

Hon J.M. BERINSON replied:

The honourable member has full marks for trying, but he still has not brought this question within the limits of my authority.

PRISONERS
Mentally Ill

85. Hon JOHN WILLIAMS, to the Attorney General:

In his capacity as Minister for Corrective Services, in view of some of the Bills which have been introduced recently regarding the reformation of the penal system, are there any plans he knows of to cater for those people who go to court on serious charges and are found insane?

Hon J.M. BERINSON replied:

The honourable member is referring to the very difficult conflict of views which has existed for many years in respect of the proper management of people who are either found not guilty on the ground of unsoundness of mind, or unfit to plead due to unsoundness of mind, or those who have been convicted, and during their term of imprisonment have become of unsound mind.

This is a very difficult area in which there has been a constant process of to-ing and fro-ing between the Prisons Department and Mental Health Services. The problem is still the subject of discussions between the Health Department and the Department of Corrective Services, but irrespective of the outcome, I can indicate to the honourable member that the medical facilities at Casuarina prison will include a number of beds specifically for prisoners in this psychoogically disturbed category.

YOUTH SERVICES
Bunbury - Troubled Youth

86. Hon BARRY HOUSE, to the Minister for Community Services:

I refer to the proposed conversion of a house in Wollaston, Bunbury, to a home for troubled youth, apparently against the wishes of local residents and the Bunbury City Council. The Minister had a meeting with certain people in Bunbury on Monday. Would she indicate who she met and what was the outcome of those discussions?

Hon KAY HALLAHAN replied:

I would be happy to convey the information to the member later, but I do not have the names of the three people on the tip of my tongue at present. There was one of the neighbours who lives directly across from the house, and two who live diagonally at the back. I met with three people.

My view of the outcome of the meeting would be that two of the neighbours felt reassured when I explained the role of the facility and they were willing to give it a go. They could see there were ways of dealing with it if any of their fears about misbehaviour or unpleasant incidents occurred. The third person was possibly not so reassured and left to give the matter further consideration.

VIETNAM VETERANS ASSOCIATION

87. Hon D.J. WORDSWORTH, to the Minister for Consumer Affairs:

He would be aware of a recent phone-round of the public for donations for the Vietnam Veterans Association. It was said that those who donated $200 would receive a shield. I made a donation and received a very nice shield, but rumours have it that that organisation was not the veterans association. The Minister might like an opportunity to say whether or not that was so.

Hon GRAHAM EDWARDS replied:

I guess it does embrace my area of responsibility as the Minister for Consumer Affairs.

Hon D.J. Wordsworth: If it was not a legitimate thing, it must be a consumer affairs matter.

Hon GRAHAM EDWARDS: I am not aware of the exact nature of the request or the offer to get involved which was put to the member. However, the profits from the sale of the shields of which I am aware are being split between the person who is looking after the venture and the Vietnam Veterans Sub Branch of the Returned Soldiers League. The money is being used by that organisation for matters of welfare.

It is a bona fide operation. However, I understand that the difficulty is that there is another group of veterans who feel a bit upset because there is some confusion in the marketplace sometimes, and they feel that perhaps their name is being used. As I understand it, there should not be any confusion. Perhaps it should be realised that there are two veterans' organisations in the State - the Vietnam Veterans Family Association and the Vietnam Veterans Sub Branch of the RSL. It is unfortunate that there is some friction between those two groups. I have raised the matter with the head of the Department for Consumer Affairs, who has advised me that there is no problem and that everything is aboveboard. I am pleased about that because I happen to be the patron of the Vietnam Veterans Sub Branch of the RSL. Certainly, if there were anything untoward, I would want to take steps immediately to have that stopped.

SWAN BREWERY SITE
Aborigines

88. Hon H.W. GAYFER, to the Leader of the House:

This is a supplementary question to the question asked by Hon D.J. Wordsworth. It concerns me, because of the monstrosity it is, but could the Leader of the House tell me whether it is indeed a fact, a proposal or a promise that the old Brewery is to be given to the Aboriginal fraternity?

Hon J.M. BERINSON replied:

I can only give Hon Mick Gayfer the same answer I gave to Hon D.J. Wordsworth. That is, that this is a matter which comes within the ministerial responsibilities of the Minister for Planning, and I will have to ask that this question is directed to him on notice.

SWAN BREWERY SITE
Brewtech Principal

89. Hon D.J. WORDSWORTH, to the Minister for Corrective Services:

I would follow that question up because this matter is serious. An inmate of Barton's Mill is the principal negotiator in this deal. The deal is obviously being done by Brewtech, which is a company of which Mr Briggs owns 50 per cent plus of shares.

(1) Is the Minister aware that these negotiations are taking place with someone who is in gaol?

(2) Can this be done in this manner?

Hon Mark Nevill: And do they open all his personal mail?

Hon D.J. WORDSWORTH: That is a very interesting point - do they use courier drop mail?

(3) How does one go about negotiating these deals?

Hon J.M. BERINSON replied:

(1)-(3)

It may surprise the honourable member to learn that I am not aware of the names of the inmates in our various prisons and I do not know whether the particular person referred to is in Barton's Mill or anywhere else. I also do not know who the directors of Brewtech are, and I do not know whether negotiations are in progress between the Minister and Brewtech, and if they are in negotiation, where they are being conducted.

In other words I do not know anything at all about this. I do not think that is unreasonable, given, as I now explain for the third time, that this whole question has nothing to do with my ministerial responsibilities. I therefore can only repeat again that any such questions need to be directed to the responsible Ministers and they should go on notice if they are to be pursued.

SWAN BREWERY SITE
Conservation and Restoration - Government Assistance

90. Hon H.W. GAYFER, to the Minister for Budget Management:

(1) As it is obvious that it will take an immense amount of money to do any restoration or anything else to the brewery, has any approach been made to him that State funds may be required towards the restoration of this project, should the Aboriginal group be given rights to the brewery?

(2) Has the Minister for Budget Management been consulted in this respect?

Hon J.M. BERINSON replied:

(1)-(2)

We really have to stay with the 5.00 pm Question Time because we are getting into trouble.

Hon H.W. Gayfer: But this is of vital concern to everybody.

Hon J.M. BERINSON: I really am flattered by Hon Mick Gayfer's suggestion because the implications of it are that any Minister having any proposal requiring the expenditure of any funds at all first of all comes to me. I think the Government would be well served if that were the process which was indeed followed. The fact of the matter is that I have not yet attained the standing which puts me in that privileged position. On a matter such as the brewery, and on all matters requiring new expenditure of funds, Ministers go to Cabinet with a submission in the ordinary way. When that happens, it is a matter for the consideration of Cabinet and the fact that various matters are put before Cabinet does not put individual Ministers in a position where they can be expected to comment on them. The comment on any such matter must still come from the responsible Minister.

SWAN BREWERY SITE
Berinson, Hon J.M.

91. Hon D.J. WORDSWORTH, to the Minister for Budget Management:

Surely the Minister for Budget Management, as a member of the Cabinet which is doing this negotiation, and as the other party who is doing the negotiation happens to be an inmate of his, in his capacity as Minister for Corrective Services, must know how this negotiation is taking place.

The PRESIDENT: Order! That is not a question.

STATE GOVERNMENT INSURANCE COMMISSION
Bell Group - Government Liability

92. Hon G.E. MASTERS, to the Minister for Budget Management:

To what extent, if any, is the State Government liable as a result of the State Government Insurance Commission's transactions with Bell Group, whether it be any liability or demand of accommodation or any guarantees, references or

assurances which the Government may have been requested to give and has given?

Hon J.M. BERINSON replied:

I know I am repeating myself but the fact is that I am not the Minister responsible for the State Government Insurance Commission and any matter relating to that commission should go to the Treasurer.

Hon G.E. Masters: So you don't know?

The PRESIDENT: Order!

CHATTEL SECURITIES BILL
Proclamation of Legislation

93. Hon MAX EVANS, to the Minister for Consumer Affairs:

(1) In regard to the chattel securities legislation which went through the Parliament last year, is he aware of the problems in respect of the enactment of the legislation?

(2) Can he give the House any indication of when the Act might come into being? We were told that this is excellent legislation, which will make a great contribution to the community but I gather there are many problems connected with it.

Hon GRAHAM EDWARDS replied:

(1)-(2)

There are a few difficulties, but nothing which is insurmountable. I expect that the Act will be proclaimed later this year. If the member is aware of any specific problems, which he wishes to direct to my attention, I would only be too happy to respond.

SWAN BREWERY SITE
Canoe

94. Hon H.W. GAYFER, to the Minister for Sport and Recreation:

(1) Could the Minister advise me if the canoe which is strapped on the top of the ministerial car in the parking area is there for the express purpose of taking his ministerial colleagues out on the river to show them how hideous the brewery looks from the backside, so that they get a fair idea of what we are looking at?

(2) If so, what has been the reaction of his colleagues?

Hon Kay Hallahan: We are not into canoes.

Hon GRAHAM EDWARDS replied:

(1)-(2)

The "canoe" out there is not a canoe, it is a kayak.

CHATTEL SECURITIES BILL
Proclamation of Legislation

95. Hon MAX EVANS, to the Minister for Sport and Recreation:

(1) Is the Minister aware that there are major problems in the computer program? As I understand it there has been a problem with the chattels issue over east, and they are unable to cope with the problems we have here.

(2) Regarding the legislation with respect to farm machinery, is the computer unable to cope with that in the other States?

Hon GRAHAM EDWARDS replied:

(1)-(2)

The difficulties to which the member alludes are not problems which will unduly delay the proclamation of this legislation. It will go ahead later on this year.