

# Legislative Council

Wednesday, 12 April 1989

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

## ADDRESS-IN-REPLY - SIXTH DAY

### *Motion*

Debate resumed from 11 April.

**HON MARGARET McALEER** (Upper West) [2.34 pm]: I rise to support the motion moved by Hon Tom Helm. I must say that, in so far as I understood some of his earlier remarks, I too am not able to support them. I felt a certain sympathy with Hon Tom Helm in respect of the oath of allegiance. I do not want to be misunderstood in this, commit lese-majesty, or appear too flippant. The oath of allegiance is, in a sense, simply a formal acceptance of obedience to the rule of law of the country - an expression of loyalty to the country to which one belongs. I do not say that it cannot, in itself, be a significant thing. My mind goes back to the fate of Sir Roger Casement, an Irish rebel, who was executed for landing with rebellious intention on the coast of Ireland in 1917. One of the things greatly held against him was that he had actually taken an oath of allegiance; he had been knighted by the monarch, and therefore that made his crime all the more heinous. All the same, one can take an oath with good faith or without good faith - it is the intention of acceptance of what one is formally declaring that is important.

I felt a certain amount of sympathy for Hon Tom Helm in the sense that in my time I have taken a number of oaths of allegiance on taking office, whether as a member of Parliament or of the local shire, and it always perplexed me why one oath of allegiance was not sufficient to last for one's lifetime. I believe that had Hon Tom Helm, at some stage of his career in Britain, accepted certain offices, perhaps in the Army, he would have taken such an oath and not thought anything of it. However, when one comes to a strange country, whether one thinks at the outset of the form of Government it has - whether a monarchy or republic - and one wants to become a citizen - and I compliment him on wishing to become a citizen so early after his arrival here - one has to accept the total scene. I feel that it is regrettable and rather sad that he should feel some sort of resentment at having to observe the forms that we use here.

I have always thought that Australia, as a monarchy, was very lucky. We have a hereditary monarch who lives in Great Britain, although she is the Queen of Australia. We also have viceroys in the form of Governors appointed by our Governments who throughout our history as a Commonwealth and a State have often been Australians and who, for the most part, have been well accepted and received and very often affectionately regarded by the people here. As I cherish tradition and value history, I have always thought it very fortunate that having the monarch in Great Britain and our own Governors here we are kept in close touch with our history and the development of our Constitution and political practices. Our head of State is certainly the Queen and the practical heads of State that we have are the Governor General and the State Governors. They fit very well into our constitutional scene. Their powers, as Hon Tom Helm said, are extremely limited. We all know that the position was a hard fought for one in Britain over many hundreds of years. That itself is very important. We are very fortunate in that Australia contributes absolutely nothing to the British monarchy but we enjoy its reflected glory. Many people appreciate the panoply which goes with that monarchy. At the same time we have our own home grown Governors and Governor General who live in very modest circumstances. I have said it before, and I shall allude to it again: In my experience the Governor of Western Australia has a special place in our hearts. People feel he is outside and beyond politics, and at the last resort he is somebody to whom they can turn. They invest him with more power than he has, but it is symbolic. We want someone who is not engaged in the political fracas. I have nothing against republicanism as such, but it would complicate life for us, because we would have to do a lot of soul searching as to the power to be given to a president in the form of election or selection. It is not an easy thing to transfer from one system to another, although it has been done in other countries in recent times.

I join with Hon Tom Helm and other colleagues of mine who have spoken here in expressing my pleasure that the term for His Excellency has been extended. My own constituents, like those people in the Pilbara to whom Hon Tom Helm referred, would also like to be associated with the expression of pleasure. In fact that goes for everyone in Western Australia who has had some association with Professor and Mrs Reid. I suppose they appeal to different people in different circumstances and in different ways. One of my colleagues has alluded to the occasional speeches made by Professor Reid; he always elucidates his subjects very well. But perhaps most of all, Professor Reid is a parliamentary Governor. Because of his past association with Parliament, and his own historical and political studies and the very keen interest he takes in the day to day running of Government and the evolution of our political system, we parliamentarians feel that we have a very special place in his regard, and we ourselves have a very special interest and regard for both him and Mrs Reid on that account.

I was very struck in the Governor's Speech and in the second reading speech of the Supply Bill by the Government's claim that it has successfully budgeted for the last five years, and that once again there is a surplus. Again this is due to an increase in the receipts from payroll tax and stamp duty. When discussing stamp duty in the last Budget I mentioned to the Minister for Budget Management that it had been the Government's practice for many years to estimate the receipts from stamp duty, and on finding a surplus, or that the Government had underestimated receipts, the rate of stamp duty for the following year was set above the expected surplus so that the Government gained in two ways. Not only was there a normal increase in line with inflation, but also the Government took a quantum leap by including the surplus as a threshold and starting off from there.

Hon Joe Berinson said that that would not happen this time because the estimate was made in May and the property market increase has been well and truly understood and catered for; we will be on target on this occasion. When I questioned him a little further he said that although he did not expect a surplus, the money would be a very welcome windfall. It seems extraordinary that the Government should say how unexpected it is that the stamp duty has brought in these large returns. As I suggested previously, the Government is not in a windfall position; this is all part of a settled policy.

I sometimes think the Government is like any person who finds himself with money to jingle in his pockets. He does not always go out and spend it on the necessities of life; he may spend it immediately, and the first wish may be to spend it on some luxury which has been long desired, and he may indulge himself rather than spend the money on necessities. I was interested when Hon Max Evans discussed Government spending on office accommodation. I suppose the Government has a certain policy for housing and accommodating its officers in the country as well as in the city. As far as my own electorate is concerned, I find it difficult to understand the reasoning behind it. In recent years the Government encouraged the State Government Insurance Commission to build palatial offices in Geraldton which were then rented at a very high cost - higher than anything else which could be obtained in the town - to various departments. The move was very unpopular among business people in Geraldton at the time because it was felt that other office space was vacated by Government departments and they were paying what seemed to be extortionate rents in the new building. The SGIC offices are very swish - with good facilities. They were, in the eyes of many people, an expense which the Government could have spared itself.

At the other end of the scale in Northam, where there are many old buildings, there is much difficulty in housing Government offices at all. My own concern at the moment is with the housing of Government departments in the town of Moora, which has been for some time an important subregional centre. It houses a number of Government departments which have recently been the subject of questions from me. These departments include Conservation and Land Management, regional education, Community Services, the Western Australian Water Authority and the State Energy Commission. All these departments are badly accommodated to one degree or another and they are finding themselves in some difficulty. Some of them are in extreme difficulty. For example, when officers from the Department for Community Services want to have a confidential conversation with a client - and members know that some of the subject matters dealt with by the Department for Community Services, such as child abuse, are very confidential matters indeed - because they have no interview room, the only way an interview can take place privately is for the rest of the staff to vacate

the one and only room. A similar difficulty arose recently with the housing of the regional education centre, which has been found to be inadequate. This situation has existed for many years, not in respect of the regional education centre, but with other offices; representations were made to Hon Des Dans when he was the Minister for Works and Services and in charge of Government accommodation. He not only recognised the need for better housing and accommodation of Government departments in Moora, but also went so far as to give some commitment - not totally, obviously - to build new offices there. However, the other day the Moora Shire Council received a letter from the Office of Government Accommodation saying that it could see no need for any improvement to the accommodation of Government departments in Moora. As it was recognised years ago when there were fewer departments and they were much smaller, it seems rather odd that the need should suddenly have disappeared.

Like most other members I have many clients among my country schools, who are currently discouraged and sometimes very discommoded by the lack of money being spent on buildings and facilities. Recently I visited the smallest of the schools, which is Bindi Bindi. This school has 24 children; it has had 24 children for some time and all the projections for the next few years indicate it will continue to have 24 children. Bindi Bindi is very fortunate in the sense that it was one of the beneficiaries of the Government's new rural strategy and water was brought to the town. Bindi Bindi school formerly had only a broken down underground tank, and the Government had to cart water. The school was previously only able to have hanging baskets for gardens; now it has water and the people there are very grateful. Some years ago with considerable lack of planning the Government provided the school with toilets. Unless one actually sees the distance those toilets are from the school, one would not be able to conceive of the route march that must be undertaken. Had the school been scheduled to become a district high school in the next few years, one might have thought that space was left for secondary school buildings to be built between the toilets and the three primary classrooms. The toilet block is an extraordinary distance from the school and as time has passed the state of the toilets has deteriorated. Only small children attend this primary school, so not only do they have to go this immense distance to the toilets but also, because the toilets are low to the ground and therefore are always being invaded by sleepy lizards and snakes, the children are a long way from succour. It is quite a long way even from the open side of the school, so nobody can even observe the toilets. The school has made many pleas to have the situation resolved -

Hon J.M. Berinson: It almost sounds as though these toilets were built on the next school.

Hon MARGARET McALEER: When one looks at them, it really looks like that. It is extraordinary.

Hon J.M. Berinson: What distance are you talking about?

Hon MARGARET McALEER: I did not pace it out. It is rather like going from here to the Post Office. It is in an extraordinary location, and I think it must have had something to do with the drainage. However, there is a new design which will allow for mobile units to be placed nearer the school in a better position. I urge the Ministry of Education to get on with the matter because it really is quite urgent in the sense that the toilets are falling to pieces and some of them have been disconnected by the Building Management Authority.

At that school, which is a very happy school in spite of all the difficulties, there is a small house for the principal. I had not before been into the principal's house, but I was invited on this occasion. I discovered it was one of the old type Homeswest houses. I would say it has what passes for two bedrooms, one living room and a sort of kitchen-vestibule. It is terribly tiny and concertinaed, and even on a reasonably cool day it was intensely hot and close. In this case the principal's wife does not live there - I do not really see how any principal's wife could be expected to live there unless she was teaching at the school and was away from the house all day. The principal, however, lives there and has brought his own air-conditioner to put into the living room; because the house is so small, it probably air-conditions the whole building. However, for this miserable house he pays the usual rental which would apply equally to a very nice and much more modern house down the road at Miling. It is no wonder that country schools are not always sought after by school teachers. It is no wonder they leave as soon as they possibly can. I understand that the average stay of a school principal at Bindi Bindi is about two years, which is really a very short time in a country

situation. The principal was actually enthusiastic and enjoyed the school and was proud of the children; he felt they were doing great things at the school, but I was quite shocked when I went into that house. I had thought that only the police had such decrepit old housing in the country, but I now see it is time I took more interest in the homes of the various principals posted to the agricultural region.

One of the schools which recently came to my attention is the Northampton District High School, which has had a rather long and sad history; it is a comparatively new school and one which was experimental. It was built by this Government under the direction of Hon Bob Pearce. I do not entirely blame the Government for the difficulties this school has had since it was built because the people of the town - and particularly the P & C association - were divided over whether the allotted money should be spent on refurbishing the old school, which had limited grounds on a hilltop, or whether they would go to a new site. In the end, the people who wanted to go to a new site, which was near the showgrounds, won the day. The Government, in order to make the allotted amount of money stretch, decided that the school would not be built according to the usual formula of the building authority, but would be built using contractors, and would be separately designed.

Unfortunately, the site chosen was a very poor one on the side of a hill of clay. Because the economic situation has forced changes to the design of the buildings, the school has become a nightmare. Over the years repairs have been carried out, but the design has made things very difficult. The current problem is that all of the lockers in which the children keep their books, papers and lunches are on a narrow verandah and are exposed to the weather because that is the way the school faces. The children have no protection from the weather in winter and no shade in summer because of the narrow verandahs. Apparently, when the present Minister, Dr Lawrence, visited the school some months ago for its very belated opening, she promised that the matter of the lockers would be taken in hand and that something would be done to improve the verandahs. Since then the principal has been in constant touch with the Building Management Authority and the ministry, but nothing has happened. No assurances have been given and no progress has been made. Winter is coming and I ask the Minister to address the situation with some speed because many people heard her give her word that the matter would be attended to.

I do not think the Government is to blame for the problems facing the District High School at Toodyay. It was scheduled for a large scale repair and maintenance program in 1981-82, but that was curtailed. Many of the facilities that were to be built into it were not built. Since then the population of Toodyay has increased and, in the last 12 months, increased rapidly. It is hard for anybody to predict what the numbers at the school or in the town will reach at any time because accommodation is easy to come by and people are living in caravans and even garages. It is interesting because the Australian Bureau of Statistics is unable to give any idea of the number of people living in the area. The shire council is thinking of employing a consultant to conduct a census. The parents and citizens' association is joining with Rural Watch to try to get some idea of the number of people living in the area and the number that may go there to live. In any event, the school has become overcrowded. The classroom that was not built in 1981-82 is badly needed. The resource centre and the library have been effectively taken over by classrooms. The primary section of the school, in which the biggest increase has occurred, is very overcrowded. There is no art and craft room and, generally, teachers and children work under great difficulties. The parents and citizens' association and the school are working together in a methodical way to produce a submission to be sent to the Government. In the meantime, they have an urgent need for one or two transportable classrooms. I urge the Minister for Education to examine their situation to see what can be done. The number of children has continued to increase rapidly since the beginning of the year and things are becoming more difficult as time goes on.

Recently, Hon Phillip Pental asked questions about country tourism. I have received a couple of letters from country shires requesting my assistance in their appeals to the board of review set up by the WA Tourism Commission to deal with country tourism. The general scene of country tourism has changed recently. In the past, people, bureaux and information centres simply applied for money from the Tourism Commission and it was either granted or refused. A very determined effort has been made to try to rationalise the spending in country areas so that money is seen to be well spent and a much more regular and rational situation exists.

Country tourist centres were invited to categorise themselves according to their funding needs and the services they could provide in return for the use of those funds. Smaller centres such as Three Springs and Trayning opted for category C status which would have given them a few thousand dollars in return for providing information centres, brochures, business involvement and the general encouragement of tourism. They were refused category C status and were given category D status which meant that they received no funding at all. They appealed to the board of review, but their appeal was rejected. The shire councils involved were indignant because they had made what they felt was a big effort to get tourism off the ground, which is not an easy matter in small country districts which do not have tremendously interesting features to draw people to them and which, in turn, would build up enthusiasm among the locals for tourism. It is therefore all hard work.

The \$1 600 provided was hardly worth the number of brochures that were printed or the effort that was put into erecting the information centres. Unless some money is provided for these marginal country tourist centres, nothing will ever happen. It is a bit like the chicken and the egg. If the Government is serious about encouraging tourism, the greatest encouragement it can give is to get locals involved so that they provide the services. It is not that the Government is short of money for tourism. I understand that the budget of the Tourism Commission was increased by 23 per cent this year, but only a small fraction of that has been allocated to country tourist centres. One wonders where the money has gone.

The more important tourist centres such as Toodyay and Northam were also refused the category for which they had applied - category B - which was worth about \$18 000 to them. Because everybody recognises York as a tourist centre, it escaped and was granted that category. The category was refused for Toodyay because it was said that it did not have sufficient accommodation; and it was refused for Northam because it was found lacking in accommodation, and the tourist bureau was in the wrong position. On appeal to the board of review, Toodyay successfully argued that it really did not need accommodation because of its being featured as a day trip from Perth, and what was the point of penalising it for not building hotels for people. In the case of Northam, though, whose appeal was rejected, it is equally within the day trip distance from Perth, but it does in fact have accommodation and is in the process of upgrading that accommodation.

It seems very hard that on this pretext, and the fact that the tourist bureau is not situated well, it should be refused funding for its efforts in tourism. The Avon Valley is one entity of tourism, and it is important that all the towns in the area should pull their weight and receive equal assistance when it is needed. I believe such assistance is needed equally in Northam as it is in York and Toodyay.

Having canvassed these few matters which are of concern to some of my constituents, I support the motion.

Debate adjourned to a later stage of the sitting, on motion by Hon D.J. Wordsworth.

## ACTS AMENDMENT (ACCOUNTABILITY) 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) [3.13 pm]: I move -

That the Bill be now read a second time.

On 7 November last year the Premier announced the formation of a Commission on Accountability under the chairmanship of former Chief Justice Sir Francis Burt. Simply put, the brief of that commission was to conduct the most comprehensive review ever undertaken of the accountability procedures covering Government investments. On 22 January the Premier released the commission's report and said the Government would move as quickly as possible to implement its recommendations. I would like, at this stage, to place on the record the Government's appreciation of the work done by the commissioners. Their report will not only be the basis for this Government's actions but will, I believe, become a

reference for analysis of the problems faced by Governments operating within the Westminster system and the modern economic environment.

The Burt commission recommendations fall into two main categories: Firstly, those related to the application of the Financial Administration and Audit Act to Government agencies, the role of the Auditor General, agencies incorporated under the Companies Code, and public scrutiny; secondly, recommendations affecting particular agencies, including the Western Australian Development Corporation, the Totalisator Agency Board, and the State Government Insurance Commission.

The amendments proposed in this Bill reflect the Government's determination to adopt the Burt commission recommendations, in particular those relating to the application of the Financial Administration and Audit Act to Government agencies. They also provide changes necessary to implement policy decisions taken by the Government in respect of the future operations of some of those agencies. In particular, the amendments to the Financial Administration and Audit Act provide for definitions of subsidiary bodies and for the Auditor General to be the auditor of those subsidiary bodies. Treasurer's Instructions are already provided for under the Financial Administration and Audit Act.

Comprehensive instructions will now be issued on the reports, financial statements, and performance indicators of subsidiary bodies and the parent department or statutory body. It is appropriate to mention at this stage a proposal from the Burt commission that the Financial Administration and Audit Act be amended to limit the powers of any subsidiary to the powers necessary to achieve the objects with which the parent organisation has been charged. The Government will not proceed with such an amendment at this time because of advice from Parliamentary Counsel and because of the risk of cutting across valid existing activities. However, the issue will be explored in the current major review of the Financial Administration and Audit Act due for completion by early next year.

I now turn to those amendments affecting particular agencies. In the case of the Totalisator Agency Board Betting Act 1960, the Joondalup Centre Act 1976, and the State Energy Commission Act 1979, the amendments address the Burt commission's view that ministerial directions to such bodies be in writing and appropriately reported by the organisation concerned. Similar amendments are proposed for the State Government Insurance Commission Act 1986 and the Government Employees Superannuation Act 1987. In addition, and in both cases, the Burt commission proposed that the form and duration of any delegation to an investment manager by the organisation's board should be subject to the Treasurer's approval. This Bill proposes amendments designed to implement that proposal.

With regard to the amendments proposed to the Western Australian Development Corporation Act 1983 and the Western Australian Exim Corporation Act 1987, the Government has already made clear its position on the future of the Exim Corporation. The corporation is to be phased out, with its remaining functions either sold or passed to an appropriate Government agency. The Government plans, at the appropriate time, to repeal the Exim Corporation Act. However, in the interim it is necessary to amend the Act to facilitate the proper liquidation of the corporation and to ensure that it meets those accountability requirements recommended by the Burt commission. It is appropriate for the Government to acknowledge in the fullest possible way the contribution made by the board and staff of Exim under what have been most difficult conditions. I intend to say more on this matter during the debate on this Bill.

I turn now to the future of the Western Australian Development Corporation. Since its inception four years ago with a capital of \$15 million, the WADC has returned some \$34.5 million to Western Australian taxpayers. Last financial year the corporation made a profit of nearly \$11 million, of which \$4.7 million was returned directly to taxpayers. In addition the corporation has built up accumulated reserves of \$31 million. The corporation achieved these results in the face of some of the most trenchant, vicious, and personal political attacks seen in this State. It is a sad fact that those attacks have had an impact, not so much on the corporation's ability to deliver, but on the public's perception of its role.

It is that perception, and the conflict between the role originally envisaged for the WADC and its relationship with a Government operating under the Westminster system identified by the Burt commission, that the Government has had to address. Accordingly the Premier has directed that the WADC cease making investments and wind up existing investments as

quickly as commercially feasible. I expect that task to be completed by 30 September. While not subject to legislative action, the agreement between the Treasury and the WADC whereby short term cash surpluses were invested by the corporation has ceased.

I expect some appropriate administrative structure to remain to provide support for the highly successful activities of EventsCorp, including the organisation of the now internationally recognised PacRim conference, and of LandCorp. The amendments proposed will allow the corporation to meet the requirements the Premier has outlined and to meet the accountability criteria outlined by the Burt commission.

Again I pay tribute to the board and staff of the WADC. They have more than met their obligations to the Government and the people of Western Australia under extremely difficult circumstances. I congratulate them.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Max Evans.

## ACTS AMENDMENT (DENTAL PROSTHETICS STUDENTS) 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 GRAHAM EDWARDS (North Metropolitan - Minister for Racing and Gaming)  
[3.20 pm]: I move -

That the Bill be now read a second time.

This Bill provides for amendments to the Dental Act 1939 and the Dental Prosthetists Act 1985. The amendments have been necessary with the introduction of a student dental prosthetics course by the Office of Technical and Further Education. The course has been developed by TAFE in consultation with the Dental Prosthetists Advisory Committee. The course was first mooted in August 1987 and details of the course were completed in May 1988 with the exception of the clinical component. This was finalised in November 1988 with the first intake of students occurring in July 1988. As the course is one year part time, it is imperative that students complete the course's clinical component scheduled to begin in June 1989. However, before this can be achieved, legislative provisions have to be introduced to protect students and lecturers. The current legislation for both dental prosthetists and dentists is deficient in protecting practitioners if they supervise dental prosthetics students. These amendments therefore contemplate a dentist supervising students during the clinical component of the course. In addition, it will be possible for qualified dental prosthetists to participate as tutors. At the administrative level, it is proposed that only a dentist will be appointed as the course controller.

Principally, the amendments specifically refer to a qualification prescribed for the purposes of section 18(1)(b) of the Dental Prosthetists Act 1985. This restricts students from partaking in clinical work other than full artificial dentures and mouthguards.

The Government is anxious that students currently enrolled in the dental prosthetics course are able to complete their training. Accordingly, the amendments to section 55(1)(d) of the Dental Act and section 4 of the Dental Prosthetists Act are proposed.

I wish to emphasise that the consultation process has included representatives from both professions and these amendments have their support. Members might like to note that this includes the Dental Board, the Australian Dental Association and the Dental Prosthetists Advisory Committee.

Overall, the amendments have a simple objective - to protect students, dentists and dental prosthetists from committing an offence against the Dental Act and Dental Prosthetists Act. In addition, the consumer interest is being safeguarded. The introduction of these amendments will now make it possible for dental prosthetics students to undertake a training program for the purposes of the Dental Prosthetists Act 1985.

Accordingly, I commend the Bill to the House.

Debate adjourned, on motion by Hon John Williams.

## TREASURER'S ADVANCE AUTHORIZATION BILL

### *Second Reading*

Debate resumed from 6 April.

**HON MAX EVANS (Metropolitan) [3.25 pm]:** This Bill seeks supplementation of \$85 million against the monetary limit authorised for the 1988-89 financial year. That relates to money for the R & I Bank as the manager of the winding up scheme for the Teachers Credit Society. The loss sustained by the Government was \$125 million.

The monetary limit specified within clause 4 of the Bill represents an authorisation for the Treasurer to withdraw up to \$250 million for the financing of advances in the 1989-90 financial year. The proposed monetary limit of \$250 million for the 1989-90 financial year represents an increase of \$50 million over the 1988-89 authorisation specified in section 4 of the Treasurer's Advance Authorization Act 1988. The increase is necessary to accommodate the needs of a number of operating accounts opened through Treasurer's Advance arrangements. In addition, an allowance has been made for the provision of short term, bridging finance, if appropriate, from the Treasurer's Advance Authorisation to meet any Government obligation that may arise in relation to its bridging commitment to the Petrochemical Industries Co Ltd project. All such advances will be made at market rates of interest and will be repaid when the project funding arrangements are in place. I will comment later in the debate on how important that aspect is.

It was stated in the second reading speech that the need to supplement the limit arises from the Government's decision to protect the savings of the many ordinary people of Western Australia who invested in Teachers Credit Society. We have been through that debate many times before and I do not want to repeat it. It has cost the people of Western Australia a great deal of money and many benefits. I will provide a quick summary of how that \$125 million, which was lost through lack of control and supervision, equates to other areas. The total capital expenditure for the Department of Conservation and Land Management was \$19 million, for the Department of Corrective Services it was \$41 million and for the Health Department it was \$59 million - a total of \$119 million. It is an amount equivalent to that paid into TCS and should have been available for the equivalent capital expenditure of these departments. I will provide another example: Capital expenditure on education was \$52 million, on health \$59 million, and on marine and harbours \$10 million - a total of \$121 million. This gives some indication of the magnitude of the amount lost in TCS, with the blessing of this Government, which seemed to have the attitude that the money would be picked up elsewhere and the loss would not affect the finances of this State. The money put into the failed TCS came from the bank account of this Government and an equivalent amount could have been used for the benefit of Western Australians.

I now refer to the debate in this House last night and, to some extent, I will repeat myself. Will the Treasurer's Advance Account be used to make a loan of bridging finance to Petrochemical Industries Co Ltd which, of course, will be unsecured? There is no possibility of that finance being secured. The Leader of the House may be able to provide that information later. How can the Government be faced with obligations that may arise in relation to its bridging commitment to the Petrochemical Industries Co Ltd project? What is the Government's commitment to that project? Why should it have to pick up money from the Treasurer's Advance for a commitment in that area? What will happen if the Leader of the House in his capacity of Minister for Budget Management asks the Under Treasurer to draw a cheque against Treasurer's Advance for \$50 million, if the Under Treasurer does not think the cheque should be drawn because there is no security and the State's money will be at risk? Norm White at the State Energy Commission of Western Australia obeyed orders last year when he drew a cheque, and his job was in danger.

I repeat that, for the benefit of members here. Mr Bill Heron, Assistant Under Treasurer, phoned Mr Norm White from the State Energy Commission and said, "I want you to draw \$15 million to pay to Western Collieries." Mr White said, "I believe that will be unsecured. I have no security in respect of the prepayment of coal. I am a public servant, responsible to my board and to the taxpayers of Western Australia, and I should not draw that cheque to



give it to an arm's length organisation, a subsidiary of Rothwells." He was told that he could be directed to draw that cheque; and he was so directed by the Acting Deputy Premier, Mr Julian Grill.

The Under Treasurer will be in the same position here. He is being told to draw a cheque for \$20 million or \$30 million because of the bridging finance commitment to Petrochemical Industries Co Ltd, with no security having been offered. After all, what security can there be? There is only a good idea, for which the Government and Bond Corporation paid \$400 million. The Under Treasurer is being asked to put into the project an amount of money, which will be repaid when the finance is put in place, but that has been a long time in coming. The Government is putting at risk more of the taxpayers' money, on an unsecured basis, under the direction of a Minister.

We have seen what happened with the R & I Bank when it injected \$11 million into Rothwells; although I am not saying that the bank was directed to do that. The State Government Insurance Commission invested \$89 million in Rothwells. The SGIC could quite easily have lost more than \$30.5 million last night as a consequence of the collapse of Spedley Securities. An amount of \$30.5 million may not seem very large when compared with the total loss of \$300 or \$500 million, but I do not believe we will ever recover that money from Spedleys. The total profits of the SGIC for the first six months to 30 June 1987 were \$2.3 million; we have now lost a further \$30.5 million. I have said before, and I will say it again, that the \$100 million loss of the Victorian Economic Development Corporation will seem like small fry when compared with what we will lose in the petrochemical project and the Rothwells wash up. With all due fairness to my friend, John Horgan, the profits made by the Western Australian Development Corporation could just as easily have been made by the Government. That organisation's operations might break even in the end, and the taxpayers might even receive a small return on their investment, because the organisation was managed by a reputable board.

The Minister for Budget Management must take responsibility for the money which has been expended in these organisations, because I do not believe that this could have been done without his authority. I hope the Minister will today answer the question to which we could not get an answer last night. I thank the Minister for the wonderful breakthrough we had last night, when three out of five of my questions were answered. I thank Hon Sandy Lewis for the impact he made on the Minister to have those questions answered. I also mention as an aside - I hope this does not get anybody into trouble - that in June last year we were discussing the Gold Banking Corporation Bill, and the Minister opposite gave me only a few minutes between 5.00 pm and 5.10 pm to make my comments, so I was not able to ask him any questions. Two of the Minister's senior advisers met me outside and said, "Max, we are very disappointed. We thought you would be asking a lot of questions. The Minister wanted to be fully briefed on the answers to all the questions, but you asked none." So I spoiled their night, and I am sorry for that.

I ask the Minister why do we need a Supply Bill, which is a large petty cash tin, of \$2.3 billion, and a Treasurer's Advance, which is a small petty cash tin, of \$250 million? They are the same thing, because a Supply Bill is not an appropriation of money for any specific purpose; it is for Government expenditure. The Treasurer's Advance normally applies after the Estimates for the year have been locked into the Budget, and it can be used as a petty cash tin to pay out the Teachers Credit Society, for example, or to provide the bridging finance commitments on the PICL project. Why is the Parliament now being asked to give approval to the Treasurer's Advance Authorization Bill? Why is not Supply enough at the moment? Why can we not say to the Government that when it brings in the Estimates in September, October or November, it will have to account for what it will do with that money? Is the Government now bringing in this Bill because it will not have to tell us what it has done with the money advanced to it under the Treasurer's Advance until after 1990, whereas if it were a Supply Bill, the Government would have to account for its expenditure of that money? I will be interested to hear the Minister's rationale for having two Bills in operation at this stage.

Time caught up with me on 6 April, but I wanted to come into this Chamber with a black band around my arm because the SGIC had not called up the indemnity against the Bond Corporation in respect of the Bell Group shares. The SGIC has 64 million shares, which it purchased at \$2.50, so \$164 million has been invested in the Bell Group. The SGIC has been

promised \$2.70 for those shares, which would amount to a return of around \$186 million, and Bond Corporation provided an indemnity to pick up any losses that might be incurred. That indemnity was agreed to last year when Bond Corporation was picking up the public shares. I cannot believe that it was a unilateral decision of the board of the SGIC to not sell five million or ten million shares in Bell Group, to test Bond Corporation's commitment to indemnify the SGIC. There are 64 million shares, and if 10 million shares were put on the market, the price would not be very high.

I am thankful to Hon Mark Nevill for putting me right in respect of the Bond Corporation's paying interest for six months, as part of the indemnity. The SGIC has \$164 million invested, and if the interest rate is about 19.25 per cent, we are looking at a loss of between \$10 million and \$12 million. There are in addition two convertible notes held by the SGIC in the Bell Group of \$150 million. The SGIC paid \$140 million for them, and at an interest rate of 10 or 11 per cent, there would now be a differential of eight or 10 per cent between what they are earning and what the SGIC is paying on overdraft. That is another \$12 million if the interest rate is 8 per cent. The SGIC's profits on normal trading were \$2.3 million for six months to June 1987, so the SGIC is losing on those deals. I understand they can put no pressure on Mr Bond with regard to the convertible notes, except that he intended to commercialise them, which would lift the rate of return on that. I cannot get a recent balance sheet of Bell Group and I do not know whether it is making any money. We know that Mr Bond has borrowed a lot of money but I doubt there is much in the way of earnings there. It has been mentioned that the State Government Insurance Commission might receive a big dividend from Bell Group, which would keep the Treasurer happy, but that would only water down the value of the rest of the assets.

I ask whether the Treasurer will have to pick up some help here from the Treasurer's Advance to the State Government Insurance Commission. I believe the SGIC eventually will have a liquidity problem because it does not have any cash coming in. It has big interest free loans to Packer and Anderson of \$180 million; it has repayments of \$90 million which will be no help to it this year. That does not come through until December 1989 or 1990, so it will be a long time before it sees any of that interest free money back from which it can make a profit. I believe we could be looking at troubles in the SGIC because of a lack of earnings and cash flow, as insurance companies earn all their money on funds invested.

I have mentioned before that WA Government Holdings Ltd had a loan of \$175 million at 13.9 per cent. The Minister for Budget Management has explained that, and I hope it has not changed. Once again, that is a Treasury matter and I suppose it will come under the Treasurer's Advance now, but the Government will have to put money into WA Government Holdings Ltd - just make it a gift - and WAGH will pay the SGIC. The Minister must understand that if the Government is putting in money just like that, at least it could give SGIC a contra, because - and the Minister would have realised this when he made the statement last night - the benefit to the SEC in respect of the sale of electricity and gas will not be felt until 1991 or 1992. I think the share the Government received from the SEC last year was \$28 million, and I am not certain how much it will get back. The SEC is out of pocket to that extent and therefore it must pick up the money elsewhere or its trading figures will be down. It made only \$5 million last year before adding back the Government grant. If we do not add back that grant there is a very small margin of trading profit for the SEC and, with interest rates going up this year, it could be even worse, although the exchange rates are probably better than before.

I return to the Treasurer's Advance, and this commitment. Will the Minister please advise us as to the use of this word "bridging" finance and commitment. Will this include interest payable on the \$50 million which I understand Petrochemical Industries Co Ltd borrowed? I understand also that there is a line of credit up to \$100 million. PICL has no other source of funds unless it uses the borrowings and pays interest on them itself. Is it intended to use part of the Treasurer's Advance Account to advance money to PICL so it can pay the interest to these other parties?

Hon J.M. Berinson: Could I perhaps anticipate more questions on the same subject by referring you to the Treasurer's statement in the Assembly to the effect that although reference to the possibility of bridging finance out of the Treasurer's Advance was made, for what you might precautionary purposes, he does not expect that there will be any draw at all on the Treasurer's Advance for that purpose.

Hon MAX EVANS: We presume the Minister for Budget Management is the one responsible and he should know where the money will be found. We presume the Government does ask him that; unless it tells him after it has happened. The Minister must look at the fact that PICL will need some money to pay the interest. He, or someone from his department, must have asked this question: If we are to put up a guarantee, how will PICL finance the funds that are loaned to it? We know the Minister knows nothing about finance.

Hon J.M. Berinson: I do not want to leave myself open to the criticism that is made that I sometimes say that other people make these inquiries, but the fact is that I do not need to know that. The Treasurer, who is also the Minister handling PICL, is in a position to make statements on this and to be aware of the facts, and I do not need to be involved in the same way.

Hon MAX EVANS: I will return to the Treasurer's statements and ask whether they are worth the paper they are written on.

*Sitting suspended from 3.45 to 4.00 pm*

Hon MAX EVANS: The Minister made the comment that, as the Minister, he was not expected to ask questions. He took the advice that was given to him in doing these deals. I ask him why he did not investigate further and ask more questions. It is only big money deals in respect of the Government's guaranteeing \$100 million to PICL and not knowing where the interest would come from. The Minister said that was not his job, and this worries me very much. Say he were a man investing in property and Mr Fastbucks, real estate agent, rings him up and says, "Would you like to buy this property for \$1 million?" "What's the return?" "Twenty per cent." He says, "That sounds pretty good. I'll buy it." Let us look at what he is doing. Mr Fastbucks - one knows he is not a reputable real estate agent who is offering a rate of interest three times or 2.5 times more than the eight per cent for a normal commercial deal. The Minister says, "Right, I'll take it." He deserves to lose a lot of money if he does not ask the right questions. I would have thought and hoped - but my illusions are now shattered - that the Minister would ask such questions. I take note of the comment in the famous book by John Hamilton, *Burkie*, as follows -

Brian Burke himself said: 'It was the hardest decision I made since becoming Premier. It was the most frightening decision and the most worrying decision.

'It seemed to me that at that level, politicians are very poorly trained. It seemed almost hopeless to expect that normal men and women, even acting with advice, are going to comfortably make decisions of that magnitude that will prove to be the right decisions.'

I am not too certain whether Ministers need training, or just natural street guile and cunning, to ask questions. The secret of surviving is asking questions, knowing what is going to happen. As I said to my members, when the questions were put to me whether to guarantee Rothwells; it all revolves around whether it will ever make a profit again. It can never make a profit again because it has lost the confidence of the public. It does not really matter what one is going to do; the best thing would have been to put a receiver in, as was discussed fairly early on - just hold together to see what was going to happen; but that was not done.

Brian Burke made the statement, which obviously the Minister is saying here, that Ministers are not really trained to make decisions; but I believe they should be trained and know enough to ask questions, because if they do not, they are obviously not doing the job we believe they should be doing. The main thing is to interpret information; but they just sit back and accept the information without finding out, with respect to this \$100 million paid to PICL, which will need \$800 million, how it will be paid back, and how they are getting on with respect to the non recourse financing of the interest. If the Minister is not finding out that information for us, we have a lot to worry about.

I am not quite certain what will happen with these questions now, but I have another one to put to the Minister for Budget Management. In relation to the Treasurer's Advance, I am on a learning curve. Last year, big sums of money, like \$100 million odd, were paid out over the last month of the financial year for miscellaneous services. There were lump sums, I think, for the R & I Bank; investment was there; EventsCorp; LandCorp. Do those sums come out of the Treasurer's Advance, because they do not appear in the Appropriation Bill?

There was a large sum to the Superannuation Board at that stage. Did that come out of the Consolidated Revenue Fund?

Hon J.M. Berinson: That was appropriated.

Hon MAX EVANS: Would there be money coming out in the same way this year?

Hon J.M. Berinson: Yes.

Hon MAX EVANS: I believe it will have quite an impact on the finance -

Hon J.M. Berinson: Let me just explain. As you know, the draw on the Superannuation Board is very heavy. If, for example, we found ourselves with some flexibility at the end of the year, and that allowed us to put in more than the Budget allocation, that could be done through an excess vote which would come out of the Treasurer's Advance. It would then be ratified, in effect, by the later decision to approve it.

Hon MAX EVANS: So last year the Minister would have put some in out of the -

Hon J.M. Berinson: But my memory of last year is that the payment to the Superannuation Board was in fact authorised in advance by the Budget allocation.

Hon MAX EVANS: Thank you. The Treasurer's Advance commitment, as I say, comes back to the actual amount, and it is the overrider of what the extra money could be used for and whether it can be legally done because, firstly, it will be unsecured; secondly, it is at arm's length to a tightly held company in which shares are owned by the Bond Corporation and Petrochemical Industries Co Ltd, whose shares are held by WA Government Holdings. I thought I had better look back on what this petrochemical deal is all about. As I have said many times, I believe there is a great risk and worry about future losses here. The Minister is probably saying, "It's not true. It will all work itself out eventually."

The other day I came across a report on Petrochemical Industries Co Ltd done by Wardleys in January 1988. I have been advised this was done - as a sales document - to give out information to other people to whom they were trying to sell a 40 per cent interest in the PICL project in January 1988. The report does not say whether the petrochemical project is right or wrong. It is providing information for the benefit of interested people. The executive summary states -

PICL is soon to commence construction of an A\$800 million petrochemical plant in Kwinana (W.A.).

Commercial production is due to start on 1st July, 1991.

Further on it states -

PICL is expected to produce 240,000 tonnes p.a. of VCM, 100,000 tonnes p.a. of EDC and 235,000 tonnes p.a. of caustic soda.

Sales for the first 15 years of the project's life are expected to be US\$8.4 billion.

The present shareholders in PICL are seeking an equity participant who will

firstly: acquire a 20% interest in PICL from the existing shareholders; and

secondly: will subscribe for new shares in PICL so that it emerges with a 40% interest in the expanded PICL.

The company has produced numerous financial forecasts for the first 15 years of the project's commercial operation based on differing assumptions about future trends.

The report outlines what the project is about and states that PICL was awarded an exclusive mandate from the Western Australian Government in January 1987. It also states that PICL has contracted BP Australia to buy 80 hectares of prime industrial land. From memory, that was to cost \$11 million to be paid last year from an amount of \$20 million made available by the Government.

The report states that the contract price is \$241.5 million and that the contract has no rise or fall provisions. I do not expect an answer from the Minister, but we all know that there is a famous contract called a "deed of undertaking" to which the Burt commission found it was not privy. It was unable to determine what the "deed of undertaking" between WA Government Holdings Ltd and PICL actually was.

Further on in the report it states that PICL signed a contract with Gofair Investments Ltd, but we all know that that contract, which referred to Dallas Dempster supplying materials for the project, has been torn up. The report states that there is a construction fee of 10 per cent of the capital cost and \$25 million is due on the commencement of construction. An amount of \$35 million is to be paid on a monthly basis to coincide with capital expenditure. The Minister may advise the House whether this amount is still being paid as a construction or project fee to the Bond Corporation. If that is the case it is wrong because the taxpayers are putting up a guarantee of \$100 million to PICL in order that a fee can be paid to Bond Corporation.

The Wardley's report states that there is an abundance of quality salt available in Western Australia which can be railed to the plant by using the existing rail network. I know other members will speak about this at length later today.

The report refers also to the benefits of the project to the Government and to the economy. It states that SECWA has found a permanent home for its surplus gas which it will receive under a contract it has with its North West Shelf partners. The surplus of gas which arose as a result of an overly optimistic gas demand forecast was potentially financially damaging to the Western Australia Government. In the first year's production of PICL it will purchase ethane natural gas to the value of between \$20 million and \$25 million per annum.

The report to which I am referring was written in January last year when it was understood that the Government was taking up its contract demands from the North West Shelf gas project.

The DEPUTY PRESIDENT (Hon John Williams): I remind Hon Max Evans that I am having difficulty in deciding whether he is contravening Standing Order No 81 which concerns alluding to a debate of a similar nature in the same session. Maybe he can help me solve my difficulties by linking the Treasurer's Advance Authorization Bill to another Bill which is No 4 on the Notice Paper.

Hon MAX EVANS: Mr Deputy President, that is very easy. The Minister's second reading speech states that an allowance will be made for the provision of short term bridging finance, if appropriate, from the Treasurer's Advance Authorisation to meet any Government obligation which may arise in relation to its bridging commitment to the Petrochemical Industries Co Ltd project.

The DEPUTY PRESIDENT: Thank you.

Hon MAX EVANS: Item No 4 on today's Notice Paper has nothing to do with money. It contains only legal jargon regarding the PICL project. It does not make any reference to whether the project will cost \$50 million or \$150 million and that is what I am concerned about.

The Wardley's report states that the resultant product will boost Australia's exports and diminish imports of caustic soda. I again advise members that this report is to be treated as an informative document. Any interested parties would obviously do their own investigation into the project.

At times there are often large surpluses of caustic soda around the world. It cannot be got rid of easily and the price varies from between a few dollars to \$300 per tonne. I understand that Alcoa of Australia Ltd will not commit itself to 100 per cent of its requirement of caustic soda from this plant. Obviously it will want to keep in touch with world markets to obtain the cheapest price for caustic soda.

It was hoped, on the release of this report, that the owners of shares would obtain a 20 per cent interest rise in PICL from people around the world. It never occurred. Interest rates were very low last year and people could not see this as a worthwhile investment. We now have a development which is costing more money, and with this legislation we are talking about a bridging finance commitment.

I refer briefly to another report from which this Government has quoted; that is, the Price Waterhouse report dated 5 May 1988. It was submitted to the directors of PICL; it was not a report to a third party or a report to the Western Australian Government. Price Waterhouse is the auditor of the Burswood Property Trust in which Dallas Dempster has a major holding. He also has a major holding in Petrochemical Industries Co Ltd. Until April or May of 1988

Price Waterhouse was the auditor for the Bond Corporation, which was to hold an interest in the project. The Government should not have been relying on this report. The Government should have obtained an independent report on the project and there is no record to show that it did. We may be told that there was an independent record which backed up the \$400 million figure which was paid.

Mr Reg Webb, a partner in Price Waterhouse, said the following in his report -

This valuation is based on the net present value of expected future cash flows and it takes into account the current position in respect of contract, negotiations and anticipated prices, costs and projections and also takes account of other outside consultants' reports.

He refers also to the lump sum price of the contract of \$276 million. This figure is similar to that quoted in the Wardley's report. It is expected that the overall capital sum will be \$655 million, including the land. Not many details have been given about the contract, but reference is made to the review of the Mitsubishi contract. Reference is also made to the purchase agreement for caustic soda and it does not say that Alcoa will buy all the caustic soda available.

The report states that a contract was entered into between the State Energy Commission and Western Australian salt suppliers for the major raw materials used by the project. As I mentioned, at a later stage other members will speak about the costs in relation to the salt.

Mr Webb's conclusion was as follows -

I am satisfied that providing the complex is completed on time, other outside consultants' reports are correct, and that no significant events occur which change any of the assumptions and projections made in compiling this report that the Western Australian Petrochemical Complex has a value of \$1.022 million. The valuation assumes full project financing and the repayment of such debt from the future cash flow of the complex.

It is about \$350 million more than the proposed cost, which obviously has some relationship with the \$400 million goodwill figure paid by the Bond Corporation and the Government. The Government has said that it used this valuation. I do not believe that any Government should have relied on that valuation, which was not made specifically for it. There was no liability or responsibility to the Government for it. The Government should have gone outside to independent experts and got them to make an assessment and give their valuation of the project. Problems are now arising with the whole scheme.

Before I sum up the problem as I see it with this whole commitment, I return to what I said last night. Highly critical statements have been made of Wardleys over the Rothwells saga. If people go back to the book *Burkie* by John Hamilton, now a director of WA Development Corporation, they will see that the whole deal with respect to the Rothwells saga was put together before the Sunday night of that week, before Wardleys went to the meeting in Connell's office. Peter Beckworth and James Yonge went to that meeting to discuss what had been put together. They did not put it together and, contrary to what the Minister has said, as I see it there can be no legal responsibility there. The Minister should get his facts together because Connell, Oakes, Beckworth and James Yonge arrived to brief the subcommittee on what was going to happen and how they would handle the credit enhancement for the subunderwriters.

I notice that they talked about this matter on the Sunday afternoon in the following terms -

Upstairs a budget subcommittee kept meeting until 7.30 pm to finalise details.

I wonder whether the Minister for Budget Management was at that meeting trying to work out how they would do these deals. I think he has been asked this question before and declined to answer.

Hon DJ. Wordsworth: He does not remember very well.

Hon MAX EVANS: Is that what it is? It is interesting to see how this whole story of Rothwells evolved, with Brian Burke and John Horgan trying to solve Laurie Connell's problems. I return to the comments made about bridging finance. What we are worried about is whether there was a commitment. We understand that a statement has been made in

the other place that there is no real or expected commitment - they just want their options open.

WA Government Holdings's gave financial support measures to PICL last year. It is said that SECWA was to contract to supply gas, electricity and ethane, the utilities - to use the American jargon - to PICL to the year 2004, and in certain circumstances beyond that date. The Government has agreed to provide financial support to WA Government Holdings, to PICL, in circumstances where the project's operating cash flow is insufficient in any accounting period to meet the financial obligations of project operating costs, including the cost of utilities; that is, electricity and gas and interest on project loans, which we have been talking about - this \$100 million. In relation to the principal repayment of loans as scheduled we are talking about the repayment of the \$100 million loan - we might be talking about the repayment of \$175 million by WA Government Holdings to the SGIC. In the event that during any accounting period project operating cash flow is insufficient to meet operating costs, interest or principal repayments, support for PICL will be forthcoming by way of a combination of relief from its payment obligations to SECWA in respect of utilities and cash payments to WA Government Holdings pursuant to its undertakings in terms of a deed of undertaking supported by the guarantee of the Treasurer.

This comes back to the deed of undertaking. Can you imagine, Mr President, Chief Justice Burt's report on the investment policy of this Government if he could have reported this deed of undertaking? He was told that he could not have access to it. We find this deed of undertaking seems to have a commitment from this Government for support, finance and cash flow from the PICL project. Cash flow comes when one buys materials and sells them. There is a time delay. One gets paid for them and that is one's cash flow. From that, one has to repay one's debts after paying interest. There may be hold ups because of plant problems or lack of demand overseas, or one's cash flow dries up, but with an undertaking like that it does guarantee that at all times PICL can pay for its product, repay its loans and pay its interest.

The other support measures involve SECWA providing a supply to WA Government Holdings as payment to PICL for utilities limited to PICL. This now ties in more closely with the Government and the PICL project and WA Government Holdings, which is soon to be an authority. Will all these commitments be taken over by the authority? They must be, we presume. Are these commitments still in place? I understand that a lot of contracts have been changed - Mitsubishi's has been renegotiated. Has the deed of undertaking been changed? The Minister probably does not know that because the Burt commission said that under the agreement even the Premier and Treasurer - who at that stage were the same person - could be denied access to information. WA Government Holdings denies access of its shareholders to some information, and those people were not directors of WA Government Holdings, so they probably do not know the facts.

It is claimed that responsibility among the co-obligors will be determined in accordance with a formula that will operate to shift the burden of the claim according to PICL's available cash in each accounting period. Should PICL's available cash not be sufficient to meet its (a), (b) and (c) financial obligations, the burden as to the payment to SECWA will then shift to WA Government Holdings for the relief of PICL. I am certain that the Minister, who is a wise and cautious man with reasonable assets, would not leave open cheques around the place to be picked up and put through someone else's bank account. To me this is like giving an open cheque, making an open cheque available to the people of PICL who will have no real responsibility about what they are to do with the money. After all, if one knows that one has a big brother who will give support if one makes losses one does not work quite so hard. In fact, the whole point of this matter is that in this whole operation there is no hurt money for the Bond Corporation. It needs hurt capital of \$200 million or \$300 million. It has pro rata capital for goodwill of \$225 million to the Government's \$175 million. That is not even hurt capital; that is gone - it is for goodwill. It needs some real hurt capital because if things go wrong it will lose. The Government has now guaranteed the \$100 million. The Minister may tell us tomorrow how the Government can guarantee \$100 million when its share should only be \$43.75 million. The Bond Corporation is alleged to be putting up only its share capital in the PICL project as security. If the project does not get off the ground or make a profit that has little value.

We have SECWA getting involved and relying on WA Government Holdings, which we

know has only one source of money. We were told last night that WA Government Holdings will rely on Government grants to be paid to it to pay interest to SGIC on that \$175 million at 13.9 per cent. Now we are told that WA Government Holdings, under its payments to SECWA, will be paid in such discharge of PICL's obligations as to payment in such circumstances as SECWA's recourse will be limited solely to WA Government Holdings; in other words, the Government is guaranteeing the payments to the utilities of PICL from WA Government Holdings, which is guaranteed by the Government. SECWA will be obliged to maintain supply of utilities to PICL even in the event that WA Government Holdings is at fault. This is very similar to the agreement we saw in relation to the David Jones site when the State Superannuation Board bought a half interest from Mr Laurie Connell. Bond and Connell paid \$6 million for it and the Superannuation Board bought half of it for \$11.55 million.

Part of the deal was that the Superannuation Board would be responsible for the total financing of building on that site of which Bond and Connell bought a quarter each, but they had no legal or financial obligation to fund the capital. At the end of the day they could make a profit on it. If this is correct, the Government is underwriting this whole project at this stage, irrespective of non-recourse finance; no money is coming from the Bond Corporation. If there is a shortfall of cash, that will come from WA Government Holdings Ltd, and we know who puts the money into that. We have been told the Government will see that this goes forward. Here is a PICL project in which Bond and others have 53.75 per cent. They have no hurt money. All the money is being paid in; it is going on and on. We do not worry about the contract prices with the SEC regarding the PICL project in this deal, and there are so many stories about that that I shall not go into it.

I understand there is an equation between the price of energy and the price of plastics. If the price of plastics drops 50 per cent, the price of energy will drop accordingly when the prices of oil and gas may increase around the world. The SEC prices will be lower, and there will be a loss factor on the SEC. We talked about the great benefit this will be to Western Australia. We will pick up the shortfall in gas. The more gas there is pouring down there, the greater the loss. The higher the consumption of gas, the greater the loss. That will be the position if the prices are detrimental to the State. I do not expect the Minister to answer the question, but we are worried about this position. One day, when this Government becomes more accountable, I hope it will give us all the facts about what is happening with respect to Government finances.

I cannot believe the statement made in this House that the Minister in the other place does not expect any commitments to bridging finance requirements for the petrochemical project. He says everything is under control. I believe this is a big commitment which goes on and on. This must come out of Treasury funds and it will impinge on the State's finances for a long time because they are all interwoven. The SGIC and Rothwells deals all come back to Rothwells. We had a debate between the Premier and his deputy. One said the investment was in Rothwells. The other was more honest; he said it would not have gone to Rothwells; it would have been PICL if it was not Rothwells.

The SGIC is very much at risk here. It became involved in the \$58 million loss on Rothwells. Capital was involved in the new structure. The whole capital of SGIC 18 months ago will be wiped out in that deal. There was \$5 million in Spedleys, and that could wipe out one-twelfth of the original capital. A lot of the capital there is on paper - the sale of property and so on. I warn the Minister that in the accounts at SGIC last year the investments were revalued upwards. This year they will be revalued downwards. Last year a higher rate was being earned than that paid. This year the reverse position applies. That will affect the value of the SGIC, which is locked in WA Government Holdings requiring Government support and interest at 13.9 percent on \$175 million. WA Government Holdings is giving these undertakings, and that is the Government itself. We now have the cloudy issue of a petrochemical authority which does not cloud the position, it is business as usual under a new name and a slight stepping away of the Minister from the problem.

In supporting the Treasurer's Advance, as we must as a responsible Opposition, we expect and hope that the Minister will answer many of these questions because we do not believe they can be pushed aside.

HON G.E. MASTERS (West - Acting Leader of the Opposition) [4.35 pm]: Most of what



I intended to say has been covered by Hon Max Evans, but I want to reinforce some of his statements. Understandably the Opposition is suspicious and concerned over this legislation which concerns a very large sum of money to be allocated to the Treasurer for use under certain conditions. However, no details have been put to this Parliament; therefore until some 20 months' hence we will have no idea how this money is spent. That seems wrong, and I wonder why, at this early stage, this legislation has been brought forward, because it will be a long time before we know where the money is spent.

Hon J.M. Berinson: You do acknowledge that this is our regular system and it is done twice a year?

Hon G.E. MASTERS: Yes, but it is pretty early.

Hon J.M. Berinson: It is the ordinary time.

Hon G.E. MASTERS: The Minister can get up and explain, but I am asking the questions now. After last night, we look forward to a detailed and good answer, and I have no doubt we will have it. It seems to me that the introduction of this legislation is earlier than usual.

Hon J.M. Berinson: You are referring to both the Supply Bill and the Treasurer's Authorization?

Hon G.E. MASTERS: The Treasurer's Advance Authorization Bill is the Bill we are talking about now. At the same time we have a Supply Bill, and I would have thought that some of the money which has already been earmarked in this \$250 million is in the Supply Bill. Do we need to hide the details of the whole \$250 million if the Government knows how it will spend the money? It may not. The Minister can then explain the \$250 million, which is a substantial increase.

Hon J.M. Berinson: It is not really, because last year it was \$285 million.

Hon G.E. MASTERS: Over the last two or three years there has been a substantial increase.

Hon J.M. Berinson: The whole Budget has increased.

Hon G.E. MASTERS: It was \$150 million some three years ago. There may be good reason for the increase, and the Minister can tell us why.

I was concerned to hear the Minister, by way of interjection to Hon Max Evans, say he was not consulted on all these financial matters, and the Treasurer was the person who largely had the decision making role on the running of the Treasury and all it entailed, or words to that effect. The Minister may be able to put me right, but I seem to be having some difficulty, as is the rest of the House - certainly our members - in finding out where the Minister for Budget Management's responsibilities lie. Where are the boundaries between what he is responsible for and what he is not responsible for?

Hon J.M. Berinson: That is a problem I often share.

Hon G.E. MASTERS: I do not think we will be given guidelines, because if we were we would know just where to direct questions. When one is dealing with large sums of money to be spent by the Government of the day and the Treasurer, the transactions have an impact on the management of the Budget; they must do. If the Government of the day loses \$100 million or \$200 million, that must have an impact on the Budget; therefore surely the Minister for Budget Management needs to be consulted and made aware of what is going on. If that is the case, we have a right and an obligation to ask questions of the Minister for Budget Management which bear upon the effect of the Budget and the spending of this money. We are questioning the Minister in the light of his statement in the second reading speech, when he made reference to a bridging commitment to the Petrochemical Industries Co Ltd project. I assume, in respect of this bridging commitment, the Minister was consulted, and he has a full understanding of the commitment. Bearing in mind that even if it is not strictly within his portfolio at this time, he has the handling and management of this legislation here. Therefore in this place he has the responsibility, and so we would expect him to answer some questions on it. Has Hon Joe Berinson been consulted in respect of the petrochemical project? I know we will debate that at length tomorrow and I certainly will not tread ground which will be covered tomorrow, nor would I be allowed to do so; but we are dealing with something like \$250 million, and it appears some of that money will be used to finance the PICL project. If that is the case has the Minister been involved in those

consultations? Does he know what will be the potential involvement with this \$250 million? Has he been consulted on this matter? I am sure he has been asked for advice, because of his seniority and the high regard in which he is held by members of his own party. I am sure he has been consulted and he is aware of the arrangements likely to apply to this legislation and the \$250 million.

It may not strictly be within his portfolio, and I am not sure whether it is, but the Minister has the handling of the legislation today, and I have no doubt he has been briefed on all of those aspects. Are there any further promises of financial support this financial year for the PICL project? As I said, I will not cover ground today which will be dealt with tomorrow, but \$250 million is involved and there is reference in the second reading speech to bridging finance. We want to know, and we are entitled to know, whether in respect of that \$250 million any money has been earmarked for the possibility of being used to help get the petrochemical project under way. Clearly the Government already has a commitment of \$175 million, the assets of which are doubtful. I do not think anybody has been able to work out the details of that, least of all the Government. However, we know there is a line of credit of some \$100 million, of which \$50 million has already been taken up in some way or other with the petrochemical project.

Is the Minister aware of any guarantees in the petrochemical project or any agreements, particularly in relation to this legislation? Are there any other written or verbal agreements which may require the calling on of the Government for further funds to support the project and possible participants in the project, not just the Government? Hon Max Evans brought to the attention of the House a document which came into the hands of the Opposition; that document was referred to in the other place. I also wish to refer to that document. Hon Max Evans quoted from it at length and it has been quoted at length in the other place. However I am sure the Minister was briefed today and with his advisors will be able to give the House some information in respect of this document. The document is headed, "WAGH - PICL" and subheaded "Financial Support Measures"; those are the only headings on the document, which is dated 29 September 1988. We know legislation is being brought forward which will get rid of the WAGH and form a statutory body. The document to which I refer is not signed; it was brought to the attention of the Opposition but we do not know by whom. We do not know whether it is authentic, but obviously questions need to be answered if the Government is to fulfil its commitment to the accountability report prepared by Sir Francis Burt. I think we need to continually bring that accountability report to the attention of the Government and endeavour to extract the information we rightly require and demand as members of Parliament, the representatives of the public. There appears in the document quoted at length by Hon Max Evans to be a commitment for certain cash payments if there is a need or if the WAGH requires it - I imagine it would be transferred to a statutory authority in this case. So in the legislation we are dealing with today, are we looking at the possibility of the Government injecting cash payments if there is a shortfall somewhere along the line in the financing of the petrochemical deal? We should know whether that will be the case and we should be advised during this debate. The Government is asking us to support the Supply Bill and the Treasurer's Advance Authorization Bill, so before we get down to the debate on the petrochemical project we ought to be advised on the finances likely to be required and injected over the next 20 months. Members should bear in mind we are not talking about this financial year; we are talking about 20 months' hence. That is a long time to be without information on this matter. Is it a fact that the Government is committed to supporting any shortfall from the Petrochemical Authority, in case it cannot fulfil its commitment to the State Energy Commission? Is it true the Government will foot the bill if there is any shortfall? The final page of this document refers to the situation where money could and would be made available - I imagine without interest - and may or may not be repaid at some later stage.

This document is very important if there is any truth in it. If there is not, the Minister can stand up and say it is not accurate and it has no substance whatsoever. The Opposition believes that some concerned person has circulated this document, in the belief that the Parliament and the public were not being properly informed. At this stage of the debate we expect to be properly informed. I point out to the Minister the Burt commission's report on accountability and the fact that a Bill will come before this House next week which deals with accountability and all the commitments the Government says it is making as a result of

the Burt report. The whole thing is intertwined, whether it be accountability in respect of \$250 million, \$4 billion or \$150; the Government should be entirely accountable to the Parliament and to the people. That is what this document is all about. The Opposition believes this \$250 million may be used for certain purposes and, although we do not expect the Minister to tell us in detail where it all will be used, we expect he has been advised and has knowledge that a certain sum of money will be used for the purposes of the petrochemical industry.

I refer briefly to clause 5 of the Treasurer's Advance Authorization Bill, which deals with the authorised purposes of the Treasurer's Advance. It reads as follows -

- (a) to make payments of an extraordinary or unforeseen nature chargeable against -
  - (i) the Consolidated Revenue Fund; or
  - (ii) the General Loan and Capital Works Fund,

The Minister will recall that last year we referred to the question of what is meant by matters of "an extraordinary or unforeseen nature". He said that these words had been used for a number of issues in similar legislation, and I accept that.

Hon P.G. Pendal: Ever since he took office.

Hon J.M. Berinson: Mr Masters stopped you going further, because it was inherited from his time in office.

Hon G.E. MASTERS: I am not arguing about those words. I know there will almost certainly be matters of an unforeseen nature that will require those funds to be used. I have no argument about that. I am concerned that in the bracket of extraordinary matters, the Government has some knowledge this fund will be drawn upon in extraordinary circumstances for the petrochemical project. The Government says the money will be drawn from the Consolidated Revenue Fund or the General Loan and Capital Works Fund. I want the Minister to spell out as far as he is able whether the money will be used for the purposes to which I have been drawing his attention. I again make the point if we do not get the answers now - even some guidelines as to what the Government is doing and whether there is a commitment - we will not get the answer for some 20 months; and that is quite wrong. That is referred to already in clause 5(1)(a) as follows -

... as the case may require, and to be subsequently submitted to Parliament for appropriation against the Consolidated Revenue Fund or the General Loan and Capital Works Fund;

Surely sooner or later the Parliament will be able, or required, or requested to ratify the payments to the extent of that money; but we are entitled, in the light of recent and past events, to be told a little more about them than we have been told so far.

HON E.J. CHARLTON (Central) [4.54 pm]: I have a few brief comments to signify the position of the National Party on the seriousness of the questions which have already been raised by previous speakers, whose comments accord with the thrust of my views. Ordinarily we would not have pursued these questions to any extent if there had not been the background of the possible ramifications of the content of this Bill under the circumstances that prevail.

Obviously, the main question, as has been demonstrated, is what may happen as a consequence of this Bill, because of the questions raised in the minds of people about the Treasurer's activities in being required to provide advances in some areas. The Minister for Budget Management, as the Leader of the House, has the responsibility to bring forward information; but I understand the questions were not answered as specifically and as broadly as was expected in another place. Therefore, the Minister for Budget Management has the responsibility to ensure that this Chamber has the full understanding and the confidence of the people in passing this Bill. As has been stated repeatedly, the PICL project really is the basis of these questions.

The important facet of that is that it is not a consequence of a general undertaking by the Government for a new industry that the Treasurer will be involved with it. It is simply as a consequence of how the proposition for the petrochemical plant came into being. It did not

happen that it was considered a project that the Government would be involved in simply on the economics of the benefits to the State; it came as a consequence of a series of financial transactions that had a number of question marks about them at the time - and they still do. So, as a result of those activities and decisions that were made, mainly in a reactionary way, we are left not with a positive feeling but with a nasty taste in the mouth. More importantly, because the future is the only thing over which we can have some control - we cannot use the past except as an experience and a foundation for deciding what might happen in the future - we want to know what percentage in dollar terms is the involvement of the Treasurer through the Treasurer's Advance that will be applied to the petrochemical plant or any other need that is out of kilter or out of the ordinary compared with anything else that has happened in the past.

The Parliament and the people of Western Australia have a right to know, because we have seen that people have been told, "Well, okay, we got it wrong. We didn't do it right before. Give us another chance. We will fix it all up. We will be accountable and get it right this time." However, it has gone past that point. Now is the time, especially with the headlines about accountability. We need some answers to the questions about what specific amounts will be allocated in the case of what we have all been talking about this afternoon.

The other aspect I want explained to me relates to the Government's other funding activities. I see it is related either in the second reading speech or in the Bill. I refer to the application of interest, and I will deal with it further in the Committee stage. I am referring to the interest component in the allocation of funds for any particular activity. In the operation of this account, it does have a bearing on the general slush funds that the Government can accrue interest on from allocations that are made out of this account. I am asking the question about this account as well as the Consolidated Revenue Fund. In recent years, the interest component has been significant; and as a consequence of that the Government has been able to use that interest component to do things which have been of real benefit to the Government. However, the people of Western Australia have not seen the full details of what that amounts to and what bearing it has on the economy of the State.

Hon J.M. Berinson: I am just trying to get this clear. You are talking about the State's interest earnings on its cash balances.

Hon E.J. CHARLTON: Yes.

Hon J.M. Berinson: Details of those things are set out in full in each set of Budget papers.

Hon E.J. CHARLTON: I thank the Minister. The fact is that the public of Western Australia do not have easy access to those figures. Is it, in this particular case, in this account?

Hon J.M. Berinson: No. It has no relationship to this account.

Hon E.J. CHARLTON: So money cannot be drawn from this account - plus all the interest accrued from the money to be allocated for some particular need with which the Government is involved. Is it involved in that Treasurer's Advance Account?

Hon J.M. Berinson: I will get some clarification on that.

The PRESIDENT: Order! The member is asking questions that he should ask in the Committee stage. I suggest that he wait until this legislation reaches that stage before he asks questions.

[Questions without notice taken.]

Hon E.J. CHARLTON: I referred earlier to what may be incorporated as part of the allocation to the Treasurer's Advance Account. I sum up by saying that because of the set of circumstances in which we in Western Australia now find ourselves, the bottom line is that we in this place want to know what activities which are out of the ordinary and which have not happened in the past are likely to take place in the future in respect of the allocation by the Treasurer of moneys for the petrochemical plant.

HON W.N. STRETCH (Lower Central) [5.27 pm]: I could raise my questions during the Committee stage, but I think it is more appropriate to give the Minister the opportunity to prepare a response. My first question relates to the possible guarantees for the advancing of funds to the petrochemical plant. The appropriations appear to leave it open for virtually any project to be covered, and I am concerned about the supplies of the base stocks or resources

for the project. The Minister would be aware that the supply of gas does not come into this, but the supply of brine is of concern. I seek an assurance from the Minister that under the terms of these appropriations, there can be no money put into joint ventures of a type which would be used for developing a new resource; because I have heard there is a possibility of brine being supplied from the eastern wheatbelt, and pumped through to Kwinana. The supply of raw materials to this project will be of significance and will obviously cost someone a great deal of money. I seek an assurance that we will not be seeing joint venture projects being financed under this appropriation, rather than being brought to the Parliament for its approval.

If I remember correctly, under the Westrail agreements a few years ago provision was made for Westrail to operate pipelines, in which case I assume an appropriation would go to Westrail for the financing of that project. However, if the salt is to be supplied by the new company rather than by the existing companies producing a suitable ore resource in Western Australia, obviously finance would be required. I am looking for an assurance that this sort of joint venture capital will not be raised under this appropriation but will be brought back to the Parliament to enable a proper joint venture to be set up. I believe that would be the normal, accountable and proper course.

**HON ROBERT HETHERINGTON** (South East Metropolitan) [5.31 pm]: I want to avail myself of the opportunity to spread myself rather widely on the topics I will speak about. Normally I would postpone most of the things I want to say until the next session but there are obvious reasons for my not doing that now, the most pertinent of which is that I will not be here.

I refer firstly to the proposals for the Chamber that the President put before us, and I wish he were in the Chair now so that I could congratulate him on the proposed seating arrangements. I thought when I first heard of them that, being fairly conservative, I would not like them. I have always regarded this Chamber as one of the best working Houses in Australia. However, after careful consideration and after seeing what is being done in the Senate - although I do not approve of the Senate Chamber in the Federal Parliament its furniture has something to be said for it - I think the proposal is a very good one and it will make this House work better than it does at present. That is, it will enable the members to do their jobs better; whether the House will work better will, as usual, depend largely on the members. I hope this proposal is taken up and that next year will see the members of this House sitting in a better Chamber. I think our seats could be more comfortable, particularly as they seem to me to be made for long legged horsemen and not for people suffering from shortness of the legs as I do.

The second thing I want to mention very briefly, and which I mentioned the other day, is the question of the parliamentary precincts. During my last speech I read out a letter that had been written to the President. It had been put in my hand the very moment before I read it out and I did not take full cognisance of it then. On rereading it I see that the Parliamentary Precincts Committee has been abolished and a new Central Area Committee has been set up between the State Planning Commission and the Perth City Council, and that in due course they will talk to the Chairman of the Joint House Committee about what we should do. Then I found out, from an answer given to Hon A.A. Lewis, that the decision was made after consultation with and approval by the Chairman of the Joint House Committee. That is very interesting. I hope the time will come when the rest of the Joint House Committee will be let into the secret and we may take part in making an informed decision. But to abolish this committee before the Joint House Committee could be formed and consulted - to abolish it the week before the Joint House Committee was to meet - is pretty poor and I think the State Planning Commission could have done better than this. When it is done just after proposals by Cann Corporation appear in the newspaper, as I suggested the other day, to take the present ugliness of the city to surround Parliament House; one wonders if there is some hidden agenda. I hope there is not and that it is all just coincidental, and that after the Joint House Committee has met and discussed it something sensible will be done. I hope we can make such plans as will keep the precincts of this House in accordance not with Parliament House as it is but as it should be. We do not want to reduce everything to the lowest common denominator, and I have never been one who admires the facade of this Parliament House. I admit I admire the bit behind us here, but I think the sooner we knock down the facade and build something better, the better it will be for the State.

I stress my concern about the precincts of Parliament House. I believe - and have believed for many years - that we can never touch it because it is always politically unpopular. The moment one says anything one gets great headlines about wasting the taxpayers' money. This Parliament House at present is a disgrace: It is a disgrace for people to have to work in it; it is a disgrace for members who have to do their work in this building. No office is expected to work these days without air-conditioning and yet there is no air-conditioning in this House except for the food and the books - the members do not count. I understand the books have to be air-conditioned because otherwise we would have to buy more because they would degrade and degenerate, but I think the members might degrade and degenerate if we do not get better working conditions.

Hon Fred McKenzie: You have worn pretty well.

Hon ROBERT HETHERINGTON: It is probably just as well I am going, or I might wilt at the end. That would be a terrible thing to happen.

Hon G.E. Masters: It certainly would.

Hon ROBERT HETHERINGTON: It seems to me that the criticisms that are made of members of Parliament - and some of them are deserved; some are not - might take into account the conditions under which we work and the fact that with the development of electorate offices we have become social workers. They might take into account the enormous body of work that a hardworking member of Parliament does. I think I have said before in the House that I have been in two jobs where people say to me, "Aren't you lucky? You have all these long holidays. What do you do with yourself?" One of those jobs was as an academic, when I had plenty to do with myself because the holidays were used to catch up with one's work and we worked long hours. However, I work longer hours now than I used to work as an academic. In the 12 years I have been here I have worked hard and long, and I am not the most hardworking member of this House or of this Parliament.

Hon Fred McKenzie: You are a workaholic; I can testify to that.

Hon ROBERT HETHERINGTON: No, there are other people who work much harder than I do; but I get a little sick of the continued criticisms of members of Parliament when one of the problems is with the conditions under which we work. With the jobs we do today we do not have time to stop and think, and to do the kind of jobs we should be doing so far as legislation and committee work are concerned. Of course, as we are developing committees - and quite properly so - the work is growing. I was interested in the remarks made to me when I went away for three weeks on the Select Committee into Agricultural Education. We went to New Zealand. What a lovely holiday we were having! Hon John Caldwell will remember that in the whole time we were there, travelling from institution to institution, we had only one day off. We worked during the weekends; we worked during the week. I am not complaining about that, but I just become irritated when one comes back and people say, "What a lovely junker you had!" When one says, "Oh, really?", they say, "Ha, ha, ha!" It is time that people began to think more about what members do, and it is time we did something to upgrade the Parliament in which we work - the conditions in which we work - and perhaps that will help to bring about a bit of an upgrading of the members.

This brings me to one other comment I would like to make. During the French Revolution, the two estates of the nobility and the clergy met frequently; and a third estate was added - that of the non-nobles, the commoners, the bourgeoisie, the businessmen; call them what one likes - and they met as the third estate. We have always talked of a series of checks and balances. One of the things that has become most important in our modern system of parliamentary representation, in order that the people whom we serve can be well informed, has been the development of the modern Press. I remember in the 1930s somebody coined the term "the fourth estate" for the Press who acted as a check and balance to the other estates who sat in the Parliament. We hear a great deal of talk, and we read a great deal about the freedom of the Press and the responsibility of the Press; but sometimes, when I read our Press I am reminded, as I think I have mentioned before, of the words of Prime Minister Baldwin of the United Kingdom who said, "Freedom of the Press is the prerogative of the harlot throughout the ages - power without responsibility." Indeed, the Press wields enormous power, because we rely on the Press to get our message across.

I suppose we all think we say important things, but I would have thought that after *The West*

*Australian* had given great headlines to the proposal by Cann Corporation to populate the whole of this area with buildings, my criticism of that proposal might have received the odd paragraph or two, but of course it did not. Perhaps it was not important. Perhaps people were not interested. Is it important to mind what kind of buildings we have at this end of the city? Is it important whether we try to keep some sort of decent environment up here, or do we just bring the whole commercial world up here? I would suggest it is important one way or another. My criticisms may be wrong, but I think we should discuss them, and I think many members in this House would think that they are right.

I believe we have reached the stage where the members of the Press should improve their game, as they are always telling us to do. I remember well a criticism - I think it was by Diana Callander - that members of Parliament could not speak English. Well, perhaps some of them cannot, but that was a blanket remark; and I believe that had she read any of my speeches she would have found that I can speak English, as can other members of this House. I am also interested to have noticed in the last 12 years that whenever I have put out a Press release using the subjunctive - "if I were to do such and such" - it is changed; it is edited to "if I was to do". Apparently the subjunctive is not "in" any more; apparently common usage has abolished it. However, as far as I am concerned the subjunctive is still there. It still serves a useful purpose; and one would have thought that if people were to quote one, they might at least quote one's own words.

Too often there is blanket criticism by people whose own colleagues cannot stand up to the same kind of criticism. It has been said to me, "The trouble is these days that so many journalists do not know anything about Parliament - do not know anything about the subjects you are discussing - and do not know how to summarise it unless you send them a Press release." I believe it is my job here to talk, and it is their job to interpret. I have heard many fine speeches in this House by other members, and those speeches have not been reported when I think they should have been. However that is just my view, and we must make our own judgments.

I must say, in general, that I believe *The West Australian* has improved as a newspaper since it was taken over by the new owners but, in general, its reporting of Parliament is not up to standard.

Several members: Hear, hear!

Hon ROBERT HETHERINGTON: Despite the abilities of Steven Loxley, it was a very sad loss when Ted Barker stopped being a reporter in the Parliament's Press Gallery. I remember him fondly, and I pay due tribute to him as one of the best parliamentary reporters I have come across. Time and time again when he wanted to confirm a suspicion he rang me up in his inimitable way and said, "Why did your party do so and so?" One might say, "Oh, how did you find that out?" - thereby confirming his suspicion. I learned after a while to deal with it, particularly when we were in Opposition. I remember one day that we had had an election and I wanted to know the results, so I looked up *The West Australian*, and there was Ted Barker's article, and he was right. Information generally leaked out of the Caucus. If we had more people like him, we might have better politics in this State.

If the Press is to talk about the freedom of the Press, and if it is to use that proud term, the fourth estate, it has responsibilities, as we have responsibilities.

Hon D.K. Dans: There is no such thing as the freedom of the Press. It is freedom to print what information the editors want to print.

Hon ROBERT HETHERINGTON: I think some of the rhetoric that I have read in the past, when I was an academic, and since, might become reality because, without it, we will have trouble in this democracy having an informed electorate and an informed public opinion.

Several members: Hear, hear!

HON D.J. WORDSWORTH (South) [5.54 pm]: It is an opportune time to comment on the Federal scene. Once again Australia has seen continuing deficits in its Budget. In February we had a deficit of \$1 156 million, and in January it was \$1 641 million. Of course, in March it was slightly less, and that was looked upon almost as a miracle. However, I am afraid that the fact is that in the seven months to the end of February, the deficit for Australia was as high as that expected for 12 months, and which had been incorporated in the Budget by the Treasurer. Unfortunately, a lot of this has been brought about by the fact that the

manufacturing industry is plagued by short hours, central wage fixing, protectionism, and a high tax rate. There is very little doubt that the manufacturing industry has not taken off as the Government hoped it would; particularly in respect of the so called support it has received; but fortunately, at the same time, the commodity market has been buoyant throughout the world. For the longer period of 12 months, wool and minerals have been at an all time high; and because of stable prices for wheat, coal, steel, and beef, Australia is still enjoying a reasonable total income.

Regrettably, the Government has not reduced its expenditure in that time and we have seen a very high rate of importation of consumer goods. For the last few years Australia has had a deficit in the vicinity of 4.5 per cent of gross domestic product. We have been given warnings by the Organisation for Economic Cooperation and Development that that rate of deficit cannot be allowed to continue. We have to reduce it to a maximum of 2.5 per cent of GDP by 1992. The longer the Government puts off tackling that major issue, the harder it will be to take effective action. Everyone in this country and overseas is wondering when Australia will mend its ways. We continue to allow the deficit to rise a little hoping that sooner or later action will be taken to do something about it. We have heard ridiculous statements from Federal Treasurer Keating that the economy is effervescent and just boiling over a little, but that everything will be all right soon. However, farmers in my electorate and businessmen from all over Australia are asking what will happen when the commodity market drops as it is likely to do. Then, of course, our position will be so much worse.

We should add to these difficulties another expected difficulty caused by our diminishing oil reserves. For the last 10 years, our oil production has been acceptable. However, our oil reserves are now gradually being depleted. In fact, it is expected that that considerable depletion will occur in the next 10 years. That will have a negative impact on our economy. In other words, when previously our sales exceeded our importations, in the future it is expected that we will have a deficit of at least \$2 billion a year for oil and gas if oil remains at today's prices. Of course, oil prices are recovering rapidly. The catastrophe in Alaska is indicative of how accidents can lift the price of oil throughout the world. In spite of that, we have done very little to provide incentives to companies to explore for new reserves of gas and oil to replace the depleted fields. Many of the wells in Bass Strait are closing down.

It is estimated that Australia's total deficit will reach \$135 billion by the end of this month. While it can be argued that the value of the Australian dollar could drop, thereby maintaining our economy or even increasing it with an increase in the value of our exports, we should realise that there is a downside: While Australia's deficit has increased by 12 per cent since last December, it will increase even further if the value of the Australian dollar falls. Should the value of the dollar fall by 10 per cent - that is not an unreasonable figure because Mr Hawke actually talked the dollar down by 3¢ in one day recently but it has now recovered - our debt would increase by \$8 million or 6.8 per cent. The burden of paying off our debt will become harder to bear in the next few years. The Federal Government is ignoring the signals. It is completely bamboozled. It is arguing that, if it can get the election over and done with quickly, it can get down to making the hard decisions on the economy.

While at one stage it looked as if a \$20 per week pay rise and a \$30 reduction in taxation would satisfy the unions, we are now looking at a possible rise of \$70 per week for those on the minimum wage; that is, for those who earn under \$300 per week. That could have frightening consequences for people who would normally be on that wage rate and who are finding it so difficult to get jobs at present. Businesses, large and small, will have to decide whether they can afford the cost of employing staff for an extra \$70 per week. Regrettably, the majority of the unemployed fall into the category of those who could lose job opportunities. It will be a lot harder for them to get jobs, which is sad for our young people. At the moment they have a chance because the economy is lifting. But they will have no chance after the introduction of a \$70 per week wage rise for that group. Even if it is applied over a two year period their hopes will be dashed. We will see more unemployment and fewer job opportunities.

I, like other members, recently advertised for an electorate secretary. I was amazed at the number of people who applied for that position. I received over 80 applications, which indicates that there is not only a large group of people looking for jobs at the lower end of the market, but there is also a group of unemployed people in the middle salary range who are looking for jobs, because many who applied were out of a job. That is indicative of some of



the problems that Australia is experiencing. It has been necessary for a long time for both husbands and wives to work to maintain their standard of living. Now it seems to be more difficult for both of them to obtain employment.

*Sitting suspended from 6.00 to 7.30 pm*

**HON J.M. BERINSON** (North Central Metropolitan - Minister for Budget Management) [7.30 pm]: In the course of debate on the Supply Bill yesterday extensive discussion took place by various members on the PICL project. I said then that the Supply Bill was not an occasion which allowed for discussion in detail of the whole range of Government activities which are open for debate on Budget business. I also said an appropriate opportunity would arise in the course of debate on a later Bill this session. Unfortunately, Hon Max Evans seems to have taken that comment as a reference to this Treasurer's Advance Authorization Bill. Of course, that was not precisely what I had in mind; in fact, nothing was further from my mind. As members know, debate on the PICL Bill will resume in this House tomorrow and that was the occasion to which I was referring as the appropriate time to get into the type of discussion members have indicated they are interested in pursuing.

In the ordinary course of events, and because of the nature of the present legislation, the officer available to me is a Treasury officer who can provide information on the nature of the Bill and the Treasurer's Advance Account with which it deals. He is not equipped to advise me on PICL, and certainly I do not have the personal knowledge or background of the PICL project as such that would allow me to respond in any sensible way to the wide range of questions posed.

Hon N.F. Moore: Don't be so modest.

Hon J.M. BERINSON: An example of that is provided by the document from which Hon Gordon Masters quoted, and which he was good enough to provide a copy of. I have never seen that document before and I am unable to comment in any responsible way on any aspect of its contents. The same considerations apply to various questions raised in the course of debate, mainly by Hon Max Evans, about SGIC and Superannuation Board investments. Even if I did have a broader Treasury role than that in which I am actually engaged, these matters would not require my involvement for Budget reasons as they are outside the Budget process. A different question arises where the superannuation system is changed by the Government and substantially new commitments are required for up-front lump sum payments. Hon Max Evans referred to that aspect and I was able to indicate by interjection the way in which those requirements were approached. However, that is quite different from the day to day activities, including investment activities, of organisations such as the Superannuation Board and SGIC. For the same reasons as apply to PICL, it is beyond my ability to respond to the queries raised except if they are placed on notice.

Getting back to the PICL questions, it might be helpful if I indicate that the matters raised in the course of discussion today will be referred to the appropriate officers, and I will attempt to be briefed on them in time for the resumption of debate tomorrow on the PICL legislation. It would also be helpful, especially given the size and complexity of the PICL project, if members could at least signal in the course of their second reading speeches the types of matters to which they would like a response, rather than waiting for the Committee process. Everyone knows the type of problem that arises when matters outside the direct knowledge of the Minister handling a Bill are raised only at that point. There is constant shuffling to and fro, and leaning across the table in an effort to obtain a proper response. I am happy to try to provide the responses, but it would be helpful if those matters which members wish to address were signalled in the second reading debate. On that basis I will certainly do my best to equip myself for a response.

Having said that, I should respond at least to the general question raised about the possible relationship of the PICL project with the Treasurer's Advance process. I was asked the following question by a number of speakers and in various ways: If bridging finance for example were proposed to be provided out of the Treasurer's Advance, how would it be provided and how much would be involved? I firstly indicate that the Minister for Resources Development has made it quite clear that he does not expect any draw on the Treasurer's Advance for PICL purposes and that his referring to even the possibility of that occurring was simply by way of greater caution. It might be helpful if I quote him directly in the following terms -

I personally believe no advance will need to be made to WA Government Holdings Ltd or to Petrochemical Industries Co Ltd from the Treasurer's Advance in the 1989-90 financial year. That is the firm basis upon which I am operating and upon which I have instructed the officers of the Government to ensure that our relationship with that company continues.

There is no anticipation of the Treasurer's Advance being required in any way for PICL purposes. That answers the next question, which was how much of this Treasurer's Advance was proposed on account of anticipated assistance to the PICL project. I have already stated that the Government is not proposing any. I should expand on that answer to say that no specific amount in this Treasurer's Advance is for PICL, and also no specific amount is for anything else either. In fact, it is the nature of the Treasurer's Advance, unlike the appropriations from the Consolidated Revenue Fund, that it is there to cover situations other than those for which advance definite allocations can be made. It is in the nature of an overdraft facility. Like an overdraft facility, it is there for use as and when required and without any specified allocation for particular purposes.

I remember once being told about a defence lodged to an action in defamation. The defence said, "I did not say it; and if I did say it, it was true; and if I said it and it was not true, then it is privileged." I am in somewhat the same position in coming to a third aspect of my response to the questions raised about PICL advances from the Treasurer's Advance. I have already said it is anticipated there will be no such advances. I have indicated there is not even a nominal specific amount for the PICL project. I go on to a third aspect of the line of questioning on this matter which I think also came from Hon Max Evans who asked if, in spite of all that, an advance for any PICL related purpose were to come from this Treasurer's Advance, how would that be approached? The response to that is that the appropriate way would be by an advance to WA Government Holdings Ltd, but in keeping with the general purpose of the Treasurer's Advance, that would have to be for temporary purposes only. I think I am right in saying there has already been some public discussion of an advance made this year. At the moment I am not sure whether the sum involved was \$17.5 million or \$20 million but, whatever the figure, it was advanced from the Treasurer's Advance in anticipation of other arrangements being made, and when they were made it was provided for that temporary purpose and subsequently recouped.

Hon Max Evans: That \$20 million is not part of the \$100 million line of credit we have been talking about recently.

Hon J.M. BERINSON: All I am saying is that to the extent this account was used, it was used as an advance for temporary purposes and recouped. I have been here for six years, both on the Opposition and on the Government side.

Hon P.G. Pandal: Nine.

Hon J.M. BERINSON: For nine years.

Hon P.G. Pandal: It just seems like six.

Hon J.M. BERINSON: It actually feels much longer than nine.

Hon P.G. Pandal: That is the way we feel about it.

Several members interjected.

Hon J.M. BERINSON: I shall start again. I have been here for nine years. Several members have been here for much longer. Whatever else our disagreements might be, no one will disagree with me when I say that we have never had a debate like this on the Treasurer's Advance. All previous debates have proceeded on the nod, so to speak; anything members have to say they say on the Supply Bill where they are entitled to say anything. When we come to the Treasurer's Advance, although members are again entitled to say anything on any subject, the possibilities have already been exhausted with the unlimited range of subject matters members cover in the Supply Bill and the Treasurer's Advance goes through on the nod.

Hon Max Evans interjected.

Hon J.M. BERINSON: I think the member is entitled to overtime on this occasion. I am not complaining about that. All I am saying is that there has been a general acceptance in the

past that the Treasurer's Advance is one of the things which happen every year. It is happening again, so there is nothing sinister or conspiratorial about it.

Today has been quite educational, because the constant questioning of the role of the Treasurer's Advance has forced me, after nine years in this place and after some years with responsibility for Budget management, to inquire what the Treasurer's Advance is and what it is supposed to do.

Hon Max Evans: Are you going to tell us now?

Hon J.M. BERINSON: I am going to try to tell Mr Evans, but in case he would like a more comprehensive view of it he would do better to have discussions with our Treasury officers, and I would be happy to facilitate that. I can provide a response in general terms, and also convey some of the examples which I have used to try to clarify in my own mind the way this system operates.

I start with a comment by Hon Max Evans that when we are dealing with a Supply Bill and the Treasurer's Advance Authorization Bill, all we are really dealing with are petty cash accounts of different sizes. That is not the position. The position is that the Supply Bill authorises expenditure from the Consolidated Revenue Fund and the annual ordinary services of Government. It is an essential element, pending the passing of the Appropriation Bill.

Hon Max Evans: I thought that is what I said.

Hon J.M. BERINSON: The Treasurer's Advance Authorization Bill does not serve that purpose; it is simply an authorisation to draw against a public bank account for temporary funding purposes. It does not authorise expenditure to be charged against the Consolidated Revenue Fund or the General Loan and Capital Works Fund as required under the FAA Act.

It might be helpful to refer to some of the ways in which this Treasurer's Advance Authorization Bill is actually used. I have already described it as something in the nature of an overdraft and temporary funding facility, and the sort of things it is designed to cover are overdrawn accounts, store suspense accounts, cash order suspense accounts and capital project accounts.

Hon Max Evans: Capital projects are not capital works.

Hon J.M. BERINSON: I shall come to that in the course of my examples. From time to time actual payments can be drawn against this account. I have here pages 140 and 141 of one of the Treasurer's statements showing the Treasurer's Advances unrecouped as at 30 June 1988. These pages appear in the Treasury papers presented with the 1988-89 Budget. As well as having the 1988 statement on unrecouped balances there is a comparative figure for the previous year, 1987, and some of the differences shown indicate a highly flexible usage of this account. I hold that up to show the separate items shown against it. Perhaps the simplest example is under the heading "Printing services, paper and consumables account".

Hon Max Evans: That was in the second reading speech. It refers to printing and stationery.

Hon J.M. BERINSON: The second reading speech must have been better than I thought it was.

Hon Max Evans: Probably someone else wrote it for you - but it was in there.

Hon J.M. BERINSON: There we are dealing with the paper and consumables advance account - the requirements of the State Printing Division, where the Consolidated Revenue Fund allocation would provide a fund for the division's own consumables and paper; but the stock paper, so to speak, is not provided for in the CRF. The State Printing Division relies on being able to purchase the paper, print it, send it out to the departments, and be reimbursed for it. It draws against the Treasurer's Advance Account for those stocks, and as it is paid, so it repays the advance account.

There is another very similar account - the education stores operating account. This is one of the examples of how much variation one can have in this account, in that the unrecouped balance at 30 June 1988 was \$2.65 million in round figures, whereas at 30 June 1987 it was only \$475 000. One cannot tell from this page just what the unrecouped balance represents, but no doubt part of it would arise from the use of the education stores for the supply to non-Government schools; that is, the use of the purchasing power of the education stores to pass

on economy benefits to the independent schools. That would no doubt be one of those cases. It is not part of the Ministry of Education's CRF allowance, as it would be for its own materials, books, and so on. It is being brought in for other purposes. Contra payments are expected, and at any given date there will be a difference between the two.

There is an item for the Building Management Authority capital works projects, and another one for the Building Management Authority works and sales. I do not want to be too definite about which of these actually refers to new works as opposed, for example, to minor maintenance works for setting up new offices - the cost of putting in the desks, dividers, and so on. In the nature of things, various departments have specific CRF votes for minor maintenance. In most cases, not all, that work is actually done or organised by the Building Management Authority. The common system would involve the Building Management Authority either sending out its day labour force and then getting paid for it, or handling the letting of contracts and the payments for the minor maintenance to be done. At the end of the day, after the actual cost of the work is known, the Building Management Authority is recouped from the department, which has a vote for that purpose.

Again, one of these accounts has a huge variation. As at 30 June 1987 the outstanding figure was \$8.6 million, whereas at the most recent balancing date of 30 June 1988, it was down to \$3.9 million. So in those figures I have found examples - in one case, a big variation - where at the most recent balancing date there was a much larger unrecouped balance than in the previous year, and vice versa.

Hon Max Evans: What is the largest outstanding amount in 1988?

Hon J.M. BERINSON: The railways expenditure advance of \$17.12 million.

Hon Gordon Masters asked why the Supply Bill and the Treasurer's Advance Authorization Bill are being brought on early. I think I indicated by way of interjection that they are not brought on early or in any other than the normal pattern that has applied over very many years. Both the Supply Bill and the Treasurer's Advance Authorization Bill always come down during the first session of the Parliament in any given year because, in the case of the Supply Bill, it has to cover the period from 1 July to roughly the end of the calendar year when the Budget can be expected to be in place. In the case of the Treasurer's Advance Authorization Bill, it has to cover any advances that might be required from 1 July to 30 June in the next year, so it is always brought in during the first session of the Parliament. During the dinner recess, I did not go to the trouble of checking the actual dates of introduction of the Bills in previous years; but if these Bills are earlier they would be earlier by a matter of a couple of weeks, quite simply, if that were the case, because we might be sitting a couple of weeks earlier in our Autumn session this year than in previous years.

I will just quote one further figure from the page to which I referred earlier, as I think it might help to bring the whole question of Treasurer's Advances into context. Again I am relying on memory. I think the actual provision for the Treasurer's Advance was \$150 million or \$200 million in 1988. The fact is that at 30 June 1988, the unrecouped balance was \$45.3 million; and in the year before the unrecouped balance was \$48 million. The actual sum that is provided is to meet any odd demands which emerge during the year; and it does not mean, as seemed to be implied in some of the comments, that it is actually a fund of \$150 million, and that one comes to it and uses it all up by the end of the year, as is normally done with the Consolidated Revenue Fund; and while one is in the course of using it, it is somehow earning interest.

I think I am right in thinking that one of the members showed some concern about what was done with the interest earned on the Treasurer's Advance Account. There is no interest on that account, because the only time that the Treasurer's Advance is called on is when the moneys are taken out of the public bank account. Of course, the bank account does earn interest, but there is no such thing as a Treasurer's Advance Account - a lump sum which is capable of earning interest in the normal way. It is simply money which is drawn on when required. I hope that helps. Whether it does or not, I am happy to repeat my invitation to any member who would like to pursue the technicalities of this fund further to meet with Treasury officers who can satisfy them, no doubt, better than I can.

I commend the Bill to the House.

Question put and passed.

Bill read a second time.

*Committee*

The Chairman of Committees (Hon D.J. Wordsworth) in the Chair; Hon J.M. Berinson (Minister for Budget Management) in charge of the Bill.

**Clause 1: Short title -**

Hon MAX EVANS: Debate has been extended on this legislation due to concern about the PICL project. Finance will not be projected towards PICL but towards WA Government Holdings, which is contrary -

Hon J.M. Berinson: If at all.

Hon MAX EVANS: Has the Minister considered the risk factor connected with the money going to a statutory authority - WA Government Holdings Ltd - which is then lending the money in an unsecured way to PICL? Is the Minister not worried about how he will get back that money?

Hon J.M. BERINSON: Before worrying about getting back the money we have to reach the point of allocating it out. I cannot stress too often, just as members opposite have stressed the contrary, that there is no current intention or anticipation of that allocation out occurring. However, if the question does arise, the responsibility comes to the Treasurer to consider whether the advance should be provided. That arises from the FAAA legislation; I am not sure but I think it is covered under section 28, which requires the Treasurer's authority to make any allocations out of the Treasurer's Advance Authorisation Fund. So certainly there is responsibility on the Treasurer at that point to have the member's consideration in mind.

Hon MAX EVANS: Has the Minister considered the change in directorship last July when the shares were taken up in PICL? Graham McDonald, the Commissioner of Corporate Affairs, was a director on WAGH, together with John Horgan. Is the Minister also a director of WAGH?

Hon J.M. Berinson: The member can be certain that I am not.

Hon MAX EVANS: The Minister would be laughing, just as Graham McDonald is laughing. The directors have a personal liability in relation to the \$175 million if they are involved in lending that out; but the Government guarantee will save them. Does the Minister not think that this is wrong? The directors will put the money at risk because the Government guarantee is there.

Hon J.M. BERINSON: The member is getting precisely into the area on which I cannot comment. I cannot comment on the accuracy of the list of directors' names.

Hon Max Evans: I wanted to make sure that the Minister was not on it.

Hon J.M. BERINSON: I indicated by interjection, I am not a director and I -

Hon G.E. Masters: And not likely to be.

Hon J.M. BERINSON: - never have been. I do not think there is any future prospect of that. I am not sure of the significance of Mr Evans' having raised the possibility. It does not arise. In relation to the basis on which directors function, I cannot comment. WA Government Holdings Ltd is not an organisation within my portfolio and, just as I indicated before in relation to some of the activities of the Superannuation Board and SGIC, I simply would not know because I have no responsibility or need to know, the same thing applies here. I cannot go into details because I simply do not know.

Hon G.E. MASTERS: We can always tell when Hon Joe Berinson is in a difficult position because he cocks his leg on the chair and smiles and tells one or two jokes; that means he is concerned about the progress of the debate. I know very well, having been on that side on the front bench, and the Minister knows very well that when a piece of legislation comes into the House, the responsibility for that legislation belongs to the Minister handling it and, therefore, he is required to answer reasonable questions.

Hon J.M. Berinson: I accept that, and I agree. The questions have to be reasonable.

Hon G.E. MASTERS: The Minister knows what I am talking about, but if Mr Berinson says he cannot do that, it should be put on notice; that is what debate is all about. The Minister

should in normal circumstances say, "I cannot answer all the questions; I will report progress," get the adviser and do it that way. That was the way the Minister operated when he sat on this side and used to grill me, among other Ministers, and said he wanted answers.

Hon J.M. Berinson: Not on Supply Bills.

Hon G.E. MASTERS: I am trying to get the situation straight. I understand, in this case - because we have a Bill dealing with the matters to be the subject of most debate tomorrow and Tuesday - there is some reason to say, "Let's discuss it then." We could not let the Minister get away with the idea that under normal circumstances he can say, "I don't know the answers; perhaps you should talk to my department." Our objective is to get answers on the record. If the Minister does not know the answers, progress should be reported. We have moved away from that, which was the practice when I was a Minister, because it is not convenient for this Government. I could not let the Minister get away with the comments about putting questions on notice or to talk privately to departmental officers. That is not the way we should go.

Hon J.M. Berinson: That only relates to technical questions on the Treasurer's Advance.

Hon G.E. MASTERS: I took it the Minister was putting off most questions relating to the petrochemical debate, because it is coming on tomorrow and I accept that. I wanted to put the record straight because having been on that side and having seen the Minister operate when on this side, I know he would not have expected to get away without comment.

Hon J.M. BERINSON: The Leader of the Opposition will notice that I have both feet on the ground; I have not one foot on the chair -

Hon G.E. Masters: You did have.

Hon J.M. BERINSON: And I am going to start scowling. The matter is worth pursuing slightly because Mr Masters is suggesting that my approach to this debate is somewhat inconsistent with my approach to Supply Bill debates and similar discussions when we were in Opposition. I am sure that if I remind Hon Gordon Masters of my approach on those occasions he will remember it and that his account a few moments ago was simply a matter of slight lapse of memory. What I was in the invariable habit of doing with Supply Bills when I was speaking from the Opposition frontbench was to indicate that since it was the view of my party that the Government had the right to its Supply and since any particular matters which we wished to raise could be raised in other ways, I did nothing more than indicate that we would support the Bill. I invite Hon Gordon Masters to look back and he will see that my comments usually ranged from between one and three sentences. Hon Gordon Masters said I had a different approach. What I am suggesting is precisely in line with my views on those occasions. I am not saying that my invitation to have discussions with departmental officers went to anything relating to the petrochemical project.

On the PICL question I was acknowledging there was a range of questions that members wanted dealt with, but the place to deal with them was not during the debate on the Supply Bill. In fact, it is impossible to deal with them during debate on the Supply Bill because, for example, a member with an interest in the subject could raise just as many questions about the Government's proposed electrification of a northern railway. I would be in the same difficulty and I could not possibly answer them. If we were dealing with a northern railway link the appropriate advisers would be in the House and I could be briefed. I cannot be briefed on a Supply Bill on every single issue covered by it. I said it is a fact of life on the Supply Bill and it is precisely the same on this Bill.

I accept members' interest in the PICL project - I accepted that interest yesterday and I accept it today. I indicated as clearly as I can that I am interested in receiving specific questions which members want pursued and I will, of course, accept my responsibility which Hon Gordon Masters does describe correctly as trying to get myself up to scratch on the Bills I have been given the responsibility to handle in this Chamber. I will try to do that and I will have the appropriate advisers to help me to the extent that I cannot deal with it satisfactorily. The issues certainly will not be avoided. If at the end of the day I cannot answer some of the questions it will be because I have not been able to provide an answer; it will not be because of any evasion tactics on my part. What I am saying on the Supply Bill does not deny, in any way, the responsibility I have when we come to discuss in detail the PICL Bill.

Hon G.E. MASTERS: I do recall when the Minister for Budget Management was on the

Opposition benches his contributions to the Supply Bills were very short. However, when the Opposition was in Government the circumstances were a little different from what they are today. We were considered to be an honest Government which was fully accountable and frank about its financial dealings and that is the difference between the previous Liberal Government and this Government.

Hon MAX EVANS: The reason I mentioned the petrochemical project in this debate is that it involves the expenditure of taxpayers' funds. I understand that tomorrow we will be debating the Western Australian Petrochemical Industries Authority Bill, which involves legal matters, and that it would be out of order for me to discuss the financial aspects of the project during that debate. This is the Bill which allows me to debate the financial aspects of the PICL project.

The Minister for Budget Management said that he was not in a position to answer the questions I raised about the amount of money which is involved in the project. I hope that my comments have resulted in members being better informed about the project and that I have alerted the Minister to the problems of lending money through WA Government Holdings Ltd to the petrochemical project. Questions relating to taxpayers' money must be asked and answered because large sums of money are involved. The Minister for Budget Management is responsible for the expenditure of taxpayers' funds and that is the reason I have alerted him to the problems which exist.

The Minister for Budget Management reminded Hon Gordon Masters how fair he was when he was in Opposition and said he did not ask questions.

Hon J.M. Berinson: I asked a lot of questions, but not on the Supply Bill.

Hon MAX EVANS: There is a reason why Hon Joe Berinson did not ask questions about the Supply Bill. The then Government was a Government of the highest integrity and it was not facing the trouble which this Government is facing today. It knew how to look after the taxpayers' money and that is the reason the Supply Bill was, in those days, a simple debate. If this Government were to come clean and were not involved in deals of this kind there would be no reason for the Opposition to ask these questions. Hundreds of millions of taxpayers' dollars are involved and have been used where they should not have been used. An item on the ABC news tonight stated that Western Australia's rating for borrowing overseas has deteriorated. It claimed that the Government was reneging on its Australia National Bank guarantee and it had made bad impressions overseas. It will not only limit State Government borrowings, but also it will spread throughout Australia. The Minister may like to comment on this because it is a point which I have been trying to make.

I referred earlier to a report I read in the Press that the State Government Insurance Commission had \$5 million with Spedley Securities. I understand that the figure is \$30.5 million. The SGIC will suffer another loss because of the Bell group shares and I hope that the Government will not budget for a profit distribution in the next financial year. I ask the Minister to comment on whether he is of the opinion there will be a problem with Western Australian borrowings.

Hon J.M. BERINSON: I did hear that news item, but I do not know whether I can make any useful comment. It related entirely to the difference of view between the State Government and the National Australia Bank on whether there was a continuing liability of the State to the National Australia Bank on account of the 1987 guarantee. I cannot comment on the basic nature of that dispute. It is well known that the Treasurer put a position based on legal advice provided to him. As in many other cases that have been raised in the course of this debate, I have not seen that advice and I have not been involved in any discussions with the National Australia Bank. That again, although I know people get tired of hearing me say so, is not an area of the Government's activity which comes within my portfolio.

While on that point, I should elaborate one step further. I accept what Hon Max Evans is saying about wanting to alert me. I am sure he is not just wanting to alert me, but he is wanting to alert the Parliament and to make a public statement about the need for the greatest care in approaching some aspects of the Treasurer's Advances. That is all right because it is worth being alerted to that, but he should understand that it is yet another area to be added to the list where the fact that I am alerted does not really change anything. I do not approve the Treasurer's Advance; as the name indicates, any advances are Treasurer's advances. I make

that point to round off the similar comments I am making in other areas. Each of us has direct responsibility and that brings us into touch in terms of knowledge with the areas for which we have direct responsibility. In other areas, to the extent that we need to respond in this Chamber, we rely on advice that can only realistically be pursued where the subject matter of debate is more specific than is provided by the generalised debate it is accustomed to have on related matters.

**Hon MAX EVANS:** I am very concerned. I had great confidence in the Westminster system, and ministerial responsibility to look after public funds. I remind the Minister of the Neighbourhood Watch scheme in which people look out for their neighbour's property and alert the appropriate people if there is a possibility of their neighbour's home being robbed. I would have thought a similar situation applied in this case, with the Opposition alerting the Government if it becomes aware of potential problems. Also, if one Minister becomes aware of a potential problem he should alert the Minister with direct responsibility in that area. From my experience as an auditor for many years, I am aware that the response to questions is usually to provide the answers the questioner wants to hear. More probing questions need to be asked to get the full story. There are many things wrong in this area. We are discussing large amounts of money and we need to exercise a great deal of caution.

The Minister for Budget Management has indicated that he will reply to the questions on the Petrochemical Industries Co Ltd project during the debate tomorrow. The whole matter of Government finances and its involvement with WA Government Holdings Ltd is very important. When guarantees are given, it is absolutely essential that some security for that money is held because it is almost certain that it will be called upon one day. If a little old lady guarantees bail for someone who does not appear at the appropriate time, she will lose her money, even if it involves the loss of her home. Similarly, the Government must be prepared to fund this guarantee, and if it is called upon to do so, it will receive no sympathy because it took the responsibility in the first place.

Reference is made to a four year budget for the PICL project, which will commence in 1990-91. Working capital will be needed to purchase the first electricity and gas and to get the project running before any returns are received. It is the same with any business; working capital is needed in the initial stages. The PICL project may need \$10 million to \$20 million to get up and running and that is why, in the Government's own interests, it should prepare a four year budget for the project. It may not be perfect and it may be necessary to adjust it from time to time.

**Hon J.M. Berinson:** I have already told you that in principle I have no argument with that.

**Hon MAX EVANS:** It takes some time to assess all the factors, but that budget can be added to and subtracted from as the project progresses. I emphasise my point that if a Minister becomes aware of a problem in another Minister's area, he should not close his eyes or be concerned about alerting that Minister for fear of upsetting him.

**Hon J.M. Berinson:** The only distinction I have tried to draw is between the general overview you are talking about and a detailed knowledge which would have been required to respond at this stage to the range of questions that have been put. A line must be drawn between the general and the specific.

**Hon MAX EVANS:** The Minister has to balance the Budget and he will be responsible for any shortfall, so he should be careful of what he does.

**Hon W.N. STRETCH:** My question is along the lines of that asked by my colleague, Hon Max Evans. I congratulate him on his Neighbourhood Watch simile because it is the most accurate description I have heard of the function of the Opposition. That is exactly what we are here to do. I refer to the question I raised in the second reading debate; I understand why the Minister did not answer that question because it referred to the funding of a joint venture ancillary project of PICL. We are dealing with a \$250 million advance, and I want to know whether any provisions of the Financial Administration and Audit Act forbid the Treasurer from advancing seed capital to a joint venture project if it is anticipated that, firstly, it will come back within a reasonable time and, secondly, that it can be refinanced later on from the Consolidated Revenue Fund.

**Hon J.M. BERINSON:** It is very difficult to deal with theoretical situations too far. I have said previously that if, for example, in spite of the Minister's view that no draw will be made



on the Treasurer's authorisation for any PICL purposes, some draw is requested and granted, it would be through WAGH. The theoretical possibility might be raised that WAGH may look to some further project and seek temporary funds on the basis that this can be replaced by other organisations, as was the case in the current year, and in those circumstances the way would be open to at least consider the possibility of an advance. The FAA Act specifies the circumstances in which the account can be drawn on and at every point a responsibility is placed on the Treasurer to make a decision as to whether an advance as requested is justified in particular circumstances. I have raised the question of WAGH, but I can immediately put the ogre of that being a realistic possibility to one side because tomorrow we shall be in the process of abolishing it.

Hon Max Evans: It may not be abolished.

Hon J.M. BERINSON: It may well be that the Opposition has become so attached to it that it does not wish to abolish it.

Hon Max Evans: It might be a millstone.

Hon J.M. BERINSON: The Opposition may well think WA Government Holdings is such a terrific idea that we should not repeal that Act!

Hon W.N. Stretch: Now you are starting to tell jokes.

Hon J.M. BERINSON: I cannot believe that is the way we are going. I am only making the comment so that what I said before should not be capable of being misunderstood. The point about this account which one cannot avoid is that it is a highly discretionary power, and that there is a very large number of situations where the account might be drawn on. I held up the page earlier, and it was full of quite small type indicating what happened this year.

Hon Max Evans: Perhaps we should have a full debate on it.

Hon J.M. BERINSON: I would welcome that, after sufficient notice, but it would be misleading to say yes or no to any theoretical possibility without really knowing what we are talking about. What we can talk about are the intentions which have been signalled by the Treasurer, and his expectations, at least in respect of any possibility of PICL itself being drawn on. As to other projects, I can only say that I am not aware of any, even in contemplation. I really cannot take it beyond that point.

Hon W.N. STRETCH: I take it the Minister is saying yes, they can advance money for almost any purpose, but subject to the Financial Administration and Audit Act.

Hon J.M. BERINSON: In general I think the best answer I can give to that is yes, but it would have to be done within the limitations of the FAA Act, which restrict the authorised purposes within the terms of the Act we are dealing with.

Hon Max Evans: It can be spent on anything whatsoever outside Government?

Hon J.M. BERINSON: It restricts the advances to public authorities, accounts forming part of a trust fund, or for the purposes of stores.

Hon MAX EVANS: This is a slightly misleading statement to Parliament. The Minister's second reading speech talked about these payments to the Petrochemical Industries Co Ltd, which is the question I put last night. I did not believe a payment could be made to anything other than a Government body. The Minister answered that it would be made to WA Government Holdings. Why did the speech not say it would be made to WA Government Holdings and be on loan to PICL? We would have had the facts in the second reading speech. This confirms what Hon Bill Stretch was asking for: The Government cannot lend money from the Treasurer's Advance to other people. Would the Minister make that point quite clear? In the same way, can the Government morally lend money to WA Government Holdings to put on loan to PICL as mentioned in the Minister's second reading speech?

Hon J.M. BERINSON: If I understand Hon Max Evans correctly, he has read my second reading speech as referring to a direct loan to Petrochemical Industries Co Ltd.

Hon Max Evans: You said it was a commitment in respect of bridging finance.

Hon J.M. BERINSON: The passage being referred to relates to a capacity to meet any Government obligation which may arise in relation to its bridging commitment to Petrochemical Industries Co Ltd's project. I do not see that as inconsistent with what I said

earlier. It does not say that the Treasurer will advance money to Petrochemical Industries Co Ltd, but he would if necessary have a capacity to advance funds to the PICL project to meet any commitment by a public authority. What I said was that if there were to be an advance, which I repeat is not anticipated, it would be to WA Government Holdings. I do not see anything inconsistent there. It would be WAGH making the advance further on, but I cannot see why the honourable member should draw from that any inconsistency with what was said in the second reading speech.

Hon MAX EVANS: I know the Minister did not write the speech, but a lot of anguish could have been saved if it had said money would be advanced to WA Government Holdings to honour its commitment. How could the Treasurer's Advance make money directly payable to a limited liability company?

Hon J.M. Berinson: I did answer that earlier.

Hon MAX EVANS: Yes, but what I am trying to point out is that when the Minister said earlier that the money was going to WA Government Holdings, that did not answer the other half of the question. The Minister is now referring to what I wanted him to answer earlier - that the Government, under the Treasurer's Advance, cannot advance money other than to statutory authorities and so on. Is that correct?

Hon J.M. Berinson: Yes.

Hon MAX EVANS: I would like the Treasurer's views, because this is very relevant to the PICL project; it could give us a basis for viewing the debate tomorrow. If one has a \$2 million property, and one has a minority interest of \$860 000, that is 43 per cent. It is the same with the Government here. One's partner has \$1.14 million in the property, and he has no money, although he has a small house as security. Say one goes into this project; perhaps it is a supermarket or something like that. Would the small equity person give a guarantee for the full \$2 million, which would cover both shares in this venture? I want to know if the Government is wise to guarantee \$100 million when we have only \$43 million involved. A neighbour of mine a few years ago went into business to develop a supermarket. His partner went bankrupt, and my neighbour went bankrupt as well because he lost his credit rating. His house was sold, lock, stock and barrel, and there was nothing left because he went into a joint venture with the other party who went bankrupt. If one goes into a venture with another party with 43 per cent equity, and the other party has 57 per cent but is putting up no security, there is a potential risk to the guarantor. It is the same with the security in PICL. Does the Minister believe it is wise business practice for this Government to guarantee the other partners' share, because it could go on and on?

Hon J.M. BERINSON: I have previously referred to the fact that the only things I can remember from philosophy 10 is that all analogies are suspect. That was a proposition put in the course of a discussion about the scientific proof of the existence of God. I think it was a good and sound proposition and one which I commend to Hon Max Evans. What I would do with my neighbour on the purchase of a block down the street is not altogether comparable - in fact in no way comparable - with the sort of huge project involved in the PICL deal.

Hon Max Evans: You would take more care with your neighbour.

Hon J.M. BERINSON: I must fall back on the proposition that I am not aware of the details related to this agreement, and in the absence of those details I cannot make the sort of sensible comparison Hon Max Evans is inviting me to make.

Hon MAX EVANS: All I can say to the Minister is this: For a long and financially healthy life I hope he takes more care with his own investments than I see the Government taking with ours.

**Clause put and passed.**

**Clauses 2 to 4 put and passed.**

**Clause 5: Authorized purposes of Treasurer's advances -**

Hon W.N. STRETCH: I refer to something the Minister for Budget Management said a moment ago in respect of the three reasons for advancing moneys. The clause says that money can be advanced to "persons", by which I take it is meant corporate persons or small companies. I think that is something of a contradiction to what the Minister for Budget

Management said earlier, when he said that it could only be linked for those purposes to public authorities, to accounts forming part of a trust fund or for the purchase of stores. This is in relation to advances for works and services undertaken in conjunction with, or on behalf of, other Commonwealth, State or Territory Governments, local government authorities or persons, or by those Governments, authorities or persons on behalf of the State.

Hon J.M. BERINSON: I am advised that the sort of situation that this covers is, for example, the entitlements to various officers of the Public Service and people associated with Government in respect of advance loans on the purchase of motor vehicles under specified terms and so on.

I have not had it suggested that this would be extended to simply granting huge payments to an individual person. I point out to Hon Bill Stretch that one cannot separate the reference to persons from what comes earlier in that subclause. What is referred to there is the ability to make advances on such terms as the Treasurer thinks fit. There is a responsibility on the Treasurer to ensure that it is a proper purpose for the temporary financing of works and services undertaken in conjunction with these various bodies - Commonwealth, State and Territory Governments and so on. At each point it is true that while there is a capacity to make such advances to persons, it involves a heavy responsibility on the Treasurer to ensure it is for the proper purpose and that it is also temporary and not of a long term nature.

Hon W.N. STRETCH: It seems that under the terms of the Interpretation Act advances can be made to virtually anything or anyone. The Minister referred earlier to some other restrictions on the powers of the Treasurer under this Bill. Was that just the Treasurer's Advance Authorization Bill, or is there an overriding Act of similar title?

Hon J.M. BERINSON: No. I am advised that this Bill is in the standard form of a Treasurer's Advance Authorization Bill and the terminology is identical with what has always been used. I referred earlier to section 28 of the Financial Administration and Audit Act, and that is a more general provision going to the ability and the responsibility of the Treasurer in respect of certain advances.

Hon W.N. STRETCH: I understood that the Minister also referred to another Act. Is that not correct?

Hon J.M. Berinson: The Financial Administration and Audit Act?

Hon W.N. STRETCH: Other than that.

Hon J.M. Berinson: I do not think so.

Clause put and passed.

Clause 6 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 (Minister for Budget Management), and passed.

## **ADDRESS-IN-REPLY - SIXTH DAY**

### *Motion*

Debate resumed from an earlier stage of the sitting.

HON J.M. BROWN (South East) [8.51 pm]: I take the opportunity to compliment my friend and colleague, Hon Tom Helm, on his introducing the Address-in-Reply motion. I also compliment the Leader of the House, Hon Joe Berinson, his deputy leader, Hon Kay Hallahan, and the Minister for Sport and Recreation, Hon Graham Edwards, on their reappointment.

The main reason I am on my feet is to express my concern and the concern of my constituents regarding the activities that will take place tomorrow in the Federal sphere in respect of grain marketing, and the impact those activities will have on grain handling,

storage and transport. This matter has received a great deal of publicity and is of concern not only to Western Australian grain growers but also to the industries and workers involved in the handling, transport and shipping of grain. I refer to the very responsible organisations within the trade union movement. The work force is disturbed at the prospect of a deregulated system which would cause chaos throughout Western Australia, and would not give the guaranteed return of \$100 million as expressed in the McColl report.

As a result of the seriousness of this matter I have received numerous communications, in particular from the Australian Railways Union, the Australian Workers Union, the Waterside Workers Federation, and the Trades and Labour Council. These organisations have made submissions in regard to the operations that exist at the moment. That Western Australia has been able to maintain a service at a very minimal cost, is a tribute to the work force. The Government has been mindful of its responsibilities by reducing rail freights continuously over the last five to six years; indeed, rail freights in real terms have dropped dramatically.

We do not know what the full impact of deregulation of the system will be but its undoubted impact on the rural community has prompted me to rise to my feet and speak. Western Australia has been known as the Cinderella State, but I think the problem exists in the "eastern bloc"; I refer, of course, to New South Wales, Victoria and Queensland in the main, because South Australia has very efficient organisations. Western Australia produced the majority of grain over the last two years; but we are so isolated from the east and the decisions will be made there in relation to the selling and storage, handling and transport. State Governments will be bypassed.

I had the opportunity last year to talk to the Federal Minister, Mr Kerin, about this matter and I pointed out to him the futility of suggesting that we export our grain and allow stockfeed to be handled by private sellers. They do not understand that stockfeed sold to some of our markets is used as a mix with quality grain that we also produce; it also helps those countries, particularly those with financial difficulties, to buy a product that suits them in the making of their bread. Then someone suggested - because the Australian Wheat Board is the single selling authority - that the wheat should be denatured; that is, stained. How will the customer feel about stained grain, particularly when making flour? Unfortunately, Mr Kerin has decided that all wheat will not lie within the responsibility of the Australian Wheat Board. On the domestic scene, a permit system operates and the suggestion has been made that we free up that market and that the Australian Wheat Board not have the full authority to handle the selling on the domestic market. It will be the thin end of the wedge if private sellers are allowed to come in; it would cause chaos similar to that which occurred before 1946 when regulated, orderly marketing was first introduced.

This has been the fear of every grain grower, trade union member and shire councillor - with perhaps one exception; that is, the Federal member for O'Connor who has been tramping around the countryside wagering bets of up to \$1 000 in support of deregulation of the wheat industry, particularly the domestic market. I have defended Wilson Tuckey in this place, not enthusiastically, when someone suggested he had not attended meetings. I recognise the contribution that he makes as a member of Parliament but I do not support his stand in respect of deregulation. Of course, a great deal of the encouragement received is from John Kerin.

John Kerin has handled his portfolio in an excellent manner, but this does not stop my disagreeing with the program which he envisages and will introduce tomorrow in Federal Parliament. Many of my Federal colleagues disagree with the Minister but, like everything else, the vote was taken in Caucus and now the system will be deregulated. The Federal Opposition which has been playing around with this subject for a year and a half, has now decided that it will support the deregulation of the wheat industry. I suggest that Mr Tuckey has been able to persuade his colleagues, and National Party members - including Bruce Lloyd, the shadow Minister - to support the deregulation. In Western Australia no support whatsoever exists except that of Wilson Tuckey. While he represents a vast majority of farmers - the largest group in Western Australia - his actions are reprehensible in this regard. He has exceeded what he stood for.

I say that in the full knowledge that before the election the Leader of the Opposition, Mr Barry MacKinnon, expressed his view at a meeting held at Morawa to consider the Kerin plan. A pamphlet about the grain handling strategy was distributed among people at the

meeting by the former member for Greenough, Mr Reg Tubby. The Press release from Barry MacKinnon's office dated 30 August read as follows -

The WA Liberal Party will oppose the Federal Labor Government's plan to impose changes on wheat marketing in Australia.

This was resolved at a recent WA Parliamentary Liberal Party meeting.

WA Liberal Leader, Barry MacKinnon, said the Liberal Party's support of the Australian Wheat Board was based on meeting the needs of agricultural producers.

Mr MacKinnon said changes to the marketing situation should only be considered where such changes were instituted and approved by a majority of involved producers.

He warned that changes to wheat marketing, as proposed by the Federal Primary Industries Minister, Mr Kerin, without majority support from WA growers will be seen as divisive and will be rejected by the people of WA.

It continues at length. I am suggesting to the House that the Leader of the Opposition's strong stand on this matter has not filtered through to the Federal member for O'Connor, who seems to be hellbent on destroying the wheat market in Western Australia.

Last year Western Australia produced more wheat than the other States. This year we again produced more wheat than any other State, producing 5 million tonnes from a 13 million tonne grain harvest, so the wheat industry is of importance to Western Australia. What concerns me about the Kerin plan is what will happen if there is a change in Government, because I am mindful of what happened to the transport industry and to Westrail. I am also aware of how country towns have deteriorated. This occurred because members of the rural community were hoodwinked into believing they required professional advice.

Hon D.J. Wordsworth: Do you agree with what your Government has done with Westrail?

Hon J.M. BROWN: I do not support what my Government has done in relation to Westrail and Hon David Wordsworth did not support what his Government did under Mr Rushton. I am concerned that the previous Government reached the point of no return. I am fearful of what will happen if a conservative party is elected at either a Federal or State level.

Western Australia has a very good transport system and Westrail has coordinated that system with the road transport industry. It moves record tonnages of grain and it makes a difference to this nation's balance of payments. As far as the waterfront is concerned the transport system is operating very well. The waterfront is a matter I could discuss at length. We continually hear condemnation of the waterfront. Those people responsible for that condemnation should go back to the days when the grain was put into bags to see how the waterside workers suffered. They had to run along single planks with bags on their backs. They now have a modern conveyor belt system and the waterside workers do not suffer the hardships and injuries suffered by workers in the past. Everyone seems to take it out on the waterfront workers and the number of them is decreasing, but they are handling larger tonnages. They handle wheat with a great deal of skill and ability. I become very cross when I hear people say that the waterside workers are standing on the waterfront with their hands in their pockets and doing nothing when the industry is covered by arbitration and conciliation and the activities which take place through the organisations with which they are affiliated.

I come back to the thrust of my comments in relation to wheat. It should be recognised that the McColl report into grain, storage, handling and transport suggests that Western Australia should continue along the same track as it has previously because the industry in this State has been very successful. If the grain were to be carted by road the trauma that would follow would be catastrophic especially in the area of Great Eastern Highway. I recognise the efficiencies of Commissioner McColl, but he did not have his facts right. If the industry were deregulated, 25 per cent of the producers would be disadvantaged and would have to pay more to cart their wheat.

It must be acknowledged that Mr Kerin, the Federal Minister, has given an incentive to Co-operative Bulk Handling, the transporters, the exporters and the Wheat Board to get their act into gear. They have done that and this year Western Australian primary producers will receive a higher income than they have previously. In other words, handling and freight

charges have been reduced and production is at its highest level. There has been a record production of wheat extending the length and breadth of Western Australia this year. It means a great deal to the rural community, the exporters and to the Commonwealth Government and has generated untold wealth for the nation. If the export industry and the farming community is undermined there will be fewer farmers producing more wheat and we will revert to the situation where many communities in the bush will no longer exist.

I am suggesting that Mr Tuckey should not incur the wrath of the rural community because of his obsession in regard to this matter. He continues to support the activities of Mr John Kerin who, in his opinion, is acting in the best interests of the industry by deregulating it. His contribution is unworthy of a man who represents such a constituency.

Hon D.J. Wordsworth: I do not know what you are getting at.

Hon J.M. BROWN: I am not surprised that Hon David Wordsworth cannot understand. I can remember what occurred when we debated the Mineral Sands (Cooljarloo) Agreement Bill relating to Gingin and Muchea. Hon David Wordsworth crossed the floor to oppose the Bill for political reasons. He did what he thought was in the best interests of his constituents. Mr Tuckey is not doing what is in the best interests of his constituents.

Hon D.J. Wordsworth: Do you disagree with the Kerin plan?

Hon J.M. BROWN: I stated my position at the beginning of my speech, but Mr Tuckey is doing what his constituents do not want him to do.

I have attended every meeting which has been held from Geraldton to Esperance - meetings with Commissioner McColl, with representatives from the Australian Wheat Board or with rural communities. It will be disastrous to Western Australia if the Kerin plan is adopted. Western Australia's isolation from the Eastern States and a lack of understanding of the way we work will raise problems and that is the reason I am strongly opposed to the proposed plan. My constituents, the trade union movement and the Country Shire Councils Association do not want it. What would happen if this transport arrangement were taken away from the railways? John O'Connor, who was the secretary of the Transport Workers Union -

Hon G.E. Masters: We have heard of him, and Hon J.M. Berinson knows him well.

Hon J.M. BROWN: I know Mr O'Connor very well and I advise Hon Gordon Masters that he was most helpful to the Blaikie committee inquiring into the dairy industry. With his knowledge of the transport industry he was able to direct us to places where we could glean information that was of benefit to the south west. In this instance John O'Connor has said that he does not envisage road transport taking over the role of Westrail. He has a great deal of commonsense, and his contribution is worthy of the approbation of members of Parliament. He is prepared to assist the rural community and he is well skilled and knowledgeable in transport matters. He has said, without any pressure being exerted, that the existing situation should continue.

I am alarmed by the deregulation proposal which the Federal Government seems hell bent on introducing. As I have explained, the reason for that deregulation seems to be the problems experienced in the Eastern States. To be fair to Mr Kerin, an amount of \$200 million will have to be paid from taxpayers' funds to meet the deficit in the sale of wheat from the 1986 harvest under the guaranteed minimum price system. Naturally, Treasury officers want to know why the wheat was sold so quickly and so cheaply. Of course, there was competition from the EEC and the export enhancement program of the United States of America, and there was heavy discounting. Quite often people unfairly call the American system corrupt marketing, but I do not agree with that statement. The Americans market their grain in the way they think fit. Of course, their farmers are paid half as much again as Australian farmers because their grain is subsidised. Neither this Government nor our rural community is seeking subsidies, but they want orderly marketing. They have fought for that system and they do not trust private industry to handle the market. They are fearful that it will give John Elliott the opportunity to get into the grain business and undermine the wheat industry. The population in the rural areas, particularly farmers, is dwindling, but the 12 000 farmers who produce grain in Western Australia expect their Federal member to support them in the same way that Hon D.J. Wordsworth supported the people in the Gingin Shire who did not want the Cooljarloo mineral sands project in their area. He acted in a responsible manner as he

saw the situation, and he supported his constituents. Despite the fact that they were also my constituents, I supported the Government on that occasion.

Hon Margaret McAleer: Are you suggesting that Mr Tuckey is not acting in a responsible manner as he sees the situation?

Hon J.M. BROWN: I have clearly stated that Mr Tuckey is behaving irresponsibly in this matter. I was not in my hometown of Merredin when 200-odd farmers voted overwhelmingly against the deregulation of the grain industry. Mr Tuckey, in his usual manner, stood and said that the industry would be deregulated. He also said that members of the National Party and the Grain Council were a lot of fools. That was his public pronouncement.

Hon G.E. Masters: Is that what he said? Were those his words?

Hon J.M. BROWN: Yes, I heard him speak on ABC radio. I know his voice because I have been a member of the Country Shire Councils Association with him. His comments were also repeated several times on the ABC news. Eight people voted in favour of deregulating the domestic market. Mr Tuckey had Senator John Panizza, whom I know quite well, with him and several other members of Parliament from the Eastern States were involved in that program. I will not give their names because the point I am making is that a member should look after his constituents. Other members have been at these meetings and will be aware of the reaction of farmers. If a minority of farmers wanted to support deregulation and if they were present at those meetings, they certainly did not voice their feelings.

The former Minister for Agriculture, Julian Grill, and the present Minister for Agriculture, Ernie Bridge, are very supportive of what the industry, the trade union, and the Country Shire Councils Association want, and of what level headed thinking members of Parliament think is right. They also support the rural community.

Hon D.J. Wordsworth: What is the State Government going to do?

Hon J.M. BROWN: Mr Bridge spoke to members of the Grain Council today. I am glad that Hon D.J. Wordsworth wants to know what the State Government will do.

Hon D.J. Wordsworth: He announced at the Department of Agriculture's opening yesterday that he would speak to wheat growers in the next two or three weeks and determine a policy.

Hon J.M. BROWN: I know what he said yesterday, and he also issued the following statement today -

"While the main emphasis must lie on the negotiations between the industry and Canberra, I am particularly anxious that the best interests of Western Australian wheatgrowers are taken into account when the national grower leaders finalise their stand on this issue," he said.

Mr Bridge said he was concerned that the real issues of wheat marketing and future price arrangements had been side tracked by politics, particularly among some Eastern States and the Federal Government.

"We must not be diverted from the real task of achieving the best deal for growers through an efficient marketing system," he said.

"Western Australia also will not be diverted by attempts to impinge on areas that essentially concern Constitutional and States rights.

That indicates the concern Mr Bridge has for growers, and that he has not turned his back on them. That action has been taken in a very short period.

Hon Margaret McAleer: Will he be urging a reform of the waterfront and other efficiencies within the State?

Hon J.M. BROWN: The member must acknowledge that those efficiencies have been achieved. No-one is in a better position than she to make that acknowledgment. A classic example can be seen in the McColl report: He said he went to the Baltic exchange and that it would cost an additional \$2 a tonne for freight from Australia. I was at the Baltic exchange in 1987 prior to his visit and I learned that when shipping programs involve wheat, no information is given as to where the ships are going to or coming from or the freight rates, for the simple reason that it is a very competitive market with much discounting and, if

people knew the destinations of the ships, they would be able to poach on other markets. Jim McColl said in his report that freight would cost an additional \$2 a tonne. We know that the opposite will happen; in fact it has already happened. The Australian Wheat Board announced last year in Esperance that it was competing on an equal footing with the United States of America for the Asian markets; the freight rates were the same; and while the US was discounting the price in order to receive an advantage, the AWB was successful because of improved product quality. So all things being equal, it could match the competitiveness by price discounting.

Commissioner McColl said there was a \$2 penalty per tonne on grain from Australia; and when we are talking about 100 000 tonnes or 250 000 tonnes, we are talking about a lot of money in respect of the cost of purchasing our product, therefore that mistake was alarming. The commissioner said also that it would cost \$7 a tonne extra in Western Australia. Farmers who have had difficult times, but who have never been in such difficulty that they could not get out of it, have said that if it were \$5, \$6 or \$7 more for a service that they would get through Cooperative Bulk Handling, they would not be so alarmed about the problem, but CBH has reached that competitive position, which is the point I want to make. The member opposite should know that the CBH charges this year are not \$13.50 a tonne; they are only \$8.50 a tonne. So the first advance in grain to a farmer who is producing 2 000 or 10 000 tonnes will be \$10 000 or \$50 000 more, because that is what CBH has been able to achieve.

Westrail has reduced its freight rates, and this will mean, for example, that from Warralackin one previously paid \$24.50 a tonne, but this year it is only \$20.50 a tonne, which is a \$4 a tonne saving.

Hon Margaret McAleer: You do not have to convince me. You have to convince Mr Kerin.

Hon J.M. BROWN: The member was expressing her support for Wilson Tuckey. I am saying Mr Tuckey is not doing what his constituents want him to do. It is about time he did what our constituents wanted, as the member and Hon David Wordsworth did during the debate on the mining industry, when they crossed the floor on the division to support their constituents. That was commendable. I voted with the Government because I believed the Government was putting forward what was in the best interests of the people of Western Australia. We can accept that difference, but Mr Tuckey is not doing what his constituents want.

Hon G.E. Masters: What about the ID Card? Did you not support that, and did not a lot of people bitterly oppose it? We are talking about your constituents.

Hon J.M. BROWN: I do not want to be rude to the unpaid Acting Leader of the Opposition for his higher office, because he is leaving us shortly, and I would not want him to use any of his skilled diversionary tactics which he displayed to the Minister for Budget Management during the previous debate when we deliberately refrained from speaking on the Supply Bill. I saw the member's diversionary tactics there, and I do not want him to try them again here in a very important debate, which means so much to the people involved in the grain growing industry of Western Australia.

The wool and beef industries will also be affected by this proposal; also the pig industry, which will really be able to expand in the wheatbelt. The population of the metropolitan area found it an offensive operation, so the pig industry has had to go out into the backblocks.

Hon P.H. Lockyer: One of the reasons why the pig industry declined in the wheatbelt was that the Commissioner of Taxation used to send out his men to try to stop Mr Smith from taking cash for his pigs.

Hon J.M. BROWN: What the member is talking about occurred many years ago. That has not stopped the expansion of the pig industry; it was rather that the people in the metropolitan area found offensive the piggeries which had been established. The pig farmers are now finding it more economical to slaughter their stock in places like Tammin and Merredin, and to bring them to the markets, and pay the growers more under contract. I acknowledge what the member has said, because I used to be a stock firm agent, and I know that people used to put pigs in my name.

What will happen to the wheat industry as a result of this measure will be the same as that which happened to the oat industry. I have here an article from the *Farmers Weekly*, under



the heading "Oats growers left waiting". I do not know what Westag is, but it was offering \$170 a tonne. I am not here to speak for the Grain Pool of Western Australia, any more than I am here to speak for CBH, but when I see an organisation such as CBH handling the record grain tonnages in such an efficient manner, I have to give credit where credit is due and acknowledge not only the management but also the workers and the members of the trade union movement who handle the product.

I have here a letter dated 12 April from Mr Ralph Taylor, the National Secretary of the Australian Railways Union, and Mr Ken Matthews, the Federal Secretary of the Australian Federated Union of Locomotive Enginemen, which says -

Rail unions will be pulling out all stops to overturn the Federal Labor Governments decision to deregulate the grain network . . .

That letter shows how concerned they are.

The Wagin National Party electorate council wrote to Senator Jim McKiernan, asking him for his support, which he gave. I have spoken to him, and he told me he was defeated in Caucus. Graeme Campbell also stood up for the farmers. He crossed the floor on the mining industry Bill, and he suffered the penalty. He says that in this case it is sheer madness to do this to Western Australia. His position as an advocate of Western Australia, and as the Federal member for Kalgoorlie, is not helped when the Federal member for O'Connor not only goes around our countryside but also gets on radio talkback programs, calls Opposition members fools, and then in the Federal sphere tells Mr Kerin what he is doing is right.

Hon P.H. Lockyer: What about Senator Walsh? He is a farmer. How did he vote?

Hon J.M. BROWN: I only know of what Mr McKiernan told me. I respect the right of the Federal Government to do what it thinks is the right thing, and the Liberal and National Parties at Federal level are supporting it. However, the rural community in Western Australia, the Country Shire Councils Association, the members of the trade union movement, the men and women in agricultural regions, and those who have an interest in the industry, including the financial institutions, do not want to see deregulation take place. I am sorry that I had to delay the House in debates on such important Bills. My concern for my constituents, for my State, and for my nation is that it is deplorable that we go on in this manner, destroying an industry which the Labor Government was responsible for establishing in 1946 under the then Minister for Primary Industry, Mr Pollard. I only hope that when John Kerin introduces deregulation, the Labor Government stays in power long enough, both Federally and State, so that the wheat industry is not undermined as other industries have been. I support the motion.

Debate adjourned, on motion by Hon John Williams.

## STAMP AMENDMENT BILL (No 2)

### *Second Reading*

Debate resumed from 6 April.

HON P.G. PENDAL (South Central Metropolitan) [9.31 pm]: The Opposition supports the Bill, and in dealing with it I will touch on two major areas as a way of expressing, not only our support for the general principle of what the Government is doing, but also, obviously enough, to highlight what we see as some of the deficiencies of the Bill, including those which were highlighted by Opposition members in another place a few years ago. As well, I will explore a few new issues that have not been touched on in the debate until this occasion.

Members would be aware that the Bill, in its broad form, seeks to allow a maximum rebate of \$500 on the stamp duty applying in a property transaction where that transaction is on the part of a first home buyer, or one buying property for the first time. The second reading speech and the Bill tell us that the provisions apply to property which includes a home or a house to the value of \$80 000 or, in the case of properties and homes north of the 26th parallel, to the value of \$120 000; and where land has not been improved, to the land value only of \$33 000. I suppose that is the best place to begin the series of criticisms that the Opposition has about the measure, as being indicative of how out of touch the Government really is with the market in Western Australia, and with the reality that is faced by young people in particular - but not always young people - in setting about buying their first homes.

Naturally enough, during the election campaign I had heard of the Government's figures when it was no secret that both the Government and the Opposition were putting up programs to appeal to first home buyers. Of course, the Opposition package was vastly more generous to those people, and in many respects it could be seen as a far more realistic inducement to them. The Government has demonstrated itself to be out of touch in a number of ways. One of them that came to my attention was published in *The West Australian* on 28 March, and the article seemed to give some substance to the adage that the Government had learnt nothing and forgotten nothing as a result of a very narrow victory at the polls.

On that date, *The West Australian* ran a story in which the Minister for Housing, Mrs Beggs, went on the public record as saying that the land supply in the metropolitan area had outstripped demand for the first time since the late 1970s. Mrs Beggs went on to say that the amount of housing land being made available was already higher than the Government's promise of about 15 000 lots a year. She also went on to say that the figures of the State Planning Commission had shown that 10 000 lots had been released in the first eight months of the 1988-89 financial year, and that demand for land had diminished slightly, and housing starts were back to the mid 1988 levels. She concluded from that that land prices should be stabilising. It was perhaps wise of her to choose the words "should be stabilising", because while there is some evidence of the market cooling, I doubt very much that that will bring a great deal of relief to the people to whom this Bill is directed.

Rather than relying on other people, I decided to test for myself the level to which this Bill really shows the Government as being out of touch, as indeed the comments by Mrs Beggs indicate that the Government is out of touch. I went through the real estate section of *The West Australian* newspaper today in order to discover just what impact the Government's Bill would have. I do not say that my survey was anything scientific, but certainly I was not selective in what I set out to photocopy out of today's real estate guide. Members should bear in mind that the operative figures in the Bill indicate that the provisions will apply to properties below \$80 000 where a house is involved, and \$33 000 where a block of land only is involved. By any indication in the real estate market, those figures used by the Government are so far out of touch as to make this Bill major tokenism at its worst.

According to today's real estate guide, in order to qualify for the maximum rebate for a block of land, one actually has to go to Muchea, where I notice one could actually buy a block for \$27 500. Of course, that does fit within the Government's category of first home buyer relief; but of course there is another substantial cost, and that is one of actually going to live in Muchea. One wonders how serious the Government is about the proposition. To come closer to home, there is a block advertised today in the southern suburb of Thornlie, which is reasonably familiar to me since I once lived there. That block of land is advertised at \$49 500. Without being too much of a mathematician, that is 50 per cent greater than the figure allowed for in the Government's Bill, to attract first home buyer relief. However, if one goes to the southern extremity of the metropolitan area, the Government starts to be in business. In fairness to the Government, there is a block advertised today in Armadale for \$28 000; but it is the only block that falls within the Government's provisions. If one wants to go to Mandurah, 50 miles to the south, there is a bargain today, advertised at \$47 500. If one comes back to the city, there is one at Bateman for \$89 500. In the area to the south of Armadale, at Byford, which is a mighty long way out of the metropolitan area, one could pick up a block for \$44 500. Without proceeding further down that path, I use that to illustrate that the Government is offering first home buyers something that first home buyers do not need.

Hon W.N. Stretch: It is akin to a Clayton's measure.

Hon P.G. PENDAL: It is. It is a measure designed to show that the Government is offering something which is nothing at all. If one goes to the northern suburbs, one could buy a block reduced by \$4 000 down to \$59 000 at Edgewater. I want to move to the property market where it involves dwelling houses. Bearing in mind that the Government's provision is for something less than \$80 000, what can one get for that? One needs a lot of patience and a lot of time, and in some cases one needs a pretty good microscope, to discover anything in the real estate guide which actually falls within the provisions laid down in this Bill. Even out at a place like Armadale properties are sitting right on the minimum of the Government's upper limit. One property is \$79 950, but a quick scan shows that other properties in Armadale are bringing anything up to \$118 000; in one instance, \$239 000. At Balcatta - one could not

call that one of the more salubrious suburbs - there is a place going for \$98 000 and another for \$79 900, so it actually scrapes in to the tune of \$100. If one were to go out to Balga or Bassendean, one would find the same sort of thing.

Hon Fred McKenzie: Is the Bill not in line with the election promise?

Hon P.G. PENDAL: I am not disputing that. Had Hon Fred McKenzie been listening to my opening remarks he would have heard me say that it was in line with the Government's election promise. I will make two observations about that amount: Not only was it out of touch three months ago when the promise was made, but given the present state of the market it is even more out of date now. If the Government were interested in anything more than offering a token gesture to these people, that figure would have been substantially increased in order to offer some real relief to them.

Hon Fred McKenzie: They were told that and it was not changed.

Hon P.G. PENDAL: Hon Fred McKenzie is dead right; he is agreeing with me that they were offered tokenism and that is what they are getting. Those figures -

Hon Tom Helm: They voted for us. It helps to win Government.

Hon P.G. PENDAL: Forty eight per cent of them voted for the Government.

Hon Tom Helm: Enough to win Government.

Hon P.G. PENDAL: My word it was, with the Government's shonky electoral system. Even the Government's own people and people like Hon Bob Hetherington who actually have a conscience about these things do not reflect the nonsense that we hear from members opposite in trying to defend the indefensible.

I return to Hon Fred McKenzie's interjection. In a serious way I ask the Minister to deal with this by answering this question: Given what the real estate market says about property values without homes, given the real estate market and what it says about properties including homes, who chose the figures? One has to have a yardstick; the Government must have consulted someone. Was it the Real Estate Institute of Western Australia, the Urban Development Institute of Western Australia or was it someone within the Labor Party who actually - and I suspect this is right - was able to analyse the market in a very clever way and say, "If you come in with an offer at this level of property, you will find it will be peanuts and you will find you do not actually have to do anything at all"? That is a valid question in view of the fact that very few people will benefit under this provision. As I will demonstrate a little later, the Government's gesture has been a hollow one because it will ultimately cost the Government something considerably less than .75 of one per cent of its stamp duty revenue. That is the token we are talking about; therefore I repeat my question: On whose advice did the Government base the figure - which is included on page 4 of the Bill - of \$80 000, of \$120 000 north of the 26th parallel and \$33 000 where no house is involved? One would hope that with the interjections of someone like Hon Tom Helm from the north west that he may take some part in the debate. While I do not claim to be familiar with land and home prices in the north, I know a fair bit about them in the southern suburbs. I would hazard a guess that if \$80 000 for a house and property in the southern suburbs is unrealistic, one could not get very much north of the 26th parallel for \$120 000.

Hon Tom Helm: Mine was \$73 000 last year.

Hon P.G. PENDAL: I wonder whether the member knows about the movement in property values. Again I do not profess to say that this applies to the north west but, from first hand experience, I can give the member the information that in one of the southern suburbs property values have moved to the extent that a property that changed hands last October for \$79 000 today has an asking price of \$105 000. That has been the violence of the fluctuation. I am sure Hon Tom Helm is aware of that and that he gets that sort of feedback from his constituents, as much as I do from mine. Who gave the advice that to come in at the point of \$80 000 would be of some assistance for people buying their first homes because no-one could qualify and the very few who were able to qualify would have such a minimal impact on the State's revenue as to mean what the Government has offered amounts to nothing at all? It is a cruel hoax to the younger people of this State in particular. It has become increasingly difficult to achieve home ownership under both the Federal and State Governments. This is reflected in the anger of ordinary people; it is reflected in the ballot

boxes, notwithstanding the Labor Party's return to Government with a minority of the votes.

Hon T.G. Butler: But a majority of seats.

Hon P.G. PENDAL: A majority of the seats with a minority of the votes. That was the first time in post war history that any party has been able to win Government in this State without winning a majority of the votes. Members opposite, with the support of the National Party, imposed an electoral system which they thought would wrest control of this House. They found that the only party which increased its membership was the Liberal Party. I guess Labor Party people have been using their calculators trying to work that out for a long time.

Hon Tom Helm: What did you say about the subject?

Hon P.G. PENDAL: The member can have a look at what I said previously and make up his own mind.

To use Hon Bill Stretch's words, we are dealing with a Clayton's Bill. It is a cruel hoax by the Government. It offers nothing. The number of people who qualify will be a minute proportion of the community. The Minister must have some information in his brief about the number of first home buyers that the Government believes will qualify and, along with the other questions that I have asked earlier about who gave the Government advice on those figures, that will remain as part of those questions.

The second part of my remarks will be directed to the question of Government revenues, via taxation, but, in particular, via stamp duty because that is the specific measure with which we are dealing tonight. I remind members, particularly those on the other side of the House, of something that was said recently by the Premier. It came out at a fortuitous time as a reminder of a very important element of this Bill. In announcing his decision to wind up certain bodies including the Western Australian Development Corporation, he made the point that the rationale of the Burke and Dowding Governments in becoming involved was to help the Government resort more to profits from entrepreneurial activity so that it could rely less on taxation as a source of revenue. That has been the rationale of the two Labor Governments for entering into business deals. We were told that the time had come when the public could no longer bear the burden of Commonwealth and State taxation and this new entrepreneurial Government would enter business and make magical profits and, by that method, lessen the Government's reliance on taxation. We were told the difference would be made up from these imaginary profits that we have heard so much about.

That is not my rationale of why the Government went into business. That was its stated objective and it remained committed to that. It was stated by the Premier as late as a few days ago. What has been the outcome? I took the opportunity to examine the revenues received by this Government and I will relate those in specific terms to stamp duty. As I explain these figures I ask that members bear in mind that rationale that the Government was entering these "you beaut" enterprises for the purposes of making profits to keep taxation levels down.

However, this is the reality: In 1982-83, a total of \$492 million was received by the Government by way of taxation revenue. Members should bear in mind that other forms of revenue come from territorial, the law courts, departmental and public utilities and, of course, Commonwealth revenues. In 1982-83 State taxation, which we are talking about tonight, made up 21 per cent of the State Government's receipts. Six years later during which time the Government was going to reduce our reliance on taxation as a source of revenue, we find that the figure had not remained static at 21 per cent and it certainly had not gone down as was promised by the Government in that six-year period. In 1987-88 the Government received \$971 million in taxation revenue, constituting 26 per cent of receipts. I repeat the bottom line: Six years ago when the Government came to office, taxation revenue represented 21 per cent of its income; six years later it had increased to 26 per cent at a time when the Government's stated intention was to enter business and earn profits in order to lessen our reliance on State taxation. On that basis alone, the Government's activities in the last six years have been an abysmal failure.

An examination of stamp duty revenue throws up a few more anomalies that fly in the face of the objective of weaning us off that reliance on State taxation. For example, land tax revenues have increased in that short time by 55 per cent. Before I proceed with others, I point out that the corresponding Consumer Price Index increase over that period from

1982-83 to 1987-88 was 55 per cent. Land tax revenues in that period had actually increased by precisely that amount. One could say that the Government had not lessened our reliance on land tax like it said it would, but it certainly had not increased it.

Stamp duty, however, gets to the nub of the problem because it is indicative of the tokenism involved. Stamp duty, as Hon Joe Berinson knows, comes to the Government from about half a dozen separate and distinct areas of business transactions. Conveyances used to bring in \$49 million a year, but now bring in \$148 million. Bearing in mind that the CPI had increased by 55 per cent, that was an increase of 202 per cent. Stamp duty from insurance policies increased from a little under \$17 million to \$32 million in that period, a rise not of the 55 per cent CPI figure, but of 88 per cent. Revenue from stamp duty on cheques actually decreased. I guess that reflects the number of transactions that people now make on credit cards because they have been weaned away from cheque accounts. That reduction has not been brought about by a deliberate policy on the part of the Government; it is coincidental to changes in people's banking habits. Stamp duty arising from motor vehicle licences grew from \$17 million to a massive \$51 million. That represented not the five per cent increase in the CPI but a 189 per cent increase in the take. Mortgages rose by 169 per cent. Stamp duty attracted by credit and other hire-purchase agreements went up by 35 per cent. My point is that for a Government which had a stated intention of weaning us away from State taxation we have seen the absolute reverse happening.

Hon Tom Helm: Build more houses and get more money; is that what you are saying?

Hon P.G. PENDAL: One thing I can say about the honourable member's interjection is that he faithfully echoes the pleading of his Minister on the frontbench who explains it away in an equally fatuous way.

Hon Tom Helm: Is it not true?

Hon P.G. PENDAL: No.

Hon Tom Helm: Why?

Hon P.G. PENDAL: Because there was a capacity there, and because it was the Government's stated intention to reduce reliance on State taxation - the Government's words not mine. So why is it that we have not seen any reduction in those rates in the past six years? We have needed a crisis of the proportions facing first home buyers now to goad the people opposite into the minimal and token provision that has come before this House tonight that, I repeat, will not reduce revenue in this field by something less than three-quarters of one per cent of the entire State Budget.

Hon Tom Helm: What were the increases in those charges? Are you saying individual stamp duty charges were increased?

Hon P.G. PENDAL: People are paying more.

Hon Tom Helm: They are not building more houses.

Hon P.G. PENDAL: Yes.

Hon Tom Helm: Does that bring in more revenue?

Hon P.G. PENDAL: Yes, which brings us to the starting point. It provides the capacity to do what the Government said it would do six years ago; that is, reduce the State's reliance on State taxation. The Government was to increase its reliance on these other imaginary profits that came from the Government's know-it-all attitude to making profits where, in fact, we have seen massive losses. The Government has nothing to be proud of with this measure which will, in my view, affect a minimal number of people. It will, no doubt, aided by the interjections that have come forward, enable the Minister for Budget Management to provide us with the projected figures for the number of people who will be beneficiaries.

The Opposition has circulated a number of amendments that were argued with some vigour in the other House. It is intended by that method to at least inject some level of realism into the provisions. Without those, I repeat, we are left with the sort of tokenism that the Government seems not unnerved by. We say in relation to those figures, in their brevity, that the Government should apply the rebate to homes of up to \$100 000 or, in the case of homes north of the 26th parallel, to \$150 000 and to a land component of \$40 000. Also, we want to see the rebate increased from \$500 to \$1 000.

I will spend a few moments on the rebate. Presumably, not everybody will qualify for the \$500. It is possible that people may be able to find some humpy in a far flung suburb of the metropolitan area which is actually priced under \$80 000. The more it is under \$80 000 the smaller the amount it attracts from the \$500 rebate, so the Government wins both ways. In other words, it is being seen to be compassionate and to be offering something to these people when the reality is quite the reverse.

Something that crossed my mind when reading this Bill is another anomaly, that while we have seen a graduated scale for the price of properties in the north west vis a vis the south of the State we have not seen any suggested fluctuation in the rebate itself. During the Committee stage of the Bill I will be pursuing that matter. The Government tells us that this measure will cost about \$3.1 million in a full financial year. On the surface that may seem to be generous. On the surface it may seem to not be tokenism but something of substance. However, the Minister for Budget Management knows that this year in the State Budget the State expects to receive in the order of \$455 million from stamp duty.

If one considers what we will get this year as opposed to what the Government is prepared to give in rebates, that \$3 million works out at less than 0.75 of one per cent. The figure is even grimmer than that because the \$455 million in expected revenue applies to this year, but the full rebate and its impact will not be felt until next year. If one likes to add at least a 10 per cent growth rate - and under this Government it is likely to be even more - we are likely to be looking at stamp duty income in this State well in excess of \$500 million. That will be the first full year of operation of this scheme and where the Minister for Budget Management tells us the impact will be \$3 million in lost income. I ask members to consider that in a year when revenue from stamp duty will be \$500 million the rebate through this hoax of a scheme will be \$3 million which will come down substantially from the 0.75 of one per cent, I would think, to a little over a half of one per cent of the entire stamp duty revenue.

In summary, we will request that this House join with us in sending a message to the Legislative Assembly requesting it to make certain amendments of which I have given some outline in my speech. It is a great pity that the Government has learnt nothing and forgotten nothing. One does not need to look much beyond today's *Bulletin* figures to show what this State feels about the Government it has re-elected. We were talking previously about precedents. I understand it is the case that on re-election a Government invariably, within a month or two of its re-election, has an increase in popularity and standing higher than its vote on election day. That is often ascribed to being the result of people in a post-election mode wanting to be seen to be supporting the Government they either helped to elect or, in some cases, did not help to elect. Polling figures today are unprecedented showing that within six weeks of its re-election this Government which got 48 miserable per cent of the vote on election day has already slumped to something like 41 per cent of that vote. I use that to illustrate just how out of touch the Government is. The Government could have used this measure alone to bring about a realistic rebate to those people who are in dire straits when it comes to building or buying their first home. We are not talking about a section of society which is frittering away its hard earned cash; we are talking about those people in society who have made home ownership one of their main objectives in life.

Perhaps the only thing which the Government has going for it at the moment - oddly enough - is high interest rates, because the higher interest rates increase, the more difficult it will be for people to buy homes, or blocks on which to build. I wonder whether the Government had that in mind when it went ahead with such alacrity to introduce this measure, because inflation and rising interest rates will affect the housing market to such an extent that this measure will have even less impact than it had when the Government dreamed it up at a time when its electoral stocks were at a very low level. For those reasons, the Government is offering nothing to these people. The Government ought to be ashamed that it is offering nothing, and we on the Opposition benches are giving it the opportunity to give to first home buyers a realistic rebate. With those reservations, we support the Bill.

**HON J.N. CALDWELL (South) [10.12 pm]:** The National Party is disappointed with the amount of the stamp duty rebate which will be given to first home buyers. The cost of purchasing a house these days has escalated by 20 or 30 per cent in the metropolitan area, and when that is added to inflation, the cost becomes almost prohibitive for first home buyers. First home buyers comprise at present only 13 or 14 per cent of the purchasers of homes, and I believe that number will probably decline.

The Government has committed very little in this measure. It has committed in the Budget an amount of \$3.5 million per annum, and with only three months remaining in this financial year, this measure will cost the Government only \$500 000. We are being told that the Government is receiving an enormous amount of revenue from stamp duty charges at this time. This has in fact helped the Government to get out of a rather sticky situation with its Budget. A \$500 rebate for a property, the value of which does not exceed \$80 000, is a minuscule amount when one takes into account the escalation in the price of homes.

One pleasing aspect of the Bill is that it will perhaps assist people in country areas. I know of an instance which occurred in my home town where a first home buyer was able to purchase a home for \$26 000, which included a swimming pool valued at around \$10 000. This home was a three bedroom, brick and tile home, so if any members on the other side of the House want to invest in -

Hon T.G. Butler: Are you trying to sell us a house?

Hon J.N. CALDWELL: No; I am not a seller of houses. I am saying that in this particular instance, this rebate would help that first home buyer. However, the cost of houses in country areas is increasing, and I know that in Katanning, where I live, there used to be 120 or 130 homes available for sale, but that has now been reduced to 60. It is pleasing to see that people are once again buying homes in country areas. I mentioned last night that in some of the small country towns Homeswest homes are unprocurable, and we will have to do something to enthuse the Government into providing homes for people who want to live in country areas.

I guess that the person applying for a stamp duty rebate will have to make an application to the Commissioner of Taxation. We all know that this type of application generally has to go through all the channels of verification, and I doubt whether such an application would be processed in one month's time. It would probably take six months before the person was able to receive the rebate. I wonder if the Minister could give me an indication of the time lapse between the making of the application and the receipt of the rebate. If there were eight per cent inflation, a home worth \$80 000 would increase in value by \$500 a month, or \$6 000 a year, so if the Taxation Department were to take one month to process the application, the \$500 rebate would end up being worthless. I suppose something is better than nothing, but after one month's time the rebate would finish up as nothing.

Land developers have said that it takes an enormous amount of time if they have to go through Government departments in order to develop land for residential use. They often experience difficulties with local government bodies, the Main Roads Department, the Water Authority, and perhaps even the Environmental Protection Authority or the Department of Conservation and Land Management. It has been brought to my notice that it could take up to two years for all these problems to be ironed out with the various Government departments, and the land developers are experiencing problems in processing and organising letters to and from these Government departments. I have been told that these costs of processing can amount to \$16 000. The Government must try to minimise that time lag, because it costs an enormous amount of money. If processing could be put into the fast lane and dealt with in six months so that the land was available for housing, that would be of great benefit to the community. Just imagine if it could be reduced to six months so that the land was available, the Government could reduce the cost of blocks of land. I am not talking about the cost of a block of land, but the cost of processing it - getting it onto the market - because the original cost of the land would have to be added to that.

If some of the problems as far as the local authorities are concerned were eliminated, the \$16 000 could possibly be reduced to about \$4 000 to \$8 000, and that would be an enormous saving. That would probably bring a much greater advantage than this proposed stamp duty rebate of \$500 to first home buyers.

I hope the Minister takes all this in and has a good hard look at it. The National Party realises that something must be done to help first home buyers; and I can only hope that this is the first of many types of assistance that the Government gives.

Debate adjourned to a later stage of the sitting, on motion by Hon John Halden.

## SITTINGS OF THE HOUSE

*After 11.00 pm*

**HON J.M. BERINSON** (North Central Metropolitan - Leader of the House) [10.21 pm]: I move -

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

**HON P.G. PENDAL** (South Central Metropolitan) [10.22 pm]: Could the Leader of the House explain what he has in mind? It could be ten past eleven, or ten past six tomorrow morning. On previous occasions members on this side of the House have complained about ad hoc decisions being made, so before we decide on the motion, we want some assurances.

**HON J.M. BERINSON** (North Central Metropolitan - Leader of the House) [10.23 pm]: I am only interested in proceeding to the completion of the Bill now before the House. I have the impression that the second reading debate is almost completed, and we should not be here any later than we were last night, at the most.

Question put and passed.

## STAMP AMENDMENT BILL (No 2)

*Second Reading*

Debate resumed from an earlier stage of the sitting.

**HON BARRY HOUSE** (South West) [10.24 pm]: I support the comments of the two previous speakers on this Bill, and applaud the intention of the Bill to assist first home buyers. As we have seen, it provides a stamp duty rebate of \$500 for first home buyers on land to the value of \$33 000, and a house and land package to the value of \$80 000 south of the 26th parallel. However, as Hon Phillip Pendal and Hon John Caldwell have already stated, we are really looking at a piece of Clayton's legislation that is totally unrealistic and is nothing more than a public relations exercise by the Government to cleanse its conscience after the election campaign.

As a result of this legislation, we will see many hopes built up and many disappointed young people, who will soon find that it is impossible for them to qualify. I support the moves by Hon Phillip Pendal to increase the upper limit on house and land packages to \$100 000 and land packages to \$40 000, and to increase the rebate to \$1 000. This would make the legislation realistic and within the grasp of the first home buyers.

The legislation must be reviewed regularly to keep it up to date with moving trends. It is a little disappointing to see that the party which always claims to champion the cause of the Aussie battler is opposed to the amendments. It would seem that the Government is trying to fulfil the first law of help given as election promises, and that is, "First, make sure that nobody qualifies."

As Hon John Caldwell mentioned, these limits seem, on the surface, to favour country areas over the metropolitan area. However, I put that myth to rest as far as it relates to the south west of this State. The south west is not representative of a lot of other country areas, as was previously mentioned by Hon John Caldwell. South west towns do not represent the trend in general, as it applies to a lot of other country areas.

To illustrate that, I took the opportunity today of making a telephone survey among some real estate agents in the south west. I came up with some facts that are probably no great surprise. In Augusta, for instance, there seems to be very little land for sale. In fact, there is a shortage of land available for sale. In the last few months, every block of available land has seen an increase in price, and the increases have put just about all house and land packages out of the reach of everybody, especially the first home buyers. The lowest priced block known to my informant, who sells just about all of the real estate in Augusta, is on the market at \$32 000, which is just \$1 000 below the threshold. Of course, some of the other blocks with ocean or river views - we are not really talking about them, but I quote them to give an idea of comparative values - are priced in the range of \$85 000 to \$100 000. For the average working man, there appear to be simply no homes or land available in the price range. So, what are our first home owners to do? We cannot just say that Augusta is a retirement town, and therefore it does not attract first home buyers. There are an increasing



number of young people moving into the area, and they want the opportunity to own land or own their own home. An added complication in Augusta is that no land is available in the town for Homeswest housing. The general problem is that more land must be thrown open and put on the market to meet this demand.

In Margaret River, the situation is much the same. Once again, I found an acute shortage of land. The cheapest blocks sold recently were priced at \$33 000 and \$38 000. The cheapest current listing prices in Margaret River range from \$35 000 to \$45 000. Only a handful of blocks are available on the market, anyhow. They are all average houses in Margaret River; I am not talking about anything flash. I am talking about a starter home - a three bedroom house that is, well, adequate. A timber framed house sells for about \$75 000 to \$100 000, depending upon the location. For a basic brick house, the price rises to somewhere in the vicinity of \$90 000 to \$110 000. The only possibility of extra land being released in the near future in Margaret River seems to be a subdivision of 35 blocks where the average price ranges from \$35 000 to \$45 000.

I have another interesting comment to make. The real estate agent I spoke to in Margaret River says that the headworks alone for a building block amount to at least \$20 000. That consists of the purchase price of \$5 000-plus, and to service those blocks costs something in the region of \$15 000-plus. So the very basic building block is costing developers at least \$20 000 and probably more just to get it onto the market. His comments in answer to a question I asked about first home buyers who had actually purchased blocks in the last 12 months was that he could remember only two and he thought there were very few now.

In Busselton the situation is very much the same. The average price of land for first home buyers seems to be a minimum of \$37 000. There are a couple of blocks pre-selling - that is, from plans - with prices ranging upwards of \$40 000. In East Busselton, the subdivision of Bayside, blocks start at \$47 000. All of these are well out of the range of the thresholds we are talking about. As an example of recent sales in Busselton, one old, pretty dilapidated house sold for \$77 000; an old Air Force home sold for \$91 000. The houses for sale were fairly representative of what there is at the moment. My informant could come up with only six houses under \$80 000. Two of them were pretty dilapidated, and four of them were old Homeswest houses. A very basic brick home sold for more than \$90 000. Once again, in Busselton in the past 12 months there have been very few sales to first home buyers. They have been forced out of the market by increasing prices due mainly to an acute shortage of land and steep interest rates, which are rising all the time.

In Dunsborough the cheapest block of land on the market is \$57 000. There are some new subdivisions proposed, but there is absolutely nothing for sale under \$40 000. There is an acute shortage of land as well as houses for sale in Dunsborough. The average price of a basic home for a first home buyer ranges somewhere between \$140 000 and \$150 000. That compares pretty favourably with a lot of up market houses in the metropolitan area. These houses are not mansions; we are talking about starter homes. An example of a starter home listed by my real estate agent is a three bedroom brick and tile basic home which in November 1988 sold for \$93 000 and which is now on the market for \$155 000. If the legislation is adopted, it would have to be reviewed almost continually to have any meaning whatsoever; otherwise it is a complete hoax and is absolutely Clayton's legislation of the first order. In Dunsborough there was also one house for sale at \$92 500 and another for \$99 000. They are the only two known to the real estate agent who sells almost 100 percent of the real estate in Dunsborough which are under \$100 000. The real estate agent cannot remember a sale being made in the last 12 months to a first home buyer in Dunsborough. There are lots of inquiries; there is a huge demand, but there is no availability of land or houses.

The one ray of hope in my investigations this afternoon centred around Bunbury. It is still possible to buy land for around \$20 000 in Bunbury. There seems to be quite a bit available in the middle range in the better type building blocks. Prices range from \$25 000 to \$30 000. The average price for housing for first home buyers varies quite a lot and there is quite a lot of land and quite a few homes available for sale in Bunbury. Once again, because of the other constraints on first home buyers, such as interest rates in particular, they have very few sales actually recorded to first home buyers in Bunbury. Their sales in fact reflect the Perth situation where fewer than one percent of homes sold are being sold to first home buyers. Those figures give some general outline of the situation in the south west. As I said, the only ray of hope for anyone to get any benefit from this legislation seems to centre around Bunbury. Every other place is out of range.

One of the comments I collected along the way related to the Federal Government's first home owners scheme, which is almost nonsense because nobody qualifies. It is Federal Clayton's legislation. Another comment made to me was that the State Government has had huge windfalls in stamp duty profits on real estate sales in the past couple of Budgets and the community expects a few more of these profits to be passed back to it rather than used to finance the Government's disastrous business activities.

In summary, the \$500 stamp duty rebate, although good in intention, means nothing. It seems to be a grandstanding exercise, and while I certainly support the intention I reiterate: The Government has not gone far enough with this legislation.

**HON J.M. BERINSON** (North Central Metropolitan - Minister for Budget Management) [10.36 pm]: In the course of the recent election the Government made clear on innumerable occasions that its election undertakings were for implementation over the four year period of the parliamentary term. Had the stamp duty commitment been left on that general basis, it is possible that it would not have been dealt with until the Budget session this year and perhaps the Budget session next year or the year after, and attention could have been given at that time to any modifications that might seem appropriate on that timetable. By an exception to the general rule, the commitment on the stamp duty question was actually expressed to be made available on 1 March. It is in order to honour that commitment that this Bill has been included in the very limited legislative program listed for the current session. We have been anxious to meet the commitment on the date of introduction and consistent with that we have introduced a Bill that meets our commitment in all respects. We undertook to make the concession available to houses and land of a particular value and it is absolutely in keeping with that that the Bill should have been drafted in the way it has.

It has been said that it is a Clayton's measure and a measure without any value or even without any application. That has been supported by anecdotal type evidence on the limited numbers of houses and blocks that come within these limits. Hon Phillip Pental referred to an extract of today's advertisement. I accept that that was a fair representation of what was on sale today. He was good enough, however, to concede at the outset that his approach was not scientific. If one were to attempt an analysis on the same basis at different times and using different publications or sources of information, it is quite conceivable that different results could be obtained. When the Treasurer was responding to somewhat similar complaints in the Legislative Assembly on 5 April, he referred to information that had appeared in the previous *Sunday Times* and to further information obtained direct from LandCorp. The latter information indicated that in times just preceding the debate in the Legislative Assembly, 160 LandCorp lots were sold in Beldon, Eden Hill, Lockridge, Morley, Gosnells, High Wycombe, South Lake, Yangebup and Beechboro, which all came within the limits of the Bill.

Hon P.G. Pental: One hundred and sixty?

Hon J.M. BERINSON: No, 161 actually.

Hon Barry House: South Geraldton.

Hon J.M. BERINSON: I heard an interjection that one of these areas is South Geraldton. I do not know which it is. It is certainly not Lockridge, Morley, Eden Hill or Beechboro. I am not attempting to make any more of a general case out of this than one could make out of 161 blocks but I am suggesting that that is the sort of balance that can be given to the admittedly unscientific evidence that others have produced.

Similarly, the Treasurer was able to indicate, again on 5 April, that the *Sunday Times* on the weekend immediately preceding the debate contained advertisements for 88 houses in the suburbs of Balga, Nollamara, Girrawheen and Koondoola, of which 20 were advertised for sale at less than \$80 000. One could stretch the point and say that there are even more advertised at \$85 000 which, after negotiation, would come within the limits and that sort of thing, but not much point would be served.

Everyone has to concede that, with the serious inflation in housing and land costs in recent times, a limited number of purchasers will have the benefit of this legislation. However, the estimate of a \$3.1 million cost is an indication that the numbers in total are not insignificant and certainly the recipients will not regard them as insignificant.

I was tempted to leave this Bill to the ordinary budgetary process, but I was dissuaded by

reports of a number of purchasers who were eligible and who were relying on the fact that the undertaking of the scheme would apply from 1 March. A report of the numbers of people expressing concern made it evident that it was necessary to introduce the Bill, even into a session as limited as this one.

Of course, it is always easy to say that, whatever support is given in these respects, it is not enough and should be better. Maybe the limit of \$500 should be increased; maybe the purchase price of qualifying houses and blocks should be increased. Of course, in an ideal world, there would be no stamp duty on houses at all. A completely valid argument would be that housing is such a basic family and community requirement that it ought to be exempt from stamp duty. The trouble is, we are not living in an ideal world. We are living in a world in which there are expenditure pressures from all sides and they are forever increasing, and where revenue cannot always be relied on to be as relatively buoyant as it has been in the last couple of years.

The truth is that we are heading into an extremely difficult year from a budgetary point of view. A whole number of issues are combining to limit our capacity to be as generous as we, let alone members opposite, might prefer to be. Revenues which have been consistently increasing in various areas, some of which have been referred to in the debate tonight, have either levelled off, started to dip, or have given clear indications of tending to move into a period of decline. We learnt only a couple of weeks ago that the Grants Commission recommendations would have the effect of reducing our Commonwealth grants by \$30 million. Today's statement by the Commonwealth carries the threat of another \$30 million or \$40 million being subtracted from the amounts that we might otherwise have expected.

On the other hand, costs have continued to increase very sharply. Building costs which were projected when we brought down our Capital Works Program have increased by 20 per cent, 30 per cent and, in some cases, even more than 30 per cent, eating up the allocation even before the approved capital works have been started. As well, there is no doubt that our commitments involving substantial increases in staff in various areas - police and teachers in particular - will have a very great impact on next year's Budget as will some of the decisions that have been given by various Industrial Relations Commissions.

We are heading into a period of difficulty in the budgetary process which we have not experienced to anywhere near the same degree in the last two or three years.

Hon P.G. Pandal: A fair bit of it of your own making.

Hon J.M. BERINSON: All our policies are of our own making. However, if Hon Phillip Pandal is trying to relive the glories of the PICL project, let me say that that is not an aspect that at this stage weighs on the Budget. The increased costs are in areas that I have indicated - in the sharp increases in staff numbers in the Police Force and education. I should mention also the relatively substantial increase in health costs and so on. All of those are creating a much more stringent environment for the Budget than we have been used to over the last two or three years. That will require very hard decisions. However, even as we make these hard decisions in the forthcoming Budget, we are concerned to meet as many of our elections commitments as possible and as early as possible. Some will have to be spaced out over the four year period, which the Government indicated would be the case in the course of presenting the election program. While that combination of circumstances has to be dealt with, it is not possible to go beyond the commitments the Government has made. Although, as I have indicated, this stamp duty concession is one of particular priority, both because of the particular difficulties of home purchasers but more especially because of the Government's precise commitment to a 1 March implementation date, the Government does not have the capacity to move beyond that at this stage. I am quite sure that as time passes, and depending on the experience in the market, whatever figures are now established will be reviewed. All Government programs are reviewed - both revenue and expenditure - from year to year, and this would certainly be on the list of matters which require review in the light of developments in the market.

On a different line of response to the members who have criticised this measure as inadequate, it is unfair to approach it in that way and in isolation from the general housing program the Government has developed and which it continues to develop. Hon John Caldwell said that it is no good just looking at costing at the end of the day when a person

reaches a purchase transaction and must pay stamp duty; we must consider other things such as the cost of development land, and all other factors related to the cost of providing land and housing. That is absolutely right and, to a large extent, if people think that this \$500 concession is not very meaningful with a current limitation of \$80 000 on the price of a house, much the same could be said if it were applied to houses which cost up to \$100 000. It is not very meaningful in the cost of a \$100 000 home, especially one which may have cost only \$60 000 two or three years ago.

Hon P.G. Pendal: That is an admission that \$500 on a \$80 000 home is not meaningful either.

Hon J.M. BERINSON: Perhaps the Opposition should ask for a \$2 000 concession or for a complete exemption, but it must consider the practicalities. The Government has made a commitment, and this rebate has been offered on the basis of a particular date of implementation. The Government will go ahead with the scheme. It is only one part, and to be truthful it might be the smallest part, of the program the Government has developed to assist intending home buyers.

I am not personally in a position to offer an order of priorities, but certainly high in the order of priorities is the very substantial and costly program to which the Government is committed to produce a sharp increase in the rate at which blocks are brought onto the market. The Government will incur some very heavy headworks costs and will meet that commitment with a view to trying to counter some of the supply and demand problems which have undoubtedly contributed to the heating up of the market and these increasing costs. The Government has a number of other measures in place of which members will be aware. The Keystart program does not tackle the cost of housing, but it goes a long way to helping many people bring the purchase of a house within their capacity to pay.

Hon Barry House: It has also created a lot of false illusions for many people.

Hon J.M. BERINSON: I cannot comment on that, but I know a substantial sum is to be made available this year, as the first year of the scheme, and I understand all of it will be taken up. That will involve a lot of blocks and houses. At the recent summit on housing there was a widespread view that Governments would not contribute very helpfully to the land and housing cost problem unless they also looked at matters such as zoning restrictions and alternative approaches to zoning which could reduce the land price component of the total housing cost.

Another measure the Government has in place is its continued heavy support for Homeswest developments and particularly the Government's commitment to housing pensioner units. That is satisfying the needs in a very important part of the community. In that sense the Government is agreeing with Hon John Caldwell; it is no good looking at stamp duty in isolation - other items must be considered such as the costs developers face, the availability of land, zoning, and measures which assist the affordability of housing for people in certain income brackets. That must be done and this Bill is no more than an admittedly small component. However, to the extent it is available, I am sure it will be welcome.

The fact that there are limited numbers of apparently eligible purchasers - that emerged from a Press report in *The West Australian* this morning and from Hon Barry House's contact with agents in various parts of his electorate - does not deny that on the advice of the department the measure will cost approximately \$3 million, which adds up to a considerable number of recipients. I believe they will welcome this measure.

The Government is not in a position at this stage to accept amendments which would increase the cost of this scheme, but I do not preclude the possibility of the guidelines attached to its availability being reviewed in the future. I acknowledge the reservations which other members have, but I make it clear that the Government does not feel able to go beyond its commitment, especially in bringing the measure forward as promptly as it has. The Government is indicating its intention to meet those commitments in full and is unable to accept any move which would push it beyond that point at this stage.

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 (Minister for Budget Management) in charge of the Bill.

**Clause 1: Short title -**

Hon P.G. PENDAL: If one were to take at face value the response of the Minister for Budget Management to the second reading debate, one would be entitled to conclude that he has comprehensively argued that the Government was doing everything in its power to bring relief to first home buyers. It was interesting that rather than defend the Government's budgetary position in his response, the Minister chose to ignore it altogether, because he was at pains to point out the relative health of the overall Budget position, notwithstanding many problems of the Government's own making, which were not only glossed over by the Minister but also simply ignored.

The Minister used two key phrases in his response: First, the Government was entering into a period of relative difficulty with its Budget; secondly, the Government at this point did not have the capacity to move beyond what it had promised by way of this Bill. It is coincidental that in tomorrow's edition of *The West Australian*, the Government's own Budget targets are published. The Minister is obviously privy to those figures, which tell an entirely different story. It is not without significance that part of that different story is reflected in the figure for stamp duty revenue, because it has been brought to my notice that it says at page 12 that "The State Government's tax revenue continues to boom, due mainly to a 34 per cent leap in stamp duty revenue". We are told further on that "Stamp duty confirmed its position as the main tax revenue earner by bringing in \$414.5 million, almost \$105 million more than the corresponding period last year". They are the figures for the first nine months of the current financial year.

Hon J.M. Berinson: I was discussing the outlook for 1989-90.

Hon P.G. PENDAL: I will come to that in a moment because this touches on that. I remind the Minister we are still talking about a full year's impact of this Bill being no greater than \$3.1 million, and by the time that is reflected in the 1989-90 figure it will become even less significant than it now is.

Hon J.M. Berinson: Less significant in what sense?

Hon P.G. PENDAL: If the Minister is projecting that in a full financial year this Bill will cost the Government \$3.1 million, he is really talking about the year 1989-90 because that is the financial year which we are about to enter. That year will see a greatly inflated revenue from stamp duty.

Hon J.M. Berinson: Compared with this year?

Hon P.G. PENDAL: Yes.

Hon J.M. Berinson: That is not what our projections say.

Hon P.G. PENDAL: I refer to what has been said so far.

Hon Mark Nevill: The figures you have quoted did not show any growth from last year.

Hon P.G. PENDAL: Yes, they did. These figures are for the first nine months of the financial year, and the stamp duty revenue is \$414.5 million. If that continues to be collected during the next three months at the rate at which it has been collected during the first nine months, the Government will receive \$552 million in stamp duty revenue this financial year alone. If we compare that with what the Government thought it would receive when the Budget was framed last year, the figure on page 14 of the Budget is \$454 million.

Hon Mark Nevill: Are the collections the same in all four quarters?

Hon P.G. PENDAL: I will answer the first question raised by the member. We have seen that when the Budget was framed the Government expected to collect \$454 million from stamp duty, but if the Government's figures, as outlined in tomorrow's *The West Australian*, are anywhere on target, the Government will collect \$552 million, which is almost \$100 million more, from that source alone. This increase is also reflected in other collections, although I will be the first to admit that it is not as spectacularly reflected as with stamp duty revenue.

The Government will collect \$441 million from payroll tax during the full financial year. The Government expected to collect \$438 million, so in this area of State taxation alone there will be a modest increase in payroll tax revenue of \$3 million, based on the figures put out by the Government.

The revenue raised from stamp duty collections will be more than a windfall if these figures are on target. The Government will pick up in the order of \$100 million additional revenue. It is in that context that the Opposition says that a \$3.1 million rebate is pitiful, when we bear in mind that the \$552 million increase in revenue relates only to stamp duty, and does not take into account all the other forms of State taxation revenue, which amount to in excess of \$1 billion. The Minister's figures do not sustain his argument that the Government cannot continue to entertain the amendments proposed by the Opposition because it is entering a period of difficulty in budgeting, and it does not have the capacity to move beyond the promise of a \$500 rebate.

Hon J.M. Berinson: Those figures do not say anything about 1989-90, which is what I was discussing.

Hon P.G. PENDAL: How much more of an excess does the Government want? Even if the position were to remain static in the year 1989-90, the Government will go into that year with a projected increase of \$100 million in stamp duty revenue above what it thought it would receive. I bet the Minister for Budget Management would not mind that happening in his own business, so that even if he were to get nothing in 1989-90 he would have done pretty well to tide him over, as it were, for 1988-89. That is the point I am making.

Hon J.M. Berinson: Does the report in tomorrow's paper say anything about expenditure?

Hon P.G. PENDAL: Of course it does.

Hon J.M. Berinson: What does it say?

Hon P.G. PENDAL: That is as much in the Minister's capacity to control as is his income, which is what we are talking about.

Hon J.M. Berinson: I cannot control the salaries of 500 additional teachers or 300 additional police officers.

Hon P.G. PENDAL: But the Minister can control a few of the other things that he has been sticking into the Treasurer's Advance today.

Hon J.M. Berinson: Like what?

Hon P.G. PENDAL: The Government is making allowances in there somewhere for the petrochemical project.

Hon J.M. Berinson: I repeated half a dozen times that we were not.

Hon P.G. PENDAL: Then why is it there?

Hon J.M. Berinson: Why is what there?

Hon P.G. PENDAL: Let me go back to the Supply Bill, which I first raised. Clear reference is made to the Government's actions in relation to Teachers Credit Society.

Hon J.M. Berinson: Yes.

Hon P.G. PENDAL: I am simply saying that the Government has had the capacity in the last six years to control expenditure. Of course it will have to do so - any Government faces that difficulty. This Government is not on its own in that regard.

So, to wrap up that part of the argument, I repeat that it is simply not accurate for the Minister to say, "We are at a crucial time in our budget planning, or at a part of the financial year when things are pretty grim." We are dealing with the Stamp Amendment Bill (No 2) and things are not pretty grim when it comes to stamp duty.

Hon J.M. Berinson: Do you really think you can treat a Budget in isolated items like that?

Hon P.G. PENDAL: Okay, let me stop there. It is not that isolated at all. In this State we collect something like \$1.1 billion in all forms from our own State taxation, and after nine months of the financial year the Government has actually had an increase of \$100 million in one item alone, forgetting payroll tax, the gambling taxes and the tobacco taxes. If the

Government has had a \$100 million windfall so far in one year, that is more than 10 per cent of the entire State taxation revenue for the year.

Hon J.M. Berinson: But less than 2.5 per cent of our Budget.

Hon P.G. PENDAL: Yes, but the Minister's argument a few minutes ago was that to talk about stamp duty in isolation was invalid. I am saying that if we had seen an increase in the stamp duty revenues over and above what was predicted - maybe \$2 million out of the \$430 million - the Minister's argument would be quite valid; that would be a minor increase and therefore the argument I am making out would not be all that valid. But it is not, it is a monumental increase; so much so that one wonders how Treasury could make a prediction last year that is so far off beam this year, even given the fairly heated state of the economy!

I do not think that argument helps the Minister's case when he says, "You cannot look at it in isolation." I am not looking at it in isolation. That increase is a part of the overall State taxation revenues. This year it is a very substantial one indeed and underlines what the Opposition has been saying - although, of course, we did not have access to these figures until a few minutes ago - that is, that the offer of a \$500 rebate is pitifully small; it is tokenism. The figures indicate that even at this late stage the Government could be agreeing to our amendments and asking the Assembly to increase that at the appropriate time.

Hon J.M. BERINSON: I suggested by way of interjection that it was not possible to deal with items in this isolated sort of way. Although on the one hand there is an increase in stamp duty this year - which, by the way, is not projected to be sustained next year - and on the other hand we are talking about a concession of stamp duties, that does not mean that somehow we can afford a lot more than we are offering.

Let me give one example of the misleading nature of this item by item treatment of the position. By saying that not only is it impossible to deal with this concession on stamp duty for first home purchases as a matter to be considered in isolation within the general stamp duty revenue context, it is also not to be considered in isolation from the honouring of other Government commitments. Within the last week alone, for example, we have indicated that we will be moving at an early date to the implementation of three of our commitments to holders of Seniors' Cards; that is, the spectacles subsidy and the concessions on driving licences and State Energy Commission accounts. That also must be taken out of the same pot, and whether we say it is to be taken out of the stamp duty pot or the payroll tax pot, or whichever other part of the revenue base one wants to nominate, the fact is that all of those commitments add up and they must be taken together when one is trying to make some sensible judgment on what the current capacity is.

All I was talking about before was our current capacity - or not exactly current but rather our projected capacity in 1989-90. I do not deny that this is an issue which could be amenable to review at some later date so as to take account of cost movements and so on. At this stage it is our judgment that we should not move further than the commitment we have already made and that if we do it will simply add to the difficulty of honouring the commitments we fully intend to proceed to implement.

So that is the sort of context we are facing. That is what I meant by saying we cannot take single items in isolation in this way and measure them against particular items of revenue such as the stamp duty income. I do have to ask the Committee to accept that at the end of the day the basic Budget decisions are the responsibility of Government. This coming year difficult decisions will have to be made and we should not pre-empt any of those by making ad hoc decisions in the way that is proposed by the list of amendments. That will only cut down our capacity to continue our planning in an orderly way.

The DEPUTY CHAIRMAN (Hon P.H. Lockyer): Order! I remind honourable members that the discussion about the amendments should be held at the appropriate time; that is, when clause 6 is being debated.

Hon P.G. PENDAL: Thank you, Mr Deputy Chairman. I do not intend to discuss the amendments. I want to pursue a matter that has arisen from the Minister's comments. We are agreed on one thing; that is, that one cannot take one item in isolation. I concede that; but I also want to say that when the item is the item that is under discussion and it has been bloated to the extent that the report in tomorrow's *The West Australian* indicates, it is valid to start talking about the amendments proposed to a later clause. The Minister for Budget

Management is crying poor, when the remarks made by the Under Treasurer in tomorrow's Press do not bear that out.

Hon J.M. Berinson: But he is talking about this year's outcome.

Hon P.G. PENDAL: That is right. Hold on. The Minister correctly makes the assertion that one cannot merely talk about what is going to come in by way of revenue; one also has to talk about what is going out by way of expenditure. I responded to that by saying that it is within his capacity to control. What has in fact been at the heart of a lot of the criticism of his Government over the last couple of years is the claim that the Government's set of priorities is clearly wrong and has not been rigorously monitored, otherwise the Government would not have got itself into the sort of trouble that it has. However, I would point to some of the remarks I have since had the time to read in tomorrow's *The West Australian*, which incidentally do not reflect the sort of pessimism the Minister is using to try to persuade us not to pursue our amendments. Three paragraphs tell the story. It is true that the report says that spending has outstripped revenues by more than \$200 million during the first nine months of the financial year but again I would say that that is the Minister's problem and not the Opposition's. The article reads in part as follows -

Despite this, the State Treasury has described the overall financial position as being "on track", helped by buoyant economic conditions. It is confident of balancing the Budget.

The article then goes on -

Financial institution duty revenue also grew strongly, bringing in \$27.2 million - up 14.8 per cent - while gambling taxes and liquor and tobacco taxes were other areas where growth exceeded the inflation rate.

We are going to have a windfall this year too. The article goes on to say, and this touches on the very point the Minister made -

Spending on social areas such as education, health, housing and social security was roughly in proportion to the Budget projections.

I suggest that in Treasury parlance that actually means, "Things are going very nicely, thank you." Treasury tends to make the most conservative statements. Finally the article says -

The Under Treasurer, Mr Ross Bowe, said yesterday that, after accounting for expected fluctuations in revenue and expenditure, he was "reasonably happy" with the result.

Again, that is another way of saying he is hysterically happy. For an Under Treasurer to say three months before a Budget session - I happen to know Mr Bowe; he is a very competent officer but if he says he is reasonably happy I reckon he is home tonight opening a bottle of champagne saying, "What a glorious result but for heaven's sake we are not to let on too much either to the Government or the public," which is what those remarks mean, things must be good. He goes on to say - and this is terribly important to rebut what the Minister was saying - as follows -

"We are budgeting to bring to account towards the end of the financial year interest of \$159 million which has been earned on short term investments,"

That makes sense and it is a normal transaction anyway. He finishes by saying -

"But we might not need to draw on all of that to balance the Budget because of the buoyant economic conditions."

That reflects what I was saying a few minutes ago about what the Under Treasurer said. I suggest that what the Minister for Budget Management is telling this Chamber is not strictly in line with what the Under Treasurer would be telling him or the Treasurer.

Hon J.M. Berinson: I assure you it is.

Hon P.G. PENDAL: I am sorry to say that I do not accept that, because Mr Bowe is saying he will not even need all of the proceeds from the interest on the short term money market to balance the Budget. That will mean a 10 per cent overrun, which would be \$16 million. That is a nice little nest egg to go into the new financial year with. When one thinks of that 10 per cent, it is a factor of five times more than the miserable pittance the Government is



offering by way of this Bill. I ask that we also do not have any of the nonsense that the Government is poor, is in dire straits and cannot afford to look down the barrel of the sort of increases the Opposition has in mind. Those figures, which will be published in full tomorrow, prove exactly the reverse.

The DEPUTY CHAIRMAN (Hon P.H. Lockyer): Order! I remind honourable members that we are presently debating clause 1, which is the short title of the Bill and reads, "This Act may be cited as the *Stamp Amendment Act (No. 2) 1989*." With the deepest respect I remind honourable members that some of these arguments could have been presented during the second reading debate. Notwithstanding that I have given a fair bit of licence, this is a clause by clause debate.

Hon J.M. BERINSON: I must say that precisely the same thought occurred to me. I assure Hon Phil Pendal that there is nothing inaccurate in what I have said nor is there anything inconsistent between the Under Treasurer's comments to which he referred and my own. The point is that the situation at the nine months' mark in 1988-89, while it can give a very close indication of the likely outcome this year, gives no indication at all of the projections for next year. Those are matters to which I also referred.

However, that is largely irrelevant, if I may say so, to what we are about in this Bill. This Bill is designed to give effect to a Government commitment at the recent election. It gives effect to that commitment in absolutely precise terms. I have indicated as clearly as I can that the Government does not feel able, nor is it prepared, to move beyond that commitment at this stage. Members really have to take that on board. I believe it is not helpful to try to put the discussions in such a broad context that we have to get into attempted analyses of this year's and next year's total Budget allocations.

Hon P.G. PENDAL: I make the point again and finally that that is precisely what we are doing here today. The Minister scolded me a while ago for talking about something in isolation from the wider picture. That is precisely what I am trying to persuade him to do now, and to say that part of the wider perspective of the Government's rebate - which will cost the State \$3 million in a year - is to be found in the knowledge that stamp duty this year alone will bring in the extra \$98 million or \$100 million that I have computed as a result of those Treasury figures announced today. It is not right for the Minister to say that we are arguing about something in isolation from the Bill. Those figures are to do with stamp duty. The Bill, as it says on the front of the Bill paper, is "An Act to amend the *Stamp Act 1921*," so far from talking about something, as the Minister for Budget Management suggests, in isolation from the Bill, we are talking about the very kernel of the whole thing because it is stamp duty revenue which presumably allowed the Government to make some sort of decision to offer a rebate of \$3 million as distinct from one of \$6 million or \$50 million. If the Government is getting that sort of windfall, it is possible for the Government to be far more generous than it has been in putting forward the pittance offered in the Bill.

Clause put and passed.

Clauses 2 to 5 put and passed.

Clause 6: Section 75AG inserted -

Hon P.G. PENDAL: I move -

That the Assembly be requested to make the following amendment -

Page 4, line 9 - To delete "\$80 000" and substitute "\$100 000".

All the arguments have been exhausted in relation to this amendment, I accept that as much as anybody else. However, questions asked during the second reading debate should be answered. The first question which has not been answered is: How does the Government arrive at the figure of \$80 000? I will not go beyond that at this stage. The Government has decided that the ceiling figure would be a house and land worth no more than \$80 000. The Government must have received advice from someone; presumably the figure was not plucked out of the air, and did not, as I cynically suggested, originate from a computer model to find the line at which no-one would qualify. What was the yardstick used and who contributed to it?

Hon J.M. BERINSON: I do not know. Similarly, I do not know on what basis and by whom the decision was made to include in the election undertakings the commitment to reduce

motor vehicle licence fees by \$20 rather than \$30 or \$10. In the same way I am unable to indicate why senior citizens received a commitment for a \$50 subsidy on spectacles rather than \$75 or \$15. A process is involved in the compilation of election commitments and, contrary to what Hon P.G. Pendal suggested during the second reading debate, that is not something one would normally expect to have in the brief on the Bill; it would be most unusual if it were.

Hon P.G. PENDAL: I can understand when the Minister says, "Well, it was decided upon in the course of the election campaign," and that it was not he who decided. I have no difficulty with that because he is not the Minister for Housing but he is the Minister handling the Bill in this Chamber.

An Opposition member: And he handles the Budget.

Hon J.M. Berinson: It did not have anything to do with me; it is part of the Budget. We are introducing the concession and on that basis we will provide \$3 million relief in total to first home purchasers. Is not that a reasonable statement on its own?

Hon P.G. PENDAL: Perhaps I should sit down and the Minister should stand up. In answer to that, no - it is not.

Hon J.M. Berinson: It is the best I can do.

Hon P.G. PENDAL: That means that the Minister is doing what he tells us in other legislation tonight that he does not do. That is, he comes into the Chamber, it is his Bill, not someone else's - it is not information which is impossible to get.

Hon J.M. Berinson: It is a measure of what the Government regards as reasonable.

Hon P.G. PENDAL: Presumably the Minister can speak in a few moments. Someone must have arrived at the figures, put some thought into it - or was the figure plucked out of the air purely for electoral purposes? The head of the Government makes frequent interjections in this place, and in the other place, and that is always, "Give us the evidence for what you are doing." Surely, as the responsible Minister -

Hon N.F. Moore: The Government accuses us of not costing our promises; it has not costed its own.

Hon J.M. Berinson: We have.

Hon P.G. PENDAL: Of course the Government has costed it to the extent that it has said, "There is a global figure, and we are prepared to not collect \$3 million in the State Budget. We will throw a couple of titbits to the first home buyers by way of a token." The Government has given no information as to how that figure has been arrived at. We have complained that it is a token. We would have thought that the Minister would be happy to come back and say, "On the contrary; we consulted the Real Estate Institute of Western Australia, and it said that 10 per cent of housing falls into that category." The Minister has not done that. He might have said that the Urban Development Institute of Australia has said that if it is pitched at a certain level, help will be given to a hard pressed section of society. But the Minister has not told us that. He has wandered in, picked the document out of his brief case without any indication that it will have any impact.

Now that I have thought this through further, how do we know that the Government will be spending any of the \$3 million? The Government has allowed \$3.1 million in the full financial year for an election promise. When that goes out on the air waves that sounds pretty good, but based on the lack of information as to the sorts of people it will reach in that \$80 000 bracket, maybe it effects nobody.

Hon W.N. Stretch: A cruel deception.

Hon P.G. PENDAL: Those are good words. It would be a cruel deception if the Government, at the end of the financial year, is better off by \$3.1 million because someone has been able to look down a computer graph and say that if it is pitched at that level, it will sound good. The people can be told about the \$3 million concession because it will mean nothing - the Government will not have to pay it.

Hon John Halden interjected.

Hon P.G. PENDAL: We need an interpreter.

I am not attempting to be obstructive to the Minister but he is the Minister for Budget Management - and sometimes we wonder about that because when questions are being asked such as who arrived at the figures and how in order to discover -

Hon J.M. Berinson: The Government arrived at the figure.

Hon P.G. PENDAL: If the Government arrived at it presumably the Minister would not have any objection to tabling the information on how the Government arrived at the figure.

Hon J.M. Berinson: I do not know what you are talking about. I find difficulty in knowing what the member is talking about. We are talking about election programs.

Hon P.G. PENDAL: We certainly are, and probably a shonky election program given the Minister's inability to answer simple questions. Who was consulted, and how did the Government arrive at that figure? As I said five or 10 minutes ago, if I was being cynical - then I was not, but I am tempted to be now - I could say that they actually ran it through a computer and worked out that, if it was pitched at that level, no-one would benefit, the Government would save \$3 million, and in effect, the Government would get it both ways. I said that flippantly five or 10 minutes ago, but I am starting to think that that is the way the Government did its business. In the absence of any explanation, I cannot think anything else. Surely someone gave advice. We are asking who that person or group was.

Hon J.M. BERINSON: I am astonished at this line of discussion and at the suggestion that we should have been as selectively cynical as Hon Phillip Pendal is suggesting. He is saying that, out of the whole range of commitments that the Government made during the recent election, we really homed in on the first home buyers and said that was a good group that we could trick and worked out how to make a commitment that would cost nothing. We did not do that when we said we would introduce a \$50 spectacle subsidy for senior citizens because as many senior citizens who get glasses get the \$50. Therefore, we were not being cynical there and we were not making tricky pledges that are not going to cost anything! When we said to the community that we were going to reduce motor vehicle licence fees by \$20, we were not being cynical because, in looking at a family program, we know how many domestic cars there are and we multiply that by \$20 which is what it costs. When we say, again as part of our family program, that over a four year period we will ensure that basic domestic charges for electricity, gas, water and sewerage will remain below the rate of inflation, we are not being cynical because the Bureau of Statistics brings out CPI figures every year. From those figures we know that for every 0.1 percent below that figure that is applied, X million dollars will be involved. So we are not being cynical there!

However, for some inexplicable reason, we decided to get into the first home buyers and, by God, we will be cynical with them and try to trick those first home buyers by giving them something that they would never get and we need somebody as clever as Hon Phillip Pendal to work that out! It is nearly midnight and I believe I am at risk of going berserk here trying to understand what Hon Phillip Pendal's argument is.

Let me see if I can help him in another way. I do not want to be bound to this because I do not make a point of studying election platforms by heart. However, my memory of the way in which this was presented was in a form which indicated that there would be, as this Bill provides, a rebate of up to \$500 for first home buyers up to a home value of \$80 000 and so on. My memory is that we did not include in the election platform a costing. I do not think we said it would cost \$3 million. What has since emerged is that we have gone to our stamp duty people and the Treasury Department and asked them to cost the commitment for the purposes of this Bill and we have been told what it will cost. It may have been costed during the campaign, but it was only after the announcement of the policy that compared the cost of the Opposition's program and our program - it is beginning to become a little clearer in my mind - and it was at that point that the \$3 million emerged.

There is no point in saying that someone should go back to the election policy committee or to the Ministry of the Premier and Cabinet or somewhere else to find the person who is responsible for plucking out this figure of \$80 000 in order to accommodate Mr Pendal's desire to construct a conspiracy theory. Mr Pendal knows that real life does not work like that. Mr Masters cannot believe the line of attack either. The real world does not work like that. What happens is that we get together on an election program and say that, in general, we have to keep our commitments within certain limits. When we came to the housing, part

of our commitment will be to make a substantial contribution to headworks so as to bring more land onto the market and hopefully to cool down the supply-demand pressures and that, in other areas, we will concentrate on areas of greatest need. On the whole, those will be the people seeking new housing who are going for first homes and who are going for homes or for blocks of land at the lower end of the cost scale, and about \$80 000 ought to match our desire to find a way of assisting those people looking for homes who are most in need. It is a rough judgment.

Hon P.G. PENDAL: I will say it is rough.

Hon J.M. BERINSON: It is not a scientific judgment.

The long and short of it is that this Bill gives effect to an explicit election commitment by the Government. It was our commitment, not the Opposition's commitment. If it had made a different commitment and been elected, it would have put up a different proposal. However, we are in the business of honouring our commitments and I put it to the House that this Parliament should accommodate the Government in that and not attempt to put obstacles in the way which would certainly be the effect of passing this amendment. I make it perfectly clear that this amendment will not be accepted by the Government. We are not committed beyond our election undertakings. We are anxious to meet our election undertakings and particularly whereas in this case it offers the prospect of at least some help for home purchasers in the area of greatest need, that measure ought to be facilitated.

Hon P.G. PENDAL: If we did not get any answers the Leader of the House certainly got 10 out of 10 for his performance of the year; but no more.

Hon Kay Hallahan: You cannot get more than 10 out of 10.

Hon P.G. PENDAL: Mr Berinson can and did. That was a terrific performance.

Let me take up his argument. The argument that he seeks to turn back on me is that the Government did not run around cynically and say that it would implement all of its other campaign commitments but it would find the best way to put a muzzle on first home buyers. That is what he is really saying. Given the lack of information about this, for all we know that may be the sloppy way that the Government has arrived at the costing on all its other campaign commitments. I am beginning to think that is how the costings on all of the other campaign commitments made by the Government were arrived at.

Hon J.M. Berinson: You are not suggesting that the other commitments cost nothing as well? You are arguing that this cost nothing.

Hon P.G. PENDAL: I am saying that if something is offered and it is pitched at such a level when the Government knows that, in the end, no-one will be able to apply for it, of course it costs it nothing except the Government will get the propaganda value of being able to announce it to the world. Every Government facility that is offered can be made to be meaningless if the Government knows the figures upon which it is based.

Hon J.M. Berinson: Would you suggest that the others which I itemised would be at nil cost and nobody would be eligible for it?

Hon P.G. PENDAL: I would not say that about the spectacle subsidy.

Hon J.M. Berinson: Or the vehicle licence subsidy?

Hon P.G. PENDAL: Let us deal with one at a time. When the Government was considering the spectacle subsidy I presume it had some information about the number of people who would take advantage of it. The Government would not say that it would give \$50 subsidy without knowing how many people would avail themselves of that subsidy and whether it would cost \$1 million, \$5 million or \$100 million.

Hon J.M. Berinson: It was based on the pensioner subsidy.

Hon P.G. PENDAL: We are being asked to pass this legislation without being given the basic information on how it was decided that it would apply to homes valued at \$80 000 and under. The Minister berated me for relying on what he called anecdotal evidence and then he had the hide to quote LandCorp figures which was anecdotal evidence.

Hon J.M. Berinson: Neither yours nor mine is of any help.

Hon P.G. PENDAL: Does the Government concede that the concession it is seeking to grant

tonight will apply to 6 000 prospective home buyers in Western Australia?

Hon J.M. Berinson: Roughly. For example, it could be less than 500 blocks of land.

Hon P.G. PENDAL: Those figures must have come from somewhere and that is what I am asking. The Minister is saying that no matter what the Opposition says he will not accept it and that it is a Government promise.

Hon J.M. Berinson: It is.

Hon P.G. PENDAL: But it is our legislation.

Hon J.M. Berinson: Of course it is.

Hon P.G. PENDAL: The legislation does not belong to the Minister and to the Government; it belongs to the Parliament and if the Opposition helps the Government to pass it it will become law.

Hon J.M. Berinson: If you reject it you are preventing us from implementing our promise.

Hon P.G. PENDAL: We only prevent the Government from implementing it to the extent that it only becomes a challenge to the Government to introduce something that is meaningful to first home buyers and not something based on the shonky figures we have been asked to rely on.

Does the concession remain in force forever? The Minister has conceded that even he will be prepared to look further down the track to amend the provision when it becomes necessary to make it more realistic and if the Budget allows it. Does it mean that we are building in an emergency provision forever? This Bill is before us only as a result of a crisis and the difficulty first home buyers have in getting into a home. One would have thought that to overcome the crisis a concession would be implemented over a certain period; that is, during the period of the crisis. I do not think we are doing anything other than to put into the system a permanent rebate of \$500 to all first home buyers. If we are, I am not sure that it is prudent -

The DEPUTY CHAIRMAN (Hon P.H. Lockyer): Order! The member is pre-empting an argument that should not be taken further in this clause. The question before the Chair is whether the figure of \$80 000 should be deleted. While I am anxious that the member should put forward his arguments the question of \$500 would be dealt with in a later clause and for the benefit of the member I refer him to page 6, line 5 of the Bill where perhaps his line of argument may be better received.

Hon P.G. PENDAL: I appreciate your remarks, Mr Deputy Chairman. I am partly saying what you believe I am saying.

Several members interjected.

Hon P.G. PENDAL: If I am right in the figure of \$80 000 which is what you, Mr Deputy Chairman, want me to confine my remarks to, we are writing \$80 000 into section 75AG of the Act. It will remain there forever and, as a consequence, does the concession remain forever or will it disappear? I am not aware of any sunset clause which states that it will disappear when the crisis passes and people will no longer need a concession. Therefore, we do not need the figure of \$80 000 to be included in the Bill.

Hon J.M. BERINSON: The member is quite right. If we pass the amendment it becomes a permanent part of the legislation for as long as it remains. If that sounds a little like a yes and no answer, that is what it is. I am trying to say that it is no more permanent than any other part of the legislation and it is open to amendment at any time. I indicated earlier that it will be open, at some later stage, to review the amounts involved in case it is decided that the limits of value to which a concession applies should be increased or the rebates should be increased. Similarly, if at some stage this concession was no longer justified it could be removed from the Act.

Hon P.G. PENDAL: It actually becomes its own sunset clause because it will be inflated out of existence within a year or two.

Hon J.M. BERINSON: The member is making certain assumptions. One is that housing costs always rise. I have had some interesting briefs on that recently in other contexts and I am sure that the proposition is absolutely true over a cycle of 30 years, but over lesser

periods there have been examples, even over the last decade, where prices of homes have actually dropped. I do not think one should be too definite about the proposition that there is an uninterrupted upward line on home prices which will always be observed.

It is true however, that if this provision was left in the Bill, without amendment, over some period of time it would cease to offer any benefit. Well before that time I would imagine the limits will be reviewed and a decision will be made one way or the other; that is, either to increase the amounts involved to ensure there remains some reality to them, or to delete the provision if it is thought that the circumstances at the time did not justify the provision being retained.

**Question put and negatived.**

**Hon P.G. PENDAL:** I move -

That the Assembly be requested to make the following amendment -

Page 4, line 11 - To delete "\$120 000" and substitute "\$150 000".

The arguments that applied for the earlier amendment apply in this case also and I will not repeat them. The Government is seeking to increase the ceiling for properties north of the 26th parallel. Some issues are not clear to me and it is necessary for me to refer to later amendments to make my point. In the first instance the Government is properly recognising that building costs and so on in remote areas of the State are higher. The Opposition agrees with that view, but it thinks the Government should up the ante on both figures. I am concerned that this Chamber is being asked by the Government to up the ante on house and land north of the 26th parallel by 50 per cent, from \$80 000 to \$120 000, but the next amendment dealing with the cost of a block of land anywhere in the State does not take that into consideration. One would expect that 50 per cent increase applying to house and land to be carried over for the price of land alone in areas north of the 26th parallel. A friend of mine recently bought land in Exmouth and I do not think one could buy much land in that town or in places such as Broome, which I know from experience is a bustling place of investment at the moment, for \$33 000. A similar query will be raised when we reach the final amendment; that is, why the Government will not increase the rebate on land purchased north of the 26th parallel.

**Hon J.M. BERINSON:** I take the point the member has raised that consideration does not appear to have been given to any differences in land prices. I am not in a position to say whether the general cost of land below and above the 26th parallel is the same sort of increase as is acknowledged to apply to housing. I am not aware of that issue being discussed and, reverting to what I regard as a primary consideration, there was nothing in the Government's election commitment to provide a differential rate on land. Given the passage of this Bill, I will undertake to have the question of land prices considered in the forthcoming Budget context.

**Hon P.G. PENDAL:** I am not in any way seeking to impede the progress of this Bill because it is as much in the Opposition's interest to be seen to be supporting first home owners as it is for the Government to promote this scheme. The Government leaves itself wide open to criticism, even if it allows the Bill to go through in that state, because the same argument will apply.

**Hon J.M. Berinson:** I think there is a different argument there.

**Hon P.G. PENDAL:** I am not sure there is. Leaving that aside, I ask the Minister to consider reporting progress until tomorrow. I am not suggesting that as a way of unnecessarily delaying the Bill, but it would mean a delay of only 12 to 14 hours; it would not be hard to draft an amendment if it is in fact intended to make allowance for persons buying property north of 26th parallel. If this Chamber dealt with that matter tomorrow, the Bill could be in another place by the close of business tomorrow. If by tomorrow the Government had decided it would not seek to amend the legislation in this way, I certainly would not recommend that the Government should not proceed with the Bill. However, at least the Government would be making a decision based on serious consideration of the possible anomaly raised.

**Hon J.M. BERINSON:** I do not want to report progress. The Government's aim throughout has been to implement its election undertaking, and this Bill does that precisely. I have

indicated that I will ensure that this question is addressed in the Budget context with more adequate consideration than can be given overnight. After all, the Budget will be presented in five months, so no long delay is involved. The Government's position throughout has been that it wants to implement the election undertaking and I do not want to move beyond that at this stage. Therefore, I ask the Committee to proceed with the Bill in its present form on the understanding that I will ask the Minister with responsibility related to this general question to review the matter raised by Hon Phillip Pandal in the forthcoming Budget.

**Question put and negatived.**

Hon P.G. PENDAL: I move -

That the Assembly be requested to make the following amendment -

Page 4, line 13 - To delete "\$33 000" and substitute "\$40 000".

Arguments have been exhausted in relation to this amendment previously, so I will not repeat them. This is not the best way for us to be dealing with this legislation. It would have been held up for 12 or 14 hours at most, but the Minister has made a commitment to us that he will have the matter referred to the appropriate Minister for favourable consideration. I make the point that unless the matter is attended to it will leave people north of the 26th parallel in an anomalous and disadvantaged position whereby they will virtually gain no benefit from this Bill.

**Question put and negatived.**

Hon P.G. PENDAL: I move -

That the Assembly be requested to make the following amendment -

Page 6, line 5 - To delete "\$500" and substitute "\$1 000".

Because of the restriction in relation to not talking about amendments until we get to them, this matter has not been exhausted. As most of us are, I confine my remarks to saying that I understood the Minister to say by way of interjection that he sees my argument in respect to this matter as having less weight when I suggested the changes he is now prepared to look at in relation to the previous amendment.

It seems to me if one says that \$80 000 in the metropolitan area is worth \$120 000 in, say, Exmouth, it should also mean that \$500 in Perth has to mean something greater in a northern town. Therefore, it makes no sense to me that we give people a higher qualifying amount to buy a house and land in the north and do not give them a commensurate or proportionately bigger rebate. I cannot think of any argument that would run counter to that.

I admit that if one looks at a rebate of \$750 on \$120 000 it is not much, but neither is a \$500 rebate on \$80 000. That goes back to the argument that I will not traverse again. Both of the amounts are inadequate, but the northern rebate would be more inadequate unless we changed the figure according to the principles I have just discussed in relation to the previous amendment. Although I have formally moved my amendment I do not propose to vote for it because, again, that would be an absurdity given that we would be doubling the rebate without touching the other figures, so I am simply going through the motions. I believe the Minister should be addressing the other matter and giving an increased rebate to people north of the 26th parallel just as he is giving them an increase in the qualifying ceiling.

Hon J.N. CALDWELL: I am also in a state of bewilderment about this part of the clause. I know that the Government made an election promise of \$500 flat, but that is a rather ridiculous way to give something to home buyers when the value of properties varies so much from place to place. A more equitable way to give a stamp duty rebate would be to give a percentage. Can the Minister say whether that was thought of? The way the property values are being set at \$80 000 or \$120 000 it would be commonsense if a percentage of the stamp duty were refunded. That would be a lot more equitable.

Hon J.M. BERINSON: Hon John Caldwell has anticipated the response I was about to give to Mr Pandal. Rebate questions really depend on the starting point. If the starting point had been that there should be a rebate of X per cent on homes of \$80 000 and that amounted to \$500 then it would almost automatically follow that X per cent would be \$500 times one and a half for a property of \$120 000. However, this rebate has not been approached on a percentage basis.

I referred earlier to the spectacle rebate which is on the same basis and has a \$50 maximum rebate. Here we have a \$500 rebate; in other words, the concession is a dollar amount rather than a percentage calculation. The additional concession for home purchasers in the north west is in recognition of the fact that if that \$500 rebate were only to be available on homes of \$80 000 in the north west that quite literally would have no application. In order to bring some balance to the matter the eligibility amount was raised but on the basis that that would make people eligible.

Hon P.G. PENDAL: I partly accept what the Minister has said, but say finally for the record that I am not sure that I would have gone down the path outlined by Hon John Caldwell. However, it is not dissimilar to the point I was raising. I make the point for the last time that it does not seem to make sense to dilute a concession that will have its full impact in one part of the State but not in another. I thought that there was a provision in the Commonwealth Constitution which prohibited the capacity to make laws of an unequal kind, particularly in the application of taxation, yet here we are doing precisely that.

We are saying that the eligibility levels will be different between country and city, but the rebate will not be. I would have thought that one might run into some constitutional problems there. However, I repeat that the question is now academic in view of the fact that the Opposition did not succeed with its earlier amendments, so I do no more than place on record the fact that I think the Government is wrong and would be well advised in its review of that earlier matter, promised by the Minister, if it showed a preparedness to review the current matter, otherwise the thing will not make sense.

Hon J.N. CALDWELL: The Government should look at the possibility of introducing a percentage rebate for stamp duty exemptions for first home buyers, because the Government will find that there will be anomalies in this part of the legislation. I urge the Minister to take up this proposal when the matter is next reviewed, which I hope will take place in the spring session of Parliament. The Government will find that very few people will qualify to receive a stamp duty rebate under this present scheme.

Question put and negatived.

Clause put and passed.

Clauses 7 and 8 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 (Minister for Budget Management), and passed.

### ADJOURNMENT OF THE HOUSE - ORDINARY

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [12.22 am]: I move -

That the House do now adjourn.

#### *Attorney General - Answer to Question without Notice 76*

I take this first opportunity to correct a misunderstanding on my part during questions without notice earlier today. I have now received the uncorrected daily *Hansard* proof, which records question 76, a question from Hon P.H. Pendal -

Without necessarily disclosing the nature of any investigations, can the Attorney General tell me whether the unauthorised withdrawal of \$6 million from the Western Collieries account at Collie in November, to which I referred in debate in this House last night, has been investigated by the Fraud Squad, the Corporate Affairs Department, or the National Companies and Securities Commission?

Hon P.G. Pendal: Are you saying that was my question?

Hon J.M. BERINSON: Yes. In the course of the member asking that question, I was under the impression that I heard interjections from around him - maybe from Hon Gordon Masters - saying \$15 million.



Hon G.E. Masters: I did not say that.

Hon J.M. BERINSON: In any event, I thought what we were talking about was the well publicised \$15 million prepayment by the State Energy Commission to Western Collieries.

Hon P.G. Pandal: No; that was the second and associated matter, but I was not pursuing that.

Hon J.M. BERINSON: One way or the other, I am saying that when I came to my reply, that is what I thought I was replying to. My answer does not relate to any withdrawal from the Western Collieries account at Collie, and I wanted to take this first opportunity to indicate that I was referring to another question altogether. As to the question as I now understand it, I am not aware whether action has been taken in respect of that transaction. It was really only when the member referred to it the other night that I had any reason to turn my mind to any question of that sort. It had not previously come to my attention.

Hon Tom Stephens: It might help the Leader of the House and other members to know that I was the person who interjected when he mentioned the \$15 million cheque during that question, so that is where the confusion of the Leader of the House might have arisen.

Question put and passed.

*House adjourned at 12.25 am (Thursday)*

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## QUESTIONS ON NOTICE

## EMPLOYMENT AND TRAINING - APPRENTICES

*Indenture Statistics*

22. Hon P.G. PENDAL to the Leader of the House representing the Minister for Employment and Training:

- (1) What number of apprentices were indentured in WA in each of the last 10 years?
- (2) What is the current number of apprentices indentured?
- (3) What number of apprentices in each of the past 10 years are indentured to -
  - (a) private sector employers; and
  - (b) public sector employers?
- (4) What number of apprentices are currently employed by -
  - (a) the private sector; and
  - (b) the public sector?

Hon J.M. BERINSON replied:

- (1) The downturn in the economy of the early 1980s resulted in a decrease of indentured apprentice numbers for that time and subsequent years. Upon its election the Labor Government introduced incentives to promote the use of apprentices and together with an improved economy this has resulted in an increase of numbers since 1985. The following numbers of apprentices were indentured as at 30 June for the years listed below -

1979	13 074
1980	13 138
1981	13 394
1982	13 573
1983	12 089
1984	10 031
1985	9 370
1986	9 955
1987	10 710
1988	10 603

- (2) There were 11 796 apprentices indentured as at 30 December 1988.
- (3) This Government has continued to support on the job training and has complemented the number of indentured apprentices through its support of traineeships. Western Australia was the first State to employ trainees under the Australian traineeship system (ATS).

A major commitment to traineeship positions was made by the public sector in the early years of ATS with over 1 000 positions made available since 1986.

The following apprentices were indentured as at 30 June for the years listed below.

Year	Private Sector	Public Sector Apprentices/Trainees		Total
1981	11 559	1 835	-	13 394
1982	11 755	1 818	-	13 573
1983	10 358	1 731	-	12 089
1984	8 436	1 595	-	10 031
1985	8 009	1 361	-	9 370
1986	8 555	1 400	343	10 298
1987	9 474	1 236	210	10 920
1988	9 594	1 009	191	10 794

- (4) Apprentices employed as at 31 December 1988 are as follows -

Private sector	11 720
Public sector	1 103/261
Total	13 084

These are total apprentices employed including indentured and probationary apprentices.

#### MOTOR VEHICLES - THIRD PARTY INSURANCE

##### *Compulsory Cover - Report*

54. Hon G.E. MASTERS to the Leader of the House representing the Treasurer:

Prior to the recent State election, the Treasurer stated on a metropolitan radio station that he had initiated consideration to determine the advantages of requiring all motor vehicles to be covered for third party insurance.

- (1) Has the group reported yet?
- (2) If not, when is it likely to report and when will the necessary amendments to the relevant Act be introduced into Parliament?

Hon J.M. BERINSON replied:

- (1)-(2)

This matter has been considered by the Government on a number of occasions. For various reasons, it is not intended to introduce compulsory third party insurance against property damage.

#### SILICON SMELTER - KEMERTON

##### *Trade Unions - Construction Agreement, Breach*

68. Hon D.J. WORDSWORTH to the Leader of the House representing the Minister for Labour:

- (1) Are -

- (a) the Construction, Energy and Miners Union;
- (b) the Builders Labourers Federation;
- (c) the Amalgamated Metal Workers Union; and
- (d) any other unions

breaching agreements made with Barrack Silicon in the construction of the Kemerton silicon smelter and ratified by the WA Industrial Relations Commission?

- (2) If so -

- (a) what delay is there in the final construction;
- (b) what extra costs have been incurred;
- (c) how many worker days have been lost;
- (d) how many actual strikes have occurred;
- (e) what action has been taken to discipline the unions and make them abide by the court decision;
- (f) is the future expansion of SCM jeopardised; and
- (g) are other developments in the south west being similarly affected?

Hon J.M. BERINSON replied:

- (1) There is no registered industrial agreement between Barrack Silicon and the above mentioned unions in relation to the Kemerton silicon smelter.
- (2) Given the commercial nature of these questions it would be more appropriate to address them to Barrack Silicon.

**CONSERVATION AND LAND MANAGEMENT, DEPARTMENT OF - HOUSE  
SALE**

*Nannup, 14 Carey Street - Employee Purchase*

76. Hon BARRY HOUSE to the Minister for Racing and Gaming representing the Minister for Conservation and Land Management:

- (1) Is the Minister aware that a Department of Conservation and Land Management owned house at 14 Carey Street, Nannup was recently sold to a CALM employee for \$1 500?
- (2) Is the Minister also aware that \$6 000 was recently spent on the reconstruction of this house?
- (3) Is the Minister also aware that there were other people prepared to pay in the vicinity of \$6 000 to \$8 000 for the house but they had no notice of the sale of the house?
- (4) Was the sale of the house put to public tender?
- (5) If not, why not?

Hon GRAHAM EDWARDS replied:

I am advised that the Minister for Department of Conservation and Land Management is having this matter investigated. I will arrange for a written reply to be provided to the member as soon as those inquiries are completed.

**ROTHWELLS LTD - COLLAPSE**

*Ministerial Involvement - Commissioner for Corporate  
Affairs, Proceedings*

100. Hon G.E. MASTERS to the Attorney General:

Has the Commissioner for Corporate Affairs given consideration to instituting proceedings against any Minister of the Crown relating to that Minister's involvement in the Rothwells' collapse?

Hon J.M. BERINSON replied:

As I have previously indicated, questions of this nature are improper. Inquiries, whether by police, Corporate Affairs or other investigatory authorities, are inappropriate for public comment unless proceedings are initiated or, whether proceedings are not initiated, the matter is the subject of official report.

**PARLIAMENT HOUSE PRECINCTS COMMITTEE - ABOLITION**

*Cabinet Consultation*

105. Hon A.A. LEWIS to the Leader of the House representing the Minister for Planning:

- (1) Was Cabinet informed of the decision to abolish the Parliamentary Precincts Committee?
- (2) If not, why not?

Hon J.M. BERINSON replied:

- (1) No.
- (2) Consultation with and approval by the Chairman of the Joint House Committee was obtained.

**PARLIAMENT HOUSE PRECINCTS COMMITTEE - ABOLITION**

*Decision Maker*

106. Hon A.A. LEWIS to the Leader of the House representing the Minister for Planning:

- (1) Who made the decision to abolish the Parliamentary Precincts Committee?
- (2) Why was this decision not referred back to Parliament, considering the history of the committee?

Hon J.M. BERINSON replied:

- (1) The decision was made by the State Planning Commission under whose auspices - inherited from the former Metropolitan Regional Planning Authority - it was established and operated.
- (2) The approval of the Chairman of the Joint House Committee was sought and obtained.

### QUESTIONS WITHOUT NOTICE

#### ATTORNEY GENERAL - MINISTERIAL RESPONSIBILITY

##### *Official Corruptions Commission Act*

73. Hon P.G. PENDAL to the Attorney General:

Does the Attorney General have ministerial responsibility for the Official Corruptions Commission Act?

Hon J.M. BERINSON replied:

Yes.

#### OFFICIAL CORRUPTIONS COMMISSION ACT - COMMITTEE

##### *Meetings - Commission, Member Selection*

74. Hon P.G. PENDAL to the Attorney General:

- (1) Has the committee outlined in section 5 of the Official Corruptions Commission Act comprising the Chief Justice, the Chief Judge of the District Court and the Commissioner of Police met in relation to the three member commission?
- (2) Has the Government begun assembling a pool of names from which to choose members of the commission?

Hon J.M. BERINSON replied:

(1)-(2)

I will give a short history of the situation. The Official Corruptions Commission Act originally came within the authority of the Premier. It was during the period that the Premier had the handling of the Act that the Chief Justice, who heads the committee, was asked to initiate the process of consulting with other named persons in order to produce nominations for the Government's advice.

I am unable to say whether the committee has met. I confess that I have proceeded, since I have had responsibility for the Act, on the assumption that it has met. However, I have received no advice from the committee. I am happy to approach it for some report now that the issue has been raised. The Chief Justice asked the Premier whether he would care to provide a list. My recollection is that the Premier responded that, given the nature of this commission and process, he would prefer to leave the question of selection entirely to the discretion of the committee headed by the Chief Justice.

#### ROTHWELLS LTD - NATIONAL COMPANIES AND SECURITIES COMMISSION

##### *Report Tabling - Government Resistance*

75. Hon P.G. PENDAL to the Attorney General:

I refer to comments made by a leading national current affairs commentator, Brian Frith, on 5 April in relation to the NCSC's report in which he said -

Publicly the Government appears to be supporting the early release of the report, but it is understood that privately it is strongly resisting publication.

I ask -

Can the Attorney General put to rest any suggestion that that was the

case prior to his official position which was contained in the telex of last week?

Hon J.M. BERINSON replied:

I can put that firmly to rest. Mr Frith is half right and half wrong. He is right to the extent that he indicates that my position has publicly supported the tabling of the NCSC report. He is absolutely wrong to have suggested that privately I have been resisting that. The proposal for the tabling first emerged at the last meeting of the Ministerial Council on Companies and Securities. I then supported the view, which was the unanimous view of the council, that the report when completed should be tabled in this and the Queensland Parliaments, subject to any legal advice to the contrary. That was my public position and also my private position.

From the time of the Ministerial Council meeting on, I proceeded on the assumption that the document could be tabled and made a number of public statements to that effect. In the event, as has been indicated more recently, I sought the advice of the special investigator, Mr Malcolm McCusker QC, and his position was that the NCSC document should not be tabled. I circulated that opinion to all members of the Ministerial Council. They conducted a vote as was required by their original decision and, in deciding what their position was, a number of the Attorneys took their own legal advice in addition to that which had been offered by Mr McCusker and by the NCSC's counsel.

To put the matter into balance, I acknowledge that the NCSC counsel had indicated that the document could be tabled, but it added to that view the comment that before any action was taken to that effect, the special investigator's further opinion should be sought. That is the position we are at.

Last week the Ministerial Council vote was finalised and seven of the eight Attorneys in Australia voted against its tabling in that form. At the same time the Chairman of the Ministerial Council, the South Australian Attorney General, indicated that he intended to ask the NCSC to consult Mr McCusker with a view to exploring the possibility of an amended draft that would be suitable for tabling. I indicated to the Chairman of the Ministerial Council, and to other members, that I had no difficulty with proceeding in that way. I understand that the review of the document is being very actively pursued this week.

#### WESTERN COLLIERIES LTD - COLLIE ACCOUNT

##### *Unauthorised Withdrawal - Inquiry*

76. Hon P.G. PENDAL to the Attorney General:

Without necessarily disclosing the nature of any investigations, can the Attorney General tell me whether the unauthorised withdrawal of \$6 million from the Western Collieries account at Collie in November, to which I referred in debate in this House last night, has been investigated by the Fraud Squad, the Corporate Affairs Department, or the NCSC?

Hon J.M. BERINSON replied:

That matter has been the subject of inquiry, but I suggest that any further discussion of it would best be left until the amended NCSC report is available. Knowing that there is a report but that it is currently under review, it is difficult on the one hand to respect its confidentiality and on the other hand to get into discussion on matters that are clearly associated.

#### PASTORAL LEASES - EXCISIONS

##### *Newspaper Article*

77. Hon N.F. MOORE to the Minister for Lands:

- (1) Is the report correct in *The West Australian* of Saturday 8 April that the Government has earmarked approximately 50 sites for excision from pastoral leases?

- (2) If so, why will the Government not announce the names of the pastoral properties which will be affected by these excisions?

Hon KAY HALLAHAN replied:

(1)-(2)

It would be preferable for the member to put that question on notice because to my knowledge the substance of the report is somewhat inaccurate. Also, I do not have the information connected with that article with me. If the member puts the question on notice I will supply the information.

**INDIAN PACIFIC LTD - FINANCIAL POSITION**

78. Hon E.J. CHARLTON to the Minister for Sport and Recreation:

Does the Minister have any knowledge of the current financial situation of the company in control of the West Coast Eagles - Indian Pacific Ltd? It has been commented in various circles that its financial position is acute, and a figure of \$10 million in the red has been bandied around.

Hon GRAHAM EDWARDS replied:

If the member wishes to make the situation acute, the best way to achieve that would be by raising the matter in this public forum. I have not heard that figure mentioned, but I have heard that the total debt of the football industry in this State is close to the figure mentioned. That flies in the face of the headline in the newspaper recently suggesting that the Western Australian football industry is in a profit situation. I do not have intimate knowledge of the financial situation of Indian Pacific Ltd.

I had a meeting with, among other people, Neil Hamilton, one of the directors of the IPL and I certainly did not come away from the meeting with that impression. I suggest the member approach the directors of IPL who may be prepared to discuss their financial situation in confidence rather better than I can in this public forum.

**INDIAN PACIFIC LTD - FINANCIAL POSITION**

*Football Commission - Establishment*

79. Hon E.J. CHARLTON to the Minister for Sport and Recreation:

I raise the question simply because of the relationship between the financial position of Indian Pacific Ltd and the setting up of a commission in the football industry in Western Australia. Western Australia has been very proud over a long period of the setting up of this commission which will have a bearing on the future decisions made in that industry. There is a great deal of public concern about this issue.

Hon GRAHAM EDWARDS replied:

The West Australian Football League needs to consider many factors when it makes its decision to move to a commission. It was WAFL's suggestion that a commission be formed, and talks are continuing in relation to that commission. Setting aside the question of the West Coast Eagles, I hope the WAFL will form a commission for the good of the domestic competition.

I hope that they intend to amalgamate because it would be better for the game and it would certainly further protect the future of football. However, that is a decision for the WAFL. I will ensure that as much information as possible is put before the WAFL, and it must make a decision in the light of that information. I cannot in my wildest dreams envisage the WAFL getting into a situation in which it needs to bale out the Eagles.

**INDIAN PACIFIC LTD - FINANCIAL POSITION**

*Establishment - Decision Makers' Authority*

80. Hon E.J. CHARLTON to the Minister for Sport and Recreation:

- (1) Does the Minister think that those people given the responsibility for making a decision about setting up the commission should be given total authority in that area?

- (2) Alternatively, in view of the consequences, does he think that the football public of Western Australia should be given a great deal more information, that this responsibility should not be vested in a handful of people, and that a more balanced judgment should be made?
- (3) Will the Minister make such information available?

The PRESIDENT: Order! The reason I call the member to order is that I have for many years had difficulty in regard to the asking of questions in connection with the administration of football in Western Australia. Although in the past there have been some reasonable grounds for believing that ministerial involvement may have been effective - that is, in connection with influence on the Australian Broadcasting Commission and the broadcasting of football results, and I have been pretty lenient in that respect - on this occasion the member's question, apart from being a second reading speech, asks for an opinion of the Minister. As he is aware, it is out of order to ask for an opinion. More importantly, it is asking the Minister to comment about something totally outside his area of responsibility. We usually let such questions go because we are all interested in what is happening in the football area and sometimes the Minister has inside information that is of interest to us. But, when the questions keep coming, as Presiding Officer I must draw the line. I suggest the member's last question was totally out of order for all the reasons I have listed, but specifically because it asked the Minister to express an opinion, which he is not allowed to do.

#### *Point of Order*

Hon E.J. CHARLTON: Although I asked for an opinion, I was asking the Minister to make that information available to the public of Western Australia because taxpayers' money is involved and because football is looked upon as an industry in which the Government is involved.

The PRESIDENT: Was the point of order that because taxpayers' money is involved, the member believes that the Minister should be able to answer the question?

Hon E.J. Charlton: Yes.

The PRESIDENT: The reason that I allowed the second question was that the honourable member was referring to the commission that was being proposed for the West Australian Football League, which is an entirely different organisation from Indian Pacific Ltd, to which I understood his last question referred. It is my understanding that no taxpayers' funds are involved in the running of the Eagles football team. That is probably why they have been so successful; but that is only my opinion!

If the Minister advises me that he believes the question is within the scope of his ministerial responsibility, and that the question is one that he can properly answer, then I am happy to let him do it, but I am simply saying that I believe that is not so in respect of Indian Pacific Ltd in particular.

#### *Questions without Notice Resumed*

Hon GRAHAM EDWARDS replied:

(1)-(3)

The people who will be making the decision are the existing commissioners, the eight club presidents, and IPL. I simply want to ensure that as much information as is available is placed before them. The decision is theirs. I will simply be asking them to make a decision as to whether they want Government assistance; if not, I am happy to leave them to their own decision making processes. The only reason we got involved was because we were asked to get involved. We believe in trying to assist what is a fundamental part of our society, and we are happy to try to do that, although I wish sometimes that we had not.



## WESTERN AUSTRALIAN FAMILY FOUNDATION - LEGAL BASIS

81. Hon P.G. PENDAL to the Minister for The Family:

- (1) What is the legal basis of the Western Australian Family Foundation?
- (2) Does it have a board of management or any similar structure?
- (3) Does it employ any staff?
- (4) To whom is the foundation accountable?
- (5) How is it accountable to Parliament?
- (6) Does it come within the terms of the Burt Commission of Accountability, and if so, what steps have been taken to accommodate those recommendations?

Hon KAY HALLAHAN replied:

I thank the member for giving notice of the question. The answer is as follows -

- (1) The Western Australian Family Foundation was established by the Government in August 1988 as a part of its social strategy, "Putting Families First".
- (2) The structure of the family foundation does not require a board of management. The foundation is accountable to the Community and Social Development Committee of Cabinet through the Premier and the Minister for The Family.
- (3) No staff are employed by the foundation. The four staff dealing with foundation duties are employees of the Ministry of the Premier and Cabinet, and will soon be transferred to the Office of the Family.
- (4)-(5) See answer to (2).
- (6) The Family Foundation is a trust fund within the Ministry of the Premier and Cabinet. As such, the provisions of the Financial Administration and Audit Act apply. The Family Foundation is under Cabinet and ministerial supervision.

## WESTERN AUSTRALIAN FAMILY FOUNDATION - PAYMENTS

82. Hon P.G. PENDAL to the Minister for The Family:

I advise that I have given notice of this question.

- (1) Will the Minister arrange to list by next Wednesday all payments from the Western Australian Family Foundation since its inception, specifically detailing the whereabouts of the \$12 million paid to it for disbursement to community groups?
- (2) Will she list the names of all such individuals and groups who have received funds or for whom funds have been approved?
- (3) Will she outline the reasons for all such approvals and whether all such groups or individuals actually applied for those funds?

Hon KAY HALLAHAN replied:

(1) Allocations made by the WA Family Foundation to 29 March 1989 -

Grants to Parents & Citizens groups -	
728 for Government schools	1 389 600
246 for non Government schools	430 350
Boy Scouts and Girl Guides	207 000
24 Police & Citizens Clubs grants	24 000
527 Playgroups & toy libraries grants	105 400
25 Children's holiday activities grants	50 000
15 Camps for children -	
low income families	30 000

Subsidised taxi scheme for disabled	546 000
Purchase of Old Norbet Street Hostel	
Site for Aboriginal groups	65 000
Northern suburbs youth drop-in centres	7 000
Goldfields Women's Health Association	50 000
Dial-a-Young Life	10 000
Primary school allowance - Ministry of Education	1 000 000
Advertising	8 318
Community grants	931 721
Community bus project	80 000
Women's health development grants	50 000
70 equipment grants - after school and vacation care centres	70 000
Subtotal	5 054 389
Credits	18 600
TOTAL	5 035 789

The balance of funds have been earmarked for Family Centres, further funding to Scouts and Guides, for non Government agencies working in the alcohol and drug abuse field and additional community grants.

- (2) Individuals are not given grants by the Family Foundation. Grants are paid to groups, clubs, churches, organisations and associations.
- (3) All groups which have received funds from the foundation have applied for these funds with the exception of the P & C grants for library resources and the Police and Citizens Clubs. The most numerous of grants have been the community grants. Applications have been received from 1 438 groups and 669 grants have been made. Decisions on those outstanding of the remainder are awaiting the supply of additional information from the groups concerned.

Funding has been provided to -

Churches and community organisations providing parent education;  
marriage enrichment programs;  
community learning centres;  
family support activities;  
activities for children, youth and seniors; and  
family and neighbourhood projects.

#### WORD HERITAGE LISTING - WESTERN AUSTRALIA

##### *Area Protection - Depredations*

83. Hon W.N. STRETCH to the Minister for Lands:

In view of the statements made by the people involved with World Heritage listing that they are looking at listing large areas of Western Australia, has the Minister's department prepared contingency plans to protect the Western Australian estate against the depredations of these people, who are apparently seeking to control this land?

Hon KAY HALLAHAN replied:

That sounds like an emotive question, and I would not want to give a careless response to the member. I would be happy to respond because it sounds like a serious matter, but I do not want to say something off the cuff. If the member would like to put the question on notice, I will give him a reply.