

Legislative Council

Wednesday, 4 December 1991

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

RULING BY THE PRESIDENT

Fitzgerald Street Bus Bridge Act - Motion to Note a Report

THE PRESIDENT: Last evening the Leader of the Opposition sought my ruling on two matters relating to this Act. The first was, what is the effect of this House passing a motion that a paper be noted; the second was whether passing a motion to note a paper is in compliance with section 3 of the Act.

I intend to dispose of the second question first. On previous occasions I have ruled that it is not the function of the President to interpret Acts of Parliament except to the extent that they need to be taken into account when it comes to the practice and procedures of the House. Whether a particular Act, or thing, is in sufficient compliance with a statutory obligation is a matter, in the final analysis, for the courts. It follows that I have no opinion on the second question, although what I am about to say on the first question may lead members and others to certain conclusions as to the contextual adequacy or otherwise of the motion passed by this House yesterday.

A motion that the House note a report, or ministerial statement or some other tabled document, is a motion that provides a vehicle for debate. In that sense it is similar to a motion to adjourn the House for the express purpose of debating an issue. At the conclusion of the debate the adjournment motion either lapses or is withdrawn. A good example of the procedure's use in this House is the motion to take note of the Estimates and associated Budget papers. Any member would be hard pressed to argue that passing that motion can be interpreted as meaning that the House approves the Estimates. Each of us knows that the form of the motion provides an opportunity for members to engage in wide ranging debate.

It is in this context that the motion is dealt with in Erskine May's *Parliamentary Practice*, 21st edition, on page 265. A concise explanation of the intention and effect of such a motion is found on page 563 of *Australian House of Representatives Practice*, 1990, and I quote -

A motion "That the House take note of the Paper" is a procedure employed in cases where the House wishes to debate the subject matter of a paper, . . . without coming to any positive decision concerning the paper . . .

The motion attracts discussion in *Australian Senate Practice*, 6th edition, on pages 924 to 926. Speaking of the Senate's practice it is said -

. . . a motion for the printing of a paper came to be accepted as a vehicle for debate, not primarily on the question of whether a paper ought to be printed, but on the general subject-matter of the paper. . . the modern practice is to propose a motion that the Senate take note of the paper. This procedure avoids delay in the printing of a paper.

I have quoted these authorities simply to illustrate the point that a motion to take note of a paper is used as a means of debating the paper's content without reaching a conclusion on its merits. The fact that at yesterday's sitting this House agreed to note a tabled paper does not mean - and I so rule - that the House has expressed any conclusive view or opinion on the merits of the proposals.

MINISTERIAL STATEMENT - BY THE ATTORNEY GENERAL

Legal Profession Legislation

HON J.M. BERINSON (North Metropolitan - Attorney General) [2.38 pm] - by leave: Since the Legal Practitioners Act was first passed in Western Australia in 1893, the Barristers Board of Western Australia has had responsibility for the regulation of the legal profession, and for receiving and investigating complaints of misconduct against legal practitioners. Initially the board could only forward reports on its investigations to the Full

Supreme Court, and only the court could fine, suspend or strike off a practitioner from the roll. The board was first conferred with power to itself deal summarily with disciplinary matters in 1948. In addition to its investigative role, the board was then empowered to impose fines, suspend or reprimand practitioners, and award costs, although the power to strike a practitioner from the roll remained with the Full Court. The change at that time was designed to give the board greater control over members of the profession, particularly in minor matters which hardly warranted the discipline of the Supreme Court.

Since 1948, the profession's disciplinary system has come under increasing pressure through the growth in the number and diversity of practitioners and a more critical approach by the community on questions of professional accountability. The draft Bill which I propose to table will establish a new structure for supervision and discipline and is the culmination of work over a very long period. In February 1980, at the instigation of the Barristers Board and the Law Society of WA, the then Attorney General appointed a committee of inquiry into the future organisation of the legal profession. During the term of the inquiry Hon Gresley Clarkson was appointed chairman following the retirement of the committee's first chairman, Mr Justice Brinsden, in 1981. The committee, which became known as the Clarkson committee, made its final report and recommendations on 5 May 1983. The committee's terms of reference included the following -

- (b) procedures pertaining to the supervision and legal discipline of members of the legal profession; and
- (c) procedures pertaining to the processing of complaints against legal practitioners whether initiated by members of the public or otherwise, including the method whereby such complaints should be determined by the scope of the penalties or remedies available should a complaint be upheld, the power of the tribunal to award costs in favour of a successful party or at all, and the degree of publicity - if any - that should be afforded the determination of complaints.

The main recommendations of the Clarkson committee in relation to these terms of reference were as follows -

- (1) There should be a common disciplinary system for both barristers and solicitors.
- (2) The Barristers Board should be reorganised and titled the Legal Practice Board comprising Queen's Counsel nominated by other resident Queen's Counsel appointed in Western Australia, as well as annually elected practitioners, and one lay member. The Legal Practice Board should be responsible for supervision of the legal profession, admission to practice, issuing of annual practice certificates, monitoring of legal education and of the operation of a disciplinary system, and liaising with other relevant bodies.
- (3) Both the Law Society and the Legal Practice Board should continue to coexist.
- (4) A statutory officer called the Law Complaints Officer should be established. That position should be responsible to a complaints committee which would receive and investigate complaints, conciliate between parties, and prosecute appropriate matters.
- (5) The investigatory powers should be separated from judicial duties. A separate Legal Practitioners' Disciplinary Tribunal should be established to hear and determine disciplinary offences.
- (6) The Supreme Court should continue to deal with cases where the tribunal reported to the court with a view to a practitioner being struck from the roll and to hear appeals from the Legal Practitioners' Disciplinary Tribunal.

The Clarkson committee report was released for public comment in August 1983. The Law Society objected to a number of recommendations of the Clarkson committee and the Government was concerned whether the cost of a publicly funded complaints system was justified.

In May 1984 the Attorney General appointed a working party comprising the then President

and Treasurer of the Law Society and the Chairman and a member of the Barristers Board to consider the Clarkson report and the comments which had been received. The general structure proposed by the working party was largely along the lines of the Clarkson committee and consisted of -

- a Legal Practice Board - formerly the Barristers Board;
- a complaints' officer supported by a complaints' committee - on recommendation of the working party, to be titled the Legal Practitioners' Conduct Committee; but funded jointly by the Legal Practice Board and the society rather than at public expense;
- a Legal Practitioners' Disciplinary Tribunal.

The PRESIDENT: Order! There is far too much audible conversation and members know that is out of order. The Attorney General is endeavouring to give us some pretty important advice and I suggest members listen.

Hon J.M. BERINSON: Draft legislation was prepared on the basis of the working party's report. However, the Law Society was not in agreement with the recommendations either of the Clarkson committee or the working party; it took a substantially different direction. In April 1988 it made a submission to me which forcefully argued, among other objections, that a statutory law complaints officer would fundamentally threaten the independence of the legal profession and take away one of its hallmarks as a profession; that is, self-regulation. Instead, the Law Society proposed that the society itself should administer complaints. There are a number of reasons that proposal has not been adopted. In the first place, the Clarkson committee which included wide ranging community representation as well as representatives of the Law Society and the board, exhaustively examined this issue in the light of the many public submissions it received and an examination of our own experience and systems elsewhere. The Clarkson committee came unequivocally to the view that it was inappropriate for the Law Society to administer complaints.

Secondly, the desirable aspects of self-regulation may be achieved in a number of ways. The Law Society administering complaints is only one way. The complaints officer and complaints committee structure proposed in this Bill may well be seen as another. To the extent that it may be argued that an external statutorily supported system is not self-regulation, there is nothing inconsistent in a system of external review in the public interest, in addition to self-regulation. Nor is a separate complaints and disciplinary procedure inconsistent with the nature and standing of a profession. Many similar provisions are in place in a whole range of professions. Thus, the Medical Board, for example, is a quite separate body from the Australian Medical Association. Similarly, the Nurses Board compared with the Australian Nursing Federation; the Psychologists Board compared with the Australian Psychological Society, and so on.

It has often been argued correctly that in States other than Western Australia, virtually the whole of the organisation and discipline of the legal profession is managed by the equivalent of our Law Society, rather than a body in the nature of the Barristers Board. At least two responses are relevant to any argument on that basis. In the first place, the history of the issue elsewhere may have made that arrangement acceptable elsewhere. The history in Western Australia is quite different, and to move to an in-house regulatory system would go against the whole current trend towards public accountability. It is also the case that at least some other States are now considering changes towards the equivalent of our own position. The Victorian Attorney General has recently distributed an issues paper on that matter by the Victorian Law Reform Commission.

It is of course for the Law Society to represent the attitude and interests of the profession on this issue. It is suggested, however, that the argument for Law Society control of the organisation and discipline of the legal profession is not in the best interests of the profession itself. It is not in any way a criticism to suggest that the Law Society is perceived by the public to be, and is in fact, the "lawyers' trade union". Any complaints and disciplinary procedure can succeed only to the extent that consumers are satisfied that it is fairly weighted, and even apart from its other drawbacks that satisfaction is unlikely to be achieved by the model proposed by the society. After further consideration of the working party and Clarkson recommendations and of the Law Society's most recent proposal, the Government has decided not to adopt the Law Society's position.

The Bill now before the House is substantially based on the Clarkson committee recommendations as modified by the working party and provides for the following -

Legal Practice Board: The existing Barristers Board will be retained but retitled the Legal Practice Board. That board will continue to carry out some of its present statutory functions; namely, overseeing admissions to practice in the legal profession; the setting of standards for admission; and funding and maintaining the law library.

The Legal Practice Board - formerly the Barristers Board - will be divested of its formal judicial duties, and its role in receiving and investigating complaints will become the function of a separately constituted disciplinary tribunal and a complaints officer supported by a complaints committee. The board will be responsible for the substantial funding of these new initiatives.

Legal Practitioners Disciplinary Tribunal: A Legal Practitioners Disciplinary Tribunal will be established. This tribunal is to be chaired by a present or retired judge of the Supreme Court or a retired judge of the High Court or the Federal Court, together with members of the Legal Practice Board, and, as an important addition proposed by the Clarkson committee, a non-lawyer community representative. It will be responsible for conducting formal hearings into disciplinary charges, empowered to impose penalties and make orders in respect of costs, and armed with additional powers recommended by the Clarkson committee, including power to order limited compensation to persons suffering monetary loss and to require practitioners to remedy unsatisfactory work and reduce charges.

There are detailed provisions with respect to proceedings before the disciplinary tribunal.

Complaints Committee: A Statutory Complaints Committee is established, to be called the Legal Practitioners' Complaints Committee. The committee will comprise eight members, including a chairman and five members who are also members of the Legal Practice Board, and two non-lawyer community representatives. This will be primarily an investigatory body separate from the disciplinary tribunal. Members of the complaints committee will not be eligible to sit on the tribunal.

The functions of the complaints committee will be to receive complaints, investigate those complaints and also investigate any other conduct by a lawyer of its own motion which it considers requires attention. The committee will have a limited jurisdiction to deal summarily with certain cases.

Special provision exists for the Attorney General, the Legal Practice Board and the Law Society to bring matters to the attention of the committee for inquiry, whether or not a complaint has been made.

The committee can only exercise its summary jurisdiction with the consent of the practitioner. This is expected to lessen the incidence of unnecessary formal proceedings before the tribunal.

Provision is made for a complainant whose complaint is dismissed by the committee and not referred to the disciplinary tribunal to make application for hearing direct to the tribunal, except in circumstances where the committee rules the complaint is unreasonable or should otherwise not be heard by the tribunal. In such a case the tribunal cannot receive the complaint for hearing without the consent of the Attorney General. This is based on recommendations of the Clarkson committee.

Both the complaints committee and the disciplinary tribunal may exercise their functions in divisions of the respective body, provided that the necessary quorum is present. Any quorum will require the presence of a non-lawyer community representative or his or her deputy.

The ability to function in divisions is important as this will enable more cases to be considered.

Complaints Officer: A complaints officer together with the necessary staff to support the work of the complaints committee will be funded by the Legal Practice Board. The complaints officer will be the main focus for members of the public concerned about the conduct of a practitioner. Subject to the complaints committee, the

complaints officer will be able to exercise the investigatory powers of the complaints committee and will be responsible for the day to day management of complaints before the committee, and for presenting cases against the practitioner before the tribunal and the Supreme Court. The complaints officer must be a person with legal qualifications and experience in legal practice.

Other features of the draft Bill include the following -

To ensure the position is clear, the inherent disciplinary jurisdiction of the Supreme Court will be expressly preserved. Western Australia is the only State which has not expressly preserved, in legislation governing the legal profession, the Supreme Court's inherent disciplinary jurisdiction in relation to the legal profession.

The Legal Practice Board will have a direct liaison and cooperation role with the Law Society and other relevant bodies. It will also have a role in providing policy advice to the Attorney General in the operation of the disciplinary provisions of the Act.

The terms of the draft Bill implement the Clarkson approach of establishing a disciplinary system independent of the Law Society as the private professional body. However, it also enables the Law Society to be involved in the processes in support of the maintenance of professional standards in the public interest.

The Legal Practice Board will be responsible for the costs of employing a complaints officer and necessary staff. In this way most of the cost of the new disciplinary system will not be borne by the public, but will be spread across all practitioners, rather than confined to the members of the Law Society. The State will continue to provide accommodation and essential facilities for the board as well as the committee and the tribunal.

Provision is made for the Law Society to refer matters direct to the complaints committee, whether or not a complaint has been made in respect of the matter.

Detailed procedures are set out in the draft Bill and further provision will be made by rules in relation to making and investigating complaints, and the procedure of the tribunal. A separate procedure is established for the exercise of a summary disciplinary jurisdiction by the complaints committee.

Provision is made for conciliation of complaints by the Legal Practice Board. The board may involve the complaints officer as well as the complaints committee in seeking to resolve complaints by conciliation. Cases may be referred for conciliation to the Law Society or other appropriate bodies.

The disciplinary tribunal will be empowered to impose penalties in addition to the power to report a case to the full court of the Supreme Court. These include -

- suspension of practice for up to two years;
- imposition of conditions or restrictions on practitioners' rights to practice;
- the direction of a practitioner to do work for a client at a fixed cost, or to reduce or refund costs already paid;
- direct that practitioner to pay compensation to a client;
- impose fines, or
- reprimand or caution a practitioner.

The power to strike a practitioner off the roll, remains with the full court.

Provision is made for appeals by either the practitioner or the complaints committee to the Supreme Court from an order or decision of the disciplinary tribunal.

Matters dealt with in disciplinary hearings usually involve the disclosure of privileged information; therefore, hearings cannot normally be conducted in public. However, express provision is made enabling the complaints committee or disciplinary tribunal to determine that a proceeding be conducted in public, or partly so.

This approach accords with the Clarkson committee's recommendation. It is substantially because public hearings cannot be the normal rule that the Clarkson

committee proposed the presence of non-lawyer members who have express public reporting powers. Because the final judicial decision making of the tribunal and the committee require the use of expert legal knowledge and experience - for example, whether conduct is unprofessional - while the non-lawyer members may be present and participate throughout the deliberations of the tribunal and the committee, they will not be able to vote in the judicial determination of a matter.

As another innovation, the Legal Practice Board is empowered to apply to the Supreme Court for interim orders restricting a practitioner from practising pending the outcome of a disciplinary hearing.

The draft Bill represents an important landmark in the organisation of the legal profession in this State. It proposes a framework within which the public concerns about the administration and discipline of the legal profession and the functions of the Law Society of Western Australia can coexist in a manner which will benefit the profession and the public who require its services. I should make it clear that the Barristers Board has been fully supportive of the Clarkson committee's objectives and recommendations and has strongly advocated to me the implementation of the significant changes proposed by this Bill. The new procedures which are proposed for the supervision and discipline of members of the legal profession will ensure that Western Australians continue to receive a high quality, reliable and efficient legal service which is seen to be responsible and publicly accountable.

As I have indicated, the proposed Bill is presented in the form of an exposure draft. This will enable submissions by both the public and the profession during the forthcoming recess, with a view to a firm legislative proposal by the Government in the first session next year. Submissions are requested by 21 February 1992.

I seek leave to table the draft of the Legal Practitioners Amendment (Disciplinary Provisions) Bill.

Leave granted. [See paper No 948.]

Debate adjourned, on motion by Hon Derrick Tomlinson.

ACTS AMENDMENT (FINANCIAL ADMINISTRATION AND AUDIT) BILL

Assent

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

PETITION - DUCK SHOOTING

Prohibition Legislation Support

Hon Reg Davies presented a petition bearing the signatures of 2 821 citizens of Western Australia urging the Parliament not to declare a duck shooting season and to legislate for the prohibition of any future duck shooting in this State.

[See paper No 949.]

MOTION - HEALTH (MEAT INSPECTION AND BRANDING) AMENDMENT REGULATION (No 2)

Disallowance

HON MURRAY MONTGOMERY (South West) [3.00 pm]: I move -

That the Health (Meat Inspection and Branding) Amendment Regulation (No 2) 1991 published in the *Government Gazette* on 8 November 1991 and tabled in the Legislative Council on 14 November 1991 under the Health Act 1911 be, and is hereby, disallowed.

It appears from these regulations that a further impost has been imposed on the farming community. The Health Department has decided that farmers will not be allowed to slaughter livestock for their own use in excess of a certain amount at one time. Therefore, they will be unable to kill large amounts of livestock at the times of the year their workload is such that they have time to do that killing. One farmer has indicated to me that he would kill anything up to 24 sheep at a time to store for use throughout the year. However, under

these regulations only 12 units of livestock can be killed at one time, one unit being equivalent to one sheep. The regulations state that an animal, a cow or a beast is equivalent to eight units and a pig to three units.

Hon W.N. Stretch: Can you have 12 ducks?

Hon MURRAY MONTGOMERY: The regulations say nothing about ducks. However, part of the problem here is that somebody has ducked. Farmers are being told what they can kill, when they can kill and how much they can kill. I know of no farmer who will comply with this requirement, particularly if a group of families all live on one enterprise. I suggest that many farmers have one or one and a half beasts, a few sheep and probably a pig or two in their freezer or cool room at some time. That is not a lot of meat to kill perhaps during the spring flush or prior to seeding when farmers are less busy and have the time to kill and store a quantity of meat. It does not take long to eat such a quantity of meat when people are doing a lot of physical work. When two or three families live on one farm, which is quite often the case, the farmer kills large quantities of meat at one time.

Another matter of concern is that a person who wishes to take meat from one property to another will have to get a permit from the local authority to transport that meat. Therefore, if a landowner lives in a house in the town, having killed meat on his property he must get a permit to transport it to his home. This appears to be the law being an ass. I do not agree that people should flout the law and move unbranded meat killed on farms into the retail area. I am totally opposed to that. If people in authority wish to use the law to prosecute such people they should do so to the fullest extent possible. However, aside from that, this is another impost on people trying to work within the law. The people who flout the law should be prosecuted to the fullest extent, but these regulations are reaching the stage where people performing honest actions will be forced to act dishonestly when killing and moving meat. There are other parts of the regulations tabled which we have not had a great deal of time to be briefed on. However, my colleague has had some time to be briefed before this sitting. I have outlined some of the reasons why we have moved to disallow these regulations.

HON R.G. PIKE (North Metropolitan) [3.10 pm]: I support the motion moved by Hon Murray Montgomery. This is a time when the farming community in this State is being oppressed as a result of the economic situation in the country and the lack of demand for its products. Never before in the history of this State, except during the Depression, has it been more necessary for farmers to live off their farms. A farmer may kill a baby beef, and he may share some of that baby beef, which is a fair quantity of meat, with two or three immediate farm neighbours. He may want to kill a lamb or a pig. I am devastated when I see this schedule, which says that a permit is required to transport unbranded meat. This is an application which must be addressed to the shire, or the town clerk, and it says, "I, Joe Bloggs, being a primary producer, hereby apply for permission to transport unbranded meat as described below." This is bureaucracy gone mad! We are interfering with the very essence and the nature of the agricultural communities in this State. Cleanliness has never been a manifest problem before, and to apply regulations of this sort to the farming community at this time begs description. One of the rules about law is that when it is not necessary to change it is necessary not to change. I ask the Government to review this matter. It is to indulge in flights of bureaucratic fancy to try to impose laws like this on the agricultural community in Western Australia, and this Parliament should reject these regulations absolutely.

HON E.J. CHARLTON (Agricultural) [3.12 pm]: I support the two previous speakers on the very important issue of these regulations. I will comment particularly on the regulations dealing with the inspection of what are very small abattoirs which service only within their shire areas. They are those in Corrigin, Halls Creek, Hyden, Kellerberrin, Mukinbudin and Quairading. In recent times those abattoirs, because of their low throughput, have had to organise meat inspectors to travel several hundred kilometres to do inspections at certain times when they are killing. The inspector visits the abattoirs when it is killing, and then goes on to another abattoirs to inspect it when there is a kill there. Trying to coordinate all that, with the cost involved in these operations to ensure all the meat slaughtered has a hot inspection, is extremely difficult.

There is absolutely no need for a hot inspection. As I have said on previous occasions, there

is no inspection at all of the killing procedures in the chicken industry, where millions upon millions of chickens are slaughtered, processed or whatever, yet in the red meat industry these little abattoirs which are providing an essential and critical service to their local communities must be inspected. These people are not happy. That is not a perception I have; I have been out there and we are consistently being pressurised. I totally support these abattoirs in their approaches to me and to other members asking why they are being subjected to this sort of inspection procedure when they are only killing stock which they buy in the area in premises which must comply with inspection standards. There is no problem about the premises being inspected to ensure proper health conditions apply to those abattoirs, but why must the animal be inspected at the time it is killed? Why must the animal be looked in the eye at the time of its slaughter rather than permitting the inspector to come along later on a random basis in order to ensure that everything is done according to plan? The present process is ludicrous in these small abattoirs. It would be different in export abattoirs where we are selling onto the world scene. The only reason these inspections were introduced in the first place was as a result of the problems associated with the export of meat to the world market. There is absolutely no reason to have a hot inspection at these small abattoirs of which I am speaking.

On top of everything else, this process will ensure that these people are put out of business. There will then be no facility in the shire area. The local people do not want these inspections, and the operators of the abattoirs do not want them. Who are we trying to help? There is no justification for these regulations. For a long time we have been pressuring the Government to rethink this whole thing and set inspection procedures on a logical and commonsense base so that we do not try to apply export abattoirs procedures to small abattoirs which are there for the convenience of their local clientele, for whom they successfully provide a service.

A few months ago we were involved in a situation with a chap with the Chapman Valley abattoirs. We withdrew that motion because those regulations were a little different from these; he took meat from outside his immediate shire area. In the case of these abattoirs, that does not happen and there is absolutely no need for this sort of inspection. The Parliament will be hearing more about this when a decision is made on this disallowance motion. This is the first and most positive opportunity we have had on this side of the House to take direct action to ensure that the operators of these small abattoirs are allowed to operate in a proper manner.

I suggest to Hon Tom Stephens or to the Leader of the House, whoever will research this aspect, that a proposal is being floated about quality assessment, and that is the way to go. These small abattoirs are already subjected to regulations - Moora is a good example - and they are killing only for their own communities. The premises are inspected to ensure that they comply with the standard health and hygiene requirements. The quality assessment comes as a consequence of the patronage which that operation receives. If these abattoirs do not have good stock and do not operate in a proper manner, their business will fall over. Provided everything is done right, everyone will be happy.

A lot of procrastination is going on around this State and this nation. These do-gooders are trying to ensure that half a dozen people inspect every product, and that is not doing anyone any good. All it does is put a financial burden on the whole operation. We must get back to the quality assessment whereby the operator is obliged to assess the quality of what is being killed and a health inspector can come along to inspect at random. Everyone will be happy with that situation but the sooner we get to that position the better. Then it will not be necessary to have all these regulations and employ a host of public servants and bureaucrats to ensure that everything is done properly.

The meat inspectors will not be too happy about my description of them. There are places for health inspectors to do spot inspections, but the abattoirs is not one of them.

Debate adjourned, on motion by Hon Tom Stephens (Parliamentary Secretary).

LOAN BILL

Receipt and First Reading

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

Second Reading

HON J.M. BERINSON (North Metropolitan - Attorney General) [3.21 pm]: I move -

That the Bill be now read a second time.

This Bill seeks the necessary authority for the raising of loans for two purposes: Firstly, to help finance the State's Capital Works Program as detailed in the General Loan and Capital Works Fund Estimates of Expenditure tabled on 29 August 1991 and, secondly, to enable the State to assume responsibility for the debt raised on its behalf in the past by the Commonwealth under the 1927 financial agreement between the Commonwealth and the States. Authority to borrow for the purpose of redeeming maturing financial agreement debt is an additional provision in the Loan Bill this year and is in accordance with the recently formalised agreement between the Commonwealth and the States on this matter. This agreement represents the outcome of the decision in principle made at the 1990 Australian Loan Council meeting that the States would assume responsibility for this debt on a phased basis over the period 1990-91 to 2005-06. The initial borrowing authority for this purpose was contained in the Loan (Financial Agreement) Act 1991 which was passed during the autumn session of Parliament. When introducing that legislation into this House, I indicated that future borrowing authority for this purpose would be included in the normal annual Loan Bill until the debt has been fully redeemed.

The borrowing authority being sought this year for the raising of loans is up to a maximum of \$590 million, comprising authority of up to \$390 million for public purposes generally, and authority of up to \$200 million for redemption of maturing financial agreement debt. The level of borrowing authorisation is determined after taking into account the unexpired balance of previous authorisations as at 30 June 1991. It is also necessary to have sufficient borrowing authority to cover works in progress and maturing financial agreement debt for a period of up to six months after the close of the financial year, pending the passing of a similar measure in 1992. Indeed, it is estimated that the balance of the authorisations at 30 June 1992 will be \$153.2 million, of which \$112.4 million relates to borrowings for public purposes generally.

The Premier and Treasurer has already outlined the highlights of the Capital Works Program in the Budget Speech and I do not intend to cover that ground again today. The machinery nature of this Bill is consistent with previous Loan Acts and the Loan (Financial Agreement) Act 1991.

In accordance with clause 4 of the Bill, the proceeds of all loans to be raised under this authority for public purposes generally must be paid into the General Loan and Capital Works Fund, as required under the provisions of the Financial Administration and Audit Act. Moreover, no funds can be expended from the General Loan and Capital Works Fund without an appropriation under an Act passed by this Parliament.

Clause 4 of the Bill also provides that the proceeds of all loans raised under this authority for redeeming maturing financial agreement debt must be credited to an account called the "redemption of financial agreement debt account" which is to be part of the trust fund under the Financial Administration and Audit Act and that moneys in the account are to be used only for the purpose of redeeming maturing financial agreement debt. In addition to seeking the authority for loan raisings, the Bill also permanently appropriates moneys from the Consolidated Revenue Fund to meet principal repayments, interest and other expenses of borrowings under the authority of this committee.

I commend the Bill to the House.

Debate adjourned to a later stage of the sitting, on motion by Hon George Cash (Leader of the Opposition).

[Continued on p 7534.]

RESERVES AND LAND REVESTMENT BILL*Committee*

Resumed from 3 December. The Deputy Chairman of Committees (Hon Doug Wenn) in the Chair, Hon Tom Stephens (Parliamentary Secretary) in charge of the Bill.

Progress was reported after clause 15 had been agreed to.

Clause 16: Reserve No. 24491 (Watheroo National Park) -

Hon MARGARET McALEER: My attention was drawn in a rather curious way to this clause, the purpose of which is to excise a small area of about 38 hectares from Watheroo National Park which comprises about 40 000 hectares. The reference at the bottom of the file note happens to be to the Shire of Dandaragan, and so forth. Therefore, as is customary, I sent a query to the shire asking if it had a particular interest in the park and in the excision of the area. To my surprise I received a letter which stated that it did not lie within the boundaries of the Shire of Dandaragan but within the Shire of Coorow. The shire was interested to see the excision because it felt it had a similar interest. The letter, in part, reads -

However, this Council was most intrigued with the comments "The intention then is that Location 11890 could be set apart under the Land Act as a multiple use reserve in accordance with Section 5(g) of the Conservation and Land Management Act", as it was felt that as it was achievable with the Watheroo National Park, then why the same cannot be achieved for the Cockleshell Gully gravel reserve within the proposed Mt Lesueur National Park.

This drew my attention to the fact that the purpose of the excision of the small area from the national park was multiple - gravel reserve and mining. As I understand it, there is already an exploration mining tenement over the area. However, I am not quite sure; it may be that the exploration tenement was granted later because the notes state that it is in accordance with a decision of Cabinet in November 1990. This would seem to suggest that the six national parks policy referred to by Hon Barry House includes the Watheroo National Park, of which very little has been heard to date. My understanding is that the deposit in the park which is of interest to mining people is bentonite, a rare earth. The Coorow Shire Council has no opposition to this excision; nobody has raised opposition, to my knowledge.

Hon Tom Stephens interjected.

Hon MARGARET McALEER: I thought it was interesting. The Shire of Coorow has another deposit. It is a going concern with bentonite, but on private land. However, the fact remains this is a national park, the area is to be excised for the purpose of mining, and the provision will go through without any fanfare. It does not appear to be part of the announced national parks which were set aside for mining previously. I will be glad of any clarification by the Parliamentary Secretary.

Hon TOM STEPHENS: I thank Hon Margaret McAleer for correcting the details which were made available to me in this regard. It comes as news to me that it is not the Shire of Dandaragan. The member's information is correct; it is a high grade bentonite deposit used, apparently, in pharmaceuticals and for the purpose of drilling.

Hon Margaret McAleer: And beer, as I understand.

Hon TOM STEPHENS: It is a pre-existing mining tenement and in that context the amendment fulfils the Cabinet decision to allow for the excision of those pre-existing mining tenements.

Hon D.J. Wordsworth: It is also used in agriculture, for sealing dams, and is currently imported from Queensland.

Hon TOM STEPHENS: I hope that comment from Hon David Wordsworth throws some light on the matter. If members have any further queries I will be happy to have them referred to the department.

Hon BARRY HOUSE: I consulted with a wide range of groups and organisations and I would like to record in *Hansard* some of the responses I received. The Conservation Council of Western Australia claims that the reason for the proposed excision has never been satisfactorily explained. However, the comments of Hon Margaret McAleer, Hon Tom Stephens and Hon David Wordsworth go a long way towards explaining that. The council also claimed that the excision would make the park more difficult to maintain. Will any compensation be made to the conservation estate for this excision, and what are the plans for rehabilitation in the event of the proposed reinclusion in the park in the future? The Western Australian National Parks and Reserves Association made the point that excised land from A class reserves should be vested at the same time for specific purpose; and that would then

put the Minister's commitment into legislation. I would welcome the Parliamentary Secretary's response.

Hon TOM STEPHENS: The answer to the member's first question is that there is no proposal to compensate with other additions in regard to this park. This piece of land is a 5G reserve and is intended for multiple use. It would be the strategy that the area would be rehabilitated at the conclusion of its life as a mining tenement and re-included at the end of that process of rehabilitation back into the reserve.

Clause put and passed.

Clause 17: Reserve No. 11710 (Yalgorup National Park) -

Hon BARRY HOUSE: I contacted the City of Mandurah, in which jurisdiction this reserve lies. The City of Mandurah returned a letter to me which supports particularly what our conservation spokesman, Hon Phillip Pandal, has been saying for a long time; that is, national parks are not given enough resources. The letter states -

My Council is concerned firstly, that no management programme has been implemented for the use of the National Park by the people of Western Australia.

Secondly, that although a traverse line exists along that section of coastline of the Indian Ocean, the closure of the section of location 5524 has been proclaimed without selected road access to permit the public to utilise ocean foreshore areas.

My Council is of the opinion that this major area of land, so close to the metropolitan area, should be available to the residents of Western Australia not just "locked up" and that consideration should be given to the recreational needs of those people wishing to partake of ocean foreshore land and therefore the provision of selected access roads to ocean foreshore land in selected non sensitive areas.

The general attitude of the Department of Conservation and Land Management in its management strategy for national parks appears to be acquisition without use for the purpose gazetted and to facilitate management prohibiting the entry of the public from vast areas of Crown land which are being held for future public use.

The City of Mandurah went to a great deal of trouble to make that point to me and I felt that it was worth relating to the Parliamentary Secretary.

Hon George Cash: Hear, hear!

Hon TOM STEPHENS: I am advised that this piece of land was originally set aside by our predecessor in office for a nuclear power plant. We are now restoring the land to the conservation estate. I find it difficult to understand the preoccupation of Hon Barry House with this issue given that backdrop. Nonetheless, having said that, the land management proposals for that reserve can in the future be addressed by the City of Mandurah dealing with the Department of Conservation and Land Management and the Minister for the Environment to develop a plan that would enable access for recreation activities. That will now be available to the people of Mandurah but presumably would not have been available if it had been used for a nuclear power station.

Hon Barry House: That plan was dropped a long time ago.

Hon TOM STEPHENS: In the context that it has been dropped we are now proceeding to ensure its return to the conservation estate. The reserve will facilitate the protection of natural features, and the management plan could include those requirements of the local authority as have been described by Hon Barry House.

Clause put and passed.

Clause 18 put and passed.

Clause 19: Ambulance quarters at Bunbury -

Hon BARRY HOUSE: The Bunbury St John Ambulance Association requires new facilities and it wants to sell this piece of land with its improvements. The land is close to the Bunbury central business district and is quite a valuable piece of property. Obviously the association wants to use the proceeds from the sale for its future facility. I support the association's activities; it does a fine job in the city of Bunbury and I wish it well in its endeavours.

Clause put and passed.

Clause 20 put and passed.

Clause 21: Land vested in Her Majesty -

Hon BARRY HOUSE: As I stated yesterday, only eight pedestrian accessways are provided for in this Bill. Three of those will be located in the City of Armadale. The City Manager of the City of Armadale sent a letter to me after I contacted him asking if he had any concerns about this legislation. He stated in that letter -

I have no comment to offer regarding the three Pedestrian Access Way (PAW) closures referred to in your correspondence other than to express my disappointment that several other closure requests from the City have not been included in the same Bill. In some of these still outstanding cases, the closure requests were forwarded to the Department of Land Administration, via the Department of Local Government, as far back as November 1990.

The time taken to complete closures in general as well as the placing of obstacles in the way of processing some closures by certain State Government Departments, is the cause of continual frustration to Council and residents who are acutely affected by crime and vandalism associated with the presence of such PAW's.

That statement summarises the attitude and frustration of many local authorities with the current situation. The next clause of this legislation will address this matter and I will have more to say then. However, the Cities of Armadale and Stirling are disappointed that requests for closure of pedestrian accessways were not included in this Bill.

Hon TOM STEPHENS: The member and the shires will appreciate that as soon as this Bill passes through the Chamber many of those applications for closures in the pipeline can be processed more rapidly. The sooner the member enables this Bill to pass the sooner those concerns of the local authorities will be resolved.

Hon GEORGE CASH: How is any delay in the passage of this Bill - or a thorough examination of this Bill - delaying other matters that the Parliamentary Secretary describes as "in the pipeline"?

Hon TOM STEPHENS: The next clause will enable the closures to be dealt with administratively rather than by legislation.

Clause put and passed.

Clause 22: Section 167A of *Transfer of Land Act 1893* amended -

Hon BARRY HOUSE: This clause will provide something that has been needed since 1984 when a temporary measure was put in place which is still frustrating many local authorities in Western Australia. Only eight applications from councils were included in this legislation. The Stirling City Council alone submitted 13 applications. Those applications are unprocessed. I have already mentioned the concerns of the Armadale City Council. The problem appears to arise in the bureaucratic process. Pedestrian accessways in residential areas create problems, firstly because that land is owned by the Department of Land Administration and enormous problems result on that land from vandalism, weeds, rats, mice, cats and dogs. Problems also arise over policing that land. The local government authorities cannot resolve the problems because they do not own the land. The adjoining landowners must agree to divide and purchase that land before closure of it can be considered. That process can often be lengthy and tortuous. Secondly, problems arise with the Telecom and Water Authority services situated on these pedestrian accessways. The councils cannot be responsible for that land because they do not own it. If they spent money on that land it would amount to an illegal expenditure of funds. This clause partially addresses those problems, and some other problems that arise can be resolved administratively with all closure applications being delegated to the Minister. However, this legislation does not solve the problem of what control the authorities have over that land and the responsibility between the Departments of Local Government and Land Administration. Many of these matters have been referred to members of Parliament, but they do not have the resources to deal with this situation. Therefore, they are in a catch 22 situation.

Sitting suspended from 3.46 to 4.00 pm

Hon BARRY HOUSE: This clause resolves the problem that is currently experienced with public accessways. However, my information suggests that the clause does not go far enough. I had prepared an amendment to rectify this problem and the result would have been that public accessways would have been declared public thoroughfares and, under section 300 of the Local Government Act, they would have come under the total control of local authorities. Under section 6 of the Local Government Act public accessways and rights of way are declared as public streets. The unauthorised use of these ways as service corridors has been condoned by the Department of Land Administration. My proposed amendment would have enabled local authorities to make temporary closures and, if no complaints were received in a five year period, to request the Minister, not the Parliament, to allow for permanent closure.

The planning authorities and local authorities have different philosophies over the use of pedestrian accessways and footways. The regional planning authorities can override the decisions of councils and the councils are left to deal with the problems. The planning authorities want to maintain maximum control, without responsibility.

Following my discussions with the City of Stirling and other local authorities I contacted the Western Australian Municipal Association and DOLA to ascertain whether the situation could be solved administratively. I was assured, by way of correspondence from the chairman of planning at the City of Stirling, John Bombak, that an administrative procedure could be put in place to expedite the closure of pedestrian accessways. In a letter I received from John Bombak he assured me that the situation was well on the way to resolution; I hope that is the case. I ask the Parliamentary Secretary to place on record that the matter can be resolved administratively by the Department of Land Administration and that it will undertake to do so to expedite the situation confronting local authorities.

Hon TOM STEPHENS: As I indicated previously, many closures are in the pipeline and some of them have been processed up to the point of closure. Members must bear in mind that one of the most compelling reasons associated with the arguments for these closures is that they are for the general benefit of owners of adjacent land. The bureaucratic processes to facilitate closures are lengthy because the aim is to ensure that the closure is implemented with the consent of one or both of the adjacent landowners. It is imperative that steps be taken to ensure that accessways do not remain a problem to the landowners in close proximity to them. The Government's process aims at maximising the benefit for those residents. Of course, that may not be the only circumstance which will govern the closures, but it is a common circumstance that has been countenanced with the closures that have gone through this legislative process.

Hon Barry House accurately drew the attention of members to the fact that in future these closures will be effected if they are initiated by resolution of a local authority, and the process will include advertising and consideration of objections to the proposed closure. The closure and disposal of land to adjacent owners requires the Minister to approve certain executive council meetings to effect the wishes of local authorities and residents. The aim of the reform is to have laneway closures effected by an administrative process in the same way in which roads are closed.

Clause put and passed.

Clause 23 put and passed.

Postponed clause 10: Reserve No. 30082 (Hamersley Range National Park) -

Consideration of the clause was postponed after the following amendment had been moved -

Page 4, lines 5 to 9 - To delete the lines and substitute the following -

(a) by excising -

(i) 6272.2 hectares or thereabouts of the reserve, shown coloured pink and yellow on CD Plan No. 4171; and

(ii) 111.2 hectares or thereabouts being Windell Location 130;
and

(b) by including -

- (i) 5737.6 hectares or thereabouts, shown coloured green and orange on CD Plan No. 4171;

and

- (ii) 150.5 hectares or thereabouts being Windell Location 131,

so that the reserve is comprised of an area of 606 597 hectares or thereabouts, being Windell Locations 126, 127 and 131 shown on Reserve Plan No. 333.

Hon BARRY HOUSE: This amendment, which appeared in the Chamber on late notice last night, is in respect of a further excision and the reinclusion in the national park of certain aspects of the larger excision for the Marandoo project. The only information we had on the matter last night was a couple of maps that had been provided to us, a brief explanation from the Parliamentary Secretary, a brief briefing, and some sort of assurance from the Minister for State Development, Hon Ian Taylor. However, we wanted to ensure that the situation was above board, and we certainly wanted to meet with the company. We arranged a briefing this morning with a representative from the company. We all know about the frustration and delays in the Marandoo project. That large project should be up and running in Western Australia to provide some of the State's 100 000 unemployed people with jobs and some sort of future. The company has not had site access for its engineering or surveying work, and that has put it about 12 to 14 months behind schedule. Those delays have been caused by Aboriginal heritage issues. However, the company has proceeded with scientific work on the project, and that has left it close to the point where it can submit an environmental review and management program. The company needs to nominate in that ERMP a construction camp site, and that is the reason behind the further amendment to this legislation.

Windell Location 131 is for the construction camp. I understand from the discussion this morning that the company had available four sites and this location was the best of those four options. It has the best capacity for rehabilitation afterwards, it is close to the company's airstrip, and it is a relatively flat, slightly raised area that provides all of the attributes required for a construction camp. However, the company still has a few longer term problems in getting access to all of that land in order to get its project under way. Two other areas are still not accessible to the company because of Aboriginal heritage concerns. These areas are no-go zones and are causing many frustrations for the company. The conservation problems appear to have been resolved, but the hold-up is in regard to Aboriginal heritage issues. Windell Location 131 contains Bangima Pool, which we are now being asked not to excise from the national park, and which apparently is significant to the Aboriginal people in that area. That pool is not critical to the company and its access to the ore body. The company has apparently had some consultation with the Department of Conservation and Land Management about this matter, and it supports the retention of that area in the national park.

A few points need to be noted in respect of this exercise. I refer, firstly, to the late notice. I understand that the company did not know until Monday night that it was to be included in this legislation, and it was probably as surprised as we were last night when it started to receive telephone calls about it. However, it follows the pattern that I outlined previously where over the last few years we have received late notice of amendments to be made to pieces of legislation; for example, the amendments in respect of Subiaco Oval. Unfortunately, that illustrates a hopelessly disorganised Government. Putting that aside, in the broader context of the legislation I thank the Department of Land Administration officers for the briefing notes that have been made available to us for three to four months.

Another point to note is that our support for this legislation last night was assumed. We had only a short statement from the Parliamentary Secretary and the word of the Deputy Premier on the issue. Given the record of this Government over the past eight years, that has brought us WA Inc and lost hundreds of millions of dollars of taxpayers' money, I am afraid that trusting the word of a Minister is out of bounds for me. I note also that I still do not know at this stage whether the Aboriginal and conservation interests in the area have been consulted about this matter. I do not know what is their position because I have not had time to pursue it. I do not even have an assurance that they have been consulted and that they agree with the proposed amendment. Unfortunately, that is typical of what has happened recently, where the Government has slipped in these things so that it can avoid confrontation with green and

black political groups, which are supposed to be the Government's supporters and to whom the Government has pandered over the years. It indicates an element of dishonesty when the Government will not even front its own closest political friends. The Government has certainly chosen a deceitful way of going about its business.

Putting that aside, I indicate the Opposition's support for the amendment, because we want to see the Marandoo project up and running. That project is vital for the future of Western Australia. It will produce a few hundred jobs. Jobs are not often discussed in this Parliament. However, they should be discussed far more frequently because that is the No 1 issue for the future of Western Australia and Australia.

Hon TOM STEPHENS: The member has been here for only a short time, and in that context it might do him some service were he to refresh his memory on how his colleagues when in office behaved in this Chamber in regard to briefing us when we were in Opposition. The member opposite has received a detailed briefing document on this Bill, which details chapter and verse the processes involved in respect of the amendments to the Bill. I assure the member that those courtesies were never extended to us by the member's colleagues when we were in Opposition. In that context, it ill behoves a member of a party on that side of the Chamber to chastise us for our failure to brief the Opposition about this issue.

Several members interjected.

The DEPUTY CHAIRMAN (Hon Doug Wenn): Order! I ask the Parliamentary Secretary to return to clause 10, and I ask members on the Opposition benches to cease interjecting. This clause has been partly discussed, and it is up to Hon Tom Stephens to respond. I ask that he come back to the amendment before the Chamber.

Hon TOM STEPHENS: In order to do that, I will respond to that part of the debate that dealt with the specific issue of whether the Opposition was briefed.

Several members interjected.

The DEPUTY CHAIRMAN: Order! The Opposition made the point that it had received from the department briefing notes, and the Parliamentary Secretary agreed that that was so.

Hon TOM STEPHENS: The Opposition cannot have it both ways. It cannot criticise the Government for being rapid in its response to the need for development of the Marandoo project and then accuse it of somehow failing in its obligations as a Government because it has been so rapid. In the context where the company put to the Government its needs in regard to the Marandoo project, the Government responded rapidly to those needs with these amendments. Instead of criticising the Government for the way he perceives it, Hon Barry House would be wiser to praise the Government for its rapid response to the problems Hamersley Iron Pty Ltd has faced in its endeavour to process the issues facing it. The member cannot have it every which way, as he tried to do with the snide comments he slid into the debate on this clause. He needs to have his bluff called.

Hon P.G. Pandal: You should take a tablet.

Several members interjected.

The DEPUTY CHAIRMAN (Hon Doug Wenn): Order! I will put it to members very bluntly. It is getting to that time of the year when I would like to get this work done and get back to my family. I will tell members right now that the next interjector will be called on. I ask Hon Tom Stephens to bring the level of his delivery down as none of us is hard of hearing. Let us get on with the amendment before us.

Hon TOM STEPHENS: Some of the comments about my colleagues, and my Government colleagues, who have processed these issues might have been said softly; nonetheless, they deserve to be refuted. This Government has done nothing underhand in its rapid response to the claims made on it by Hamersley Iron to process these issues. Hamersley Iron came up with a proposal which was rapidly dealt with by the Government and processed through Cabinet. It passed through Caucus on Tuesday and the Government came into the Chamber with an amendment on the Notice Paper, which was on the Table, and certainly on my table, circularising the issue and how the Government proposed to proceed. The shadow spokesperson for this matter in the Assembly had been briefed and had advised the Government of the support of the Opposition for this initiative.

Hon Barry House: When was he briefed?

Hon TOM STEPHENS: I understand he was briefed on Tuesday.

Hon P.G. Pendal: When was Tuesday?

Hon TOM STEPHENS: I understand it was yesterday.

The DEPUTY CHAIRMAN: Order! I have already given members one warning and there will not be another one.

Hon TOM STEPHENS: The Opposition spokesperson then gave the Deputy Premier and Minister for State Development the impression that the Opposition would support this amendment, so it comes as a great surprise to us suddenly to find that there is a problem with it in this place.

I turn now to the National Party, which has raised some questions through Hon John Caldwell. I presume those questions have been asked in good faith and that the member wants the answers, and on the basis that they have a status that will satisfy at least him and his colleagues. I appreciate the spirit in which the member has probed the Government on these developments with the questions he posed last night. Firstly, Hon John Caldwell asked if the spot identified by Hamersley Iron for its operations at Marandoo was more convenient. The answer is that if the company is able to position its camp in that area it will enable management control that is more in keeping with the needs of the company and it will mean the company will have proximity to the airstrip and to its existing operations at that end of its temporary reserve. Secondly, Hon John Caldwell asked whether there were any sites of significance in Windell location 131. The answer I have been given is no, it contains no areas categorised as being significant sites under the meaning of the Act, but it contains areas of particular interest to Aboriginal people. The answer to the third question - that is, whether the presence of significant sites in the area was the cause of this land being returned to the reserve - is therefore no.

When Hamersley Iron put forward this land swap proposal it was mindful of the interests of the Aboriginal people in the area and the conservation interests in Windell location 131. It therefore put forward a proposal that it knew would appeal to those conservation and Aboriginal interests. It is not an area which the company needs to retain in its temporary reserve and leave excised from the national park. I believe I have answered all of the questions raised.

We on this side of the Chamber sit quietly and hear a range of things that are said softly about our ministerial colleagues. I want Opposition members to know that their comments disgust me and it ill behoves members opposite to make those claims and counterclaims.

Hon P.G. PENDAL: This is part of the Government's three park policy exclusion. What was the date upon which the Cabinet decided that the Hamersley Range National Park would be the subject of excision for the Marandoo project?

Hon TOM STEPHENS: The date was 2 December 1991.

Hon P.G. PENDAL: I want to determine whether the Government sees its three park policy increasing, given that it is really not a three park policy at all. Now that we have the Watheroo National Park, which has been dealt with in a subsequent clause, that makes it at least a four park policy. Was that excision decided by the Cabinet alongside the excisions for Marandoo, the D'Entrecasteaux National Park and the third excision? The Government announced its three park policy decision with great fanfare and we have now discovered that it is not a three park proposal at all but at least a four park proposal. Why did the Government choose to misrepresent its proposal on that occasion?

Hon TOM STEPHENS: I do not believe the Government misrepresented the case on that occasion.

Hon PETER FOSS: I ask the Parliamentary Secretary to fill me in on the history of this matter, because I might not have followed it properly. Is it a last minute decision by Hamersley Iron to make this change, or did the company decide some time ago but only recently communicate to the Government that it wished that decision incorporated in legislation? Where has the need for it to be dealt with somewhat briefly come from?

Hon TOM STEPHENS: I understand that this was one of several proposals being considered

by Harnersley Iron, and this was the option upon which it finally alighted as the best option. Some consideration was given to its being dealt with under the Conservation and Land Management Act, but as there was an opportunity to deal with it under this Bill the Government availed itself of that opportunity.

Hon PETER FOSS: When did the company first advise the Government that this was one of the options it was considering? Over what period did the Government consider dealing with the matter under the CALM Act?

Hon TOM STEPHENS: I do not have that information at hand.

Hon PETER FOSS: Is it possible that the Government has known about this option for a considerable period of time, but that it was only of late that the suggestion was incorporated in the legislation?

Hon TOM STEPHENS: That is possible. However, I will make inquiries and ensure that the member is advised of the detail of his queries before the completion of the third reading stage of the Bill.

The DEPUTY CHAIRMAN (Hon Doug Wenn): Order! Honourable members seem to be wandering around the Chamber and not paying attention to the amendment under consideration.

Hon P.G. PENDAL: Given the dates provided by the Parliamentary Secretary, why is it that the Government announced that it had a policy of strictly excising land from only three national parks when we now discover that this will occur in at least one other park - namely the Watheroo National Park - and we are told that the decision was made in November 1990? Clearly, the Government does not have a policy of excising from three national parks at all as at least four national parks are to be excised. Why was that misrepresented to the public when the facts now before the Committee show otherwise?

Hon TOM STEPHENS: I will put that query to the responsible Minister and provide the response to the member at the earliest opportunity.

Hon PETER FOSS: Subsequent to an earlier question, will the Parliamentary Secretary find out the period of time which has elapsed since the company first notified the Government that it was interested in making this swap, and what has been occurring in the interim which has led to a decision not being made to bring this into either the reserves Act or the CALM Act?

Hon TOM STEPHENS: Yes.

Hon J.N. CALDWELL: As a supplementary question regarding the campsite and the proposal for that area, will the Government provide a guarantee regarding that site so that no hiccups will be involved?

The DEPUTY CHAIRMAN: Order! A great deal of conversation is taking place behind me, particularly by those who should know better.

Hon TOM STEPHENS: The Aboriginal sites survey has been conducted regarding that TR. The sites have been identified and the Government has indicated its intention to apply for the processing of the two sites with section 18S. In that context, none of those sites will fall within the area which has now been identified by the company as being of use to it in its processing of a strategy aimed at establishing a campsite.

Hon E.J. CHARLTON: The Parliamentary Secretary may have given a precise response to this question on a previous occasion; nevertheless, can he guarantee that there will not be an application or demand on the exchange area in the future? Is the Government totally sure that the amendment being considered today will not be subject to further inquiries or demands?

Hon TOM STEPHENS: The processes of the Aboriginal Heritage Act are difficult. Nonetheless, this locality has been dealt with thoroughly by the traditional Aboriginal landowners. This has led them to identify sites, and it would certainly surprise me - with my knowledge of the way the Aboriginal Heritage Act currently operates - if any provision of the Act enabled the identification process to start now on any other sites of significance in the locality.

Hon BARRY HOUSE: What negotiations has the Government entered into with the Conservation Council of Western Australia and Aboriginal interests in the area regarding this amendment? What was their attitude?

Hon TOM STEPHENS: The Department of Conservation and Land Management advises that the sites to be exchanged are sites of no hallmark; these are not areas of great conservation interest. The campsite will be exchanged for an area of considerable conservation attractiveness and interest. Therefore, the Government anticipates support for the initiative of this amendment motion; the company now must include this area in its environmental review and management program, which will be completed by January 1992. The process will enable the Conservation Council of Western Australia and others to put forward their viewpoints before a determination is made on that question. Therefore, the process will continue in the anticipation that a good approach to conservation will be adopted in the company's proposal, which can be agreed to by the Government.

Regarding the Aboriginal community, Hamersley Iron is involved today, as it was yesterday, in a process which I commend; that is, its representatives have travelled to the mining towns in which it operates in the Pilbara with nearly all of the Aboriginal people associated with the Karijini Aboriginal Corporation. I am advised that those people are out of contact with the Government at this time when these proposals are being considered. However, we are aware of their expressions of concern about specific sites and about areas of interest as identified in the report, details of which have previously been made available to members. Nobody within the Government or the company, and I hope also the Opposition, anticipates a problem regarding the areas of land to be exchanged.

Hon N.F. MOORE: Having heard the Parliamentary Secretary's explanation about the situation which occurred yesterday a further explanation is necessary. When we came to debate this matter last night the Opposition had only just received an indication that there was to be an amendment to the Bill. The amendment related to a change within the Hamersley Range National Park. That was the first I had heard of the amendment. I explained that I was not prepared to deal with the amendment until I had discussed it with the shadow Minister responsible for these matters. I was told that the member for Nedlands, Mr Court, had been briefed on this matter and that he had given his approval. I then discussed the matter with the Minister for State Development, Mr Ian Taylor, who said, "No, it was not Mr Court who was briefed, it was Richard Lewis." He then sought my views on the matter and I indicated that, as far as I could see, as long as Hamersley Iron had given approval we could probably proceed with the matter.

Before we resumed our discussion on the matter in the Chamber, Mr Court returned to the Parliament and said that we should have discussions with the company. He said that he had not been briefed by Hamersley Iron, which is surprising considering his close relationship with the company. It was then requested that we defer consideration of this matter until today. As Hon Barry House has explained, we held a briefing with Hamersley Iron this morning. An official indicated that both the proposed excision from the national park for the camp area and the return of another area from the temporary reserve to the park were acceptable to the company. We were also told that Hamersley Iron had not been advised until last night that the Government was proceeding down this path. I made the point to the company official that some members of Parliament who had been briefed - not the Liberal Party - knew the matter was being discussed in Parliament yesterday even though the company did not know.

Hon Tom Stephens should settle down a little. He reminds me a bit of a coiled spring. He talked about his being in Opposition and that is how I remember him in that role. His fury, which I regret to say was released this afternoon, was unfounded. It is disappointing that a person who has been promoted to Parliamentary Secretary should not have learnt to control his emotions.

The DEPUTY PRESIDENT: Order! Hon Norman Moore is getting away from the amendment.

Hon N.F. MOORE: I understand, Sir. In his outrage he was very critical of Hon Barry House for suggesting that delays had occurred with the Marandoo project. However, the project is already some 13 to 14 months behind schedule; it is one of those projects in Western Australia which is desperately needed, yet inordinate delays have occurred. One of

the great problems we face in this country is that Governments, like this one, have not been prepared to make difficult decisions and tell people they must stop getting in the way of these much needed projects. Hon Tom Stephens' shouting, ranting and raving to us that his Government, which he is trying to defend, has done its best for Marandoo belies the truth. This project is behind schedule and the Government has not been prepared to make decisions. The same goes for Yakabindie. This project, which will provide countless jobs and hundreds of millions of dollars of investment for this State, is still waiting to proceed. From what I was told by the company today this matter will regrettably not have a great deal of impact on Marandoo because the campsite area is required for environmental reasons. Furthermore, the area which is being excised from the temporary reserve and returned to the national park is a considerable distance from the pit where the mining operation will take place. The decision today on the matter will have little effect on the speed at which the project will commence.

Last night I asked whether a decision on this matter would see the end of the Aboriginal problems and of the delays in proceeding with this project. The Parliamentary Secretary has not yet answered that, although I know he will in due course. However, I now know the answer is that it will have no effect.

Hon E.J. Charlton: Will it be detrimental?

Hon N.F. MOORE: No. It will have no effect because the land we are talking about has nothing to do with the mining pit and the Aboriginal sites. Although the area which is being returned to the national park is an Aboriginal site, it is not in any way affected by the proposed open pit mining operations. It is most regrettable that it makes no difference. I would love to see a decision made which gave Hamersley Iron the green light to start mining that deposit. I hope we do not return here next year with another reserves Bill which turns the temporary reserve for Marandoo into a patchwork quilt showing where lumps of park have been taken out here and there to satisfy all the complaints by the traditional owners. It is a pity we are not resolving the problem today.

The Parliamentary Secretary did not help the debate this afternoon by doing his block. Hon Barry House was quite correct in explaining that nobody on this side of the House had been briefed, which is regrettable, although he acknowledged that he received a briefing on the totality of the Bill. I acknowledge that we did not do that when we were in Government and we should have. With respect to the amendment for the Marandoo project, Mr Richard Court, the Opposition shadow Minister for State Development, was not briefed last night; his briefing occurred only this morning. Therefore, this afternoon is the appropriate time to debate this matter. I indicate my support for the Bill, even though it will not resolve the problems of Marandoo.

Hon TOM STEPHENS: I thank Hon Norman Moore for explaining to me the process of the briefing of his party on this matter. I reject his claim that the Government has not aided the commencement of the Yakabindie and Marandoo projects. An amendment aimed at doing that in regard to Marandoo is part of this Bill. I have previously mentioned to the member that the Government has made application for the processing of the sites identified in the site survey utilising section 18 of the Aboriginal Heritage Act. To adopt the action proposed by the member - a process that we reject - and to do other than to adopt the process currently available under the Aboriginal Heritage Act of this State - would lead immediately to problems with other Statutes in another jurisdiction which could cause ongoing, endless delays for projects. In that context, the Government has examined the issue and has speedily made application for section 18 to be utilised with a view to expediting the project.

Finally, I am not sensitive about anything that is said about me, but when comments are made about my colleagues which I believe are inappropriate, misplaced and down right wrong, I will not stand by and quietly allow them to be made in this Chamber without solidly rejecting them.

Hon GEORGE CASH: I invite the Parliamentary Secretary to recall the last words he used regarding inappropriate and wrong comments as I ask him to answer the following: When did Hamersley Iron first approach the Government concerning the excision and the addition to the reserve? When did the matter go before Cabinet? When does he believe the shadow Minister, Mr Richard Court, MLA, was briefed on the matter?

Hon TOM STEPHENS: I have undertaken to ascertain the answer to the first question. The matter was decided at Cabinet last Monday. I understood that the person was not named, but that a relevant shadow spokesperson was briefed between the introduction of this amendment and the Cabinet decision.

Hon BARRY HOUSE: It is worth clarifying that the shadow spokesman to whom the Parliamentary Secretary referred was, I believe, Richard Lewis, MLA, who handled the passage of this Bill in the other place. He is not the Opposition spokesman for industrial development.

The DEPUTY CHAIRMAN: Order! This is the last time I will accept those comments. They have nothing to do with the amendment; they are personal comments about who has been advised and who has not. I will leave the matter with Hon Barry House but I will not accept any further discussion on that point.

Hon BARRY HOUSE: I have no further comment to make except that I support the intention of this amendment. It is legitimate for the Opposition to raise its concerns about the way in which the Bill has been introduced.

Hon GEORGE CASH: Given the outburst by the Parliamentary Secretary earlier and the comments on the briefing and this clause, will the Parliamentary Secretary now withdraw his earlier comments regarding the briefing to Mr Court?

Hon TOM STEPHENS: I did not make that claim about the briefing of Mr Richard Court. I understood that a shadow spokesperson dealing with these issues was briefed by the Minister between the decision being made by Cabinet and the Bill being introduced into this place. I am not sure who the shadow spokesperson was. I do not whether it was the shadow spokesperson for State Development or the shadow spokesperson for the Environment. However, I understand someone in the Opposition was briefed and that is the basis on which I was proceeding in this Chamber.

Hon REG DAVIES: Who consulted with the Aboriginal communities in the area on this amendment and were they happy with the amendment?

Hon TOM STEPHENS: I explained to the Committee a few moments ago that the process of consultation with the Aboriginal community about the sites has been ongoing and extensive. At the moment there are opportunities for those Aboriginal people to be briefed on the proposed activities of this company in the area because that Aboriginal community is currently the guest of the company in the two towns of the Pilbara that service the Hamersley Iron mining operation. They are on site at the moment, but are out of contact with the Government. The Government has not been able to contact them this week because they are on site with the company. The consultation process in relation to this site, which is a statutory obligation, has been conducted by the Department of Aboriginal Sites and where sites need to be processed with a section 18 application the Government has initiated that process.

Amendment put and passed.

Postponed clause, as amended, put and passed.

Title put and passed.

Report

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

BUILDERS' REGISTRATION AMENDMENT BILL

Committee

The Deputy Chairman of Committees (Hon Doug Wenn) in the Chair; Hon John Halden (Parliamentary Secretary) in charge of the Bill.

Clauses 1 to 6 put and passed.

Clause 7: Various sections amended -

Hon PETER FOSS: This is one of those clauses that should not be in the Bill. I have referred on a number of occasions to the stupidity of these little amendments. It might be

nice and tidy to make these changes in the minds of the people who think about this legislation, but it wastes the time of the community.

There are many thousands of copies of the Western Australian Statutes in our community and every time that we pass an amending Bill, somebody has to go through the original Act and update it by hand. Because somebody has an obsession with gender equity, he or she has decided that the word "chairman" is not acceptable and that it should be changed to "chairperson". Under this clause, that will have to be done eight times. I do not like the word "chairperson" particularly, but I will put up with putting "chairperson" in a new Bill. However, to go through an old Act and change it in eight different places is absurd.

It is stupid to keep imposing costs on people for no useful purpose other than for some ideological bent. It is blind lip service to ideology when it is totally unnecessary for the purposes of this Bill. I can put up with some ideological claptrap because people want it. However, I cannot put up with imposing an added cost on business which will have to amend Acts when such amendments are totally unnecessary. By all means, it is acceptable to make these changes when legislation is redrafted. However, to go through old Statutes for some ideological benefit and at great cost to the community is ridiculous.

Hon JOHN HALDEN: I do not know what that has to do with the Builders' Registration Amendment Bill or what has upset Hon Peter Foss. I cannot understand his objection to this amendment because it is a minor one. He has said that, if it were a new Bill, he would be happy for it to be non-gender specific. The cost to the community of the imposition of this amendment will probably be negligible because people affected by the change will need to purchase the Bill. It is out of whack regarding this Bill. I see no problem with this minor amendment, which is of no great philosophical consequence. Let us follow the normal path of making Bills gender neutral.

Hon PETER FOSS: It might seem minor to the Parliamentary Secretary, but about 1 000 copies of the Statutes are distributed around Western Australia and it will take about a minute and a half to put this in each of them.

The PRESIDENT: Before taking questions without notice I draw the attention of honourable members to the longstanding rule I made regarding audible conversations while the House is in session. They must stop. I remind honourable members that in particular they must not occur during questions.

[Questions without notice taken.]

Hon PETER FOSS: Even taking a generous allocation of 1.5 minutes to perform this task for the 1 000 copies of Western Australian Statutes, that works out to 25 person hours - members will notice the correct gender use - or just over three person days for updating. It is all very well to be ideologically pure, and I have no objection to new Bills taking this up, but going through old Bills and making these changes is just being wrong headed and should not be done.

Clause put and passed.

Clause 8 put and passed.

Clause 9: Section 5AA inserted -

Hon PETER FOSS: Once again we are appointing somebody to a position. This person will also be the chairperson of the proposed disputes committee. We are setting up a tribunal where we will appoint another legal practitioner and we are setting up a whole series of jurisdictional novelties. The result of that will be many different procedural ways of doing things in this State which will be complex; we are unnecessarily complicating our lives.

I am not suggesting that we make any changes here, but this is an area that must be considered by the Parliament so we have a logical and consistent approach.

Clause put and passed.

Clauses 10 to 19 put and passed.

Clause 20: Sections 25 to 46 inserted -

Hon PETER FOSS: I move -

New section 32

Page 13, line 11 - To insert at the end of the line the following -

nor shall the powers of a deputy chairperson be affected by the vacancy in the office of the chairperson

New section 38

Page 17, lines 1 to 11 - To delete subsections (2) and (3).

New section 40

Page 18, line 12 - To insert a subsection designation "(1)".

Page 18, after line 18 - To insert a new subsection (2) as follows -

- (2) The Disputes Committee shall ensure that the parties are made aware of their right to request reasons for decision or order. Where a party requests an extension of time the Disputes Committee shall extend the period of time for requesting those reasons unless satisfied that the person was fully aware of the right and neglected to exercise it.

The amendment to proposed new section 32 will pick up the problem that emerged from the Town Planning Appeals Tribunal. The amendment to proposed new section 38 is another matter which I have raised on a number of occasions, which is the change in the exemption of a person from being required to incriminate himself. The proposed amendment to proposed new section 40 relates to another matter that I raised. Section 40 as it now stands appears to have a sudden death provision on the rights of a person to require the disputes committee to give reasons for a decision if he does not act within 14 days. Under the amendment to proposed new section 40, if a person was not aware that he could have requested reasons and neglected to exercise that right, the disputes committee must extend the period to enable him to request those reasons. That would seem to be the fair way to do things because we should not have sudden death provisions in consumer legislation.

Hon JOHN HALDEN: The Government accepts the amendments.

Amendments put and passed.

Hon PETER FOSS: I move -

Page 18, lines 25 and 26 - To delete "unless a question of law is involved and".

Page 18, lines 28 to 32 - To delete new subsection 41(3).

The Chamber must understand how questions of fact are dealt with on appeal. Courts have always taken rigorous attitudes to true questions of fact and do not lightly upset the views taken by primary tribunals of fact. Courts assume that primary tribunals of fact are in a better positions to judge certain matters, particularly the demeanour of witnesses. Generally, on questions of fact a court will not upset the findings of a lower tribunal unless it feels that tribunal could not have come to that finding. When dealing with appeals of fact, the courts take a more rigorous attitude about whether they will interfere.

Another reason for the amendment is that "a question of law" has been widely interpreted. The inference of fact to be drawn from other facts is a question of law, not necessarily a question of fact. This amendment will not stop the court from interfering with or hearing a matter. When the limit is merely related to questions of law the appeal still takes place; but, added to everything that is argued, a fairly complicated argument arises about whether a question of law is involved in the appeal. That is a technical area of the law, and the court tends to hear the entire appeal and then decide whether a question of law is involved. All this succeeds in doing is not stopping the matter from going before the court, but adding another hour to the argument by the addition of the technical question of whether a question of law is involved.

The clause as it stands will not reduce but increase the number of cases that go before the courts or the time those cases take to be resolved. It will have an effect similar to that which occurs when a man is trying to rig up a small dinghy on the shore. The dinghy must be

facing into the wind when the sail is being run up otherwise the boat will be blown over. Many people make the mistake of holding one of the sheets and trying to bring the boat under control in that way. It is then harder to control the boat because the sails fill with air and the boat is knocked over. Unfortunately, the same result will occur with this clause; if we include a restriction like that provided in this clause, we will fill the sails of lawyers. Lawyers are challenged by trying to get their clients' cases into the courts and this clause will result in the further argument about questions of law. The more one tries to cut down the legal argument the more legal argument one creates because people will try to fit their cases within the restrictions. It is like any system, the more the boundaries are confined the more one tries to leave those boundaries. Another example of that is the cross vesting of jurisdictions when certain cases could only be referred to either the State court or to the Federal Court. Huge numbers of cases before the Federal Court were over this question: Was it something that could be brought before the Federal Court? The same applied to the State court. A huge amount of additional time and legal costs were spent on this argument. Therefore, cross vesting legislation was introduced to stop the argument. The Bill already contains the limitation that leave to appeal must be granted. If this limitation is not included a large number of cases will simply end up arguing technicalities.

Family law is another area in which this question arises. For many years the question of fault had to be proved, and a divorce could not go through until the fault had been decided. Therefore a huge amount of time was spent on arguing the question of fault even though both people wanted a divorce. No-one was prepared to admit fault and that resulted in huge disputes. This Bill will force people into a further area of dispute about questions of law existing. In an Act that is intended to reduce the areas of dispute, this proposed new section will include new areas of dispute which will not stop the time spent on these cases but increase it. I propose this amendment in the spirit of the legislation which is attempting to cut down on unnecessary legal arguments on appeal. Few people will appeal, but when they do they should be appealing on the dispute and not arguing legal points.

Hon JOHN HALDEN: The member and I have discussed this matter outside the Chamber and we have a minor difference of opinion. We each approach differently the problem of controlling the number of appeals held by a tribunal. However, this Bill seeks to establish a disputes settling procedure which is inexpensive, informal and quick. Hon Peter Foss is also operating within that philosophy, but his amendment does not achieve that end because appeals often become a question of law anyway. This provision is open and if people want to appeal they appeal and challenge the point of law regardless of the question of fact. I take cognisance of the issues Hon Peter Foss raises, but disagree on how he seeks to achieve his ends.

The Motor Vehicle Dealers Licensing Board operates under similar appeal mechanisms to those that Hon Peter Foss suggests. However, the difficulty is that every time a person applies for a licence and is turned down, he appeals. Therefore, the board does not achieve the processes it is set up to achieve. It does not discriminate because people appeal immediately. If that were to happen when people were purchasing a house, often with restricted financial means, they would be disadvantaged because they would have to go to the courts constantly. That would incur more expense than the proposed appeal mechanism. In fairness to the public those opportunities must be made available. The Government is trying to compromise the number of options available to ensure that we do not have the situation which applies to the Motor Vehicle Dealers Licensing Board where all decisions are appealed against. I could cite examples where builders have taken people through the extensive judicial processes to avoid fulfilling their obligations. As a result, people run out of money and are unable to pursue their legal rights. I know, from discussions with Hon Peter Foss, that that is the last thing he wants. It is up to the Committee to determine which is the best mechanism.

Hon J.N. CALDWELL: The amendment which seeks to delete the words "unless a question of law is involved and" does not make sense. However, it would make more sense if the word "unless" was not deleted. Perhaps the mover of the amendment can clarify this matter for me.

Hon PETER FOSS: Hon John Caldwell is quite right and I move -

That the amendment be amended by deleting the word "unless".

Amendment on the amendment put and passed.

Hon PETER FOSS: The question is what will motivate people to appeal. If they have the motivation to appeal they will look for something to appeal about. The Parliamentary Secretary gave the example of the Motor Vehicle Dealers Licensing Board and obviously appeals will be forthcoming regardless of whether the case is or is not restricted to questions of law. People will appeal if they are motivated to do so. The question is that if they appeal what do we do to make it a simple process? Do we restrict the process to questions of law only, or do we leave it wide open? On the face of it, it appears that it would be simpler if we restricted it to questions of law. However, by doing that it would not be simpler; it would be more complicated because another argument would be added: Is there a question of law? People will go to extraordinary lengths to prove that there is a question of law. What is a question of law is very broad because it includes inferences of fact. The Opposition is trying to achieve the same result as the Government. From my experience if the grounds of appeal are restricted the result is that there is one more legal argument and that will add to the legal costs. The protection in this Bill is that a person must have leave to appeal which would allow the court to take a slightly more pre-emptory attitude to whether it will deal with the appeal. If that procedure were not in place it would make a big difference. I will leave it to the Committee to decide.

Hon JOHN HALDEN: The idea is to establish a warning. The only issues to be dealt with on appeal are questions of law. The Government is trying to discourage frivolous appeals and it comes down to the argument of how we can do that. It is up to the Committee to make a decision.

*Division***Amendments put and a division called for.****Bells rung and the Committee divided.**

The DEPUTY CHAIRMAN (Hon Doug Wenn): Before the tellers tell I give my vote with the Noes.

Ayes (14)

Hon J.N. Caldwell
Hon George Cash
Hon E.J. Charlton
Hon Reg Davies
Hon Max Evans

Hon Peter Foss
Hon P.H. Lockyer
Hon Murray Montgomery
Hon N.F. Moore
Hon Muriel Patterson

Hon P.G. Pandal
Hon W.N. Stretch
Hon Derrick Tomlinson
Hon Margaret McAleer
(Teller)

Noes (13)

Hon J.M. Berinson
Hon J.M. Brown
Hon T.G. Butler
Hon Cheryl Davenport
Hon John Halden

Hon Kay Hallahan
Hon B.L. Jones
Hon Mark Nevill
Hon Sam Piantadosi
Hon Tom Stephens

Hon Bob Thomas
Hon Doug Wenn
Hon Fred McKenzie
(Teller)

Pairs

Hon D.J. Wordsworth
Hon Barry House
Hon R.G. Pike

Hon Tom Helm
Hon Graham Edwards
Hon Garry Kelly

Amendments thus passed.

Hon PETER FOSS: I move -

New section 42

Page 19, line 25 - To delete the words "in its absolute discretion,"

Amendment put and passed.

Clause, as amended, put and passed.

Clause 21 put and passed.

Title put and passed.

Report

Bill reported, with amendments, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon John Halden (Parliamentary Secretary), and returned to the Assembly with amendments.

Sitting suspended from 6.02 to 7.30 pm

LAND AMENDMENT (TRANSMISSION OF INTERESTS) BILL

Receipt and First Reading

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

Second Reading

HON KAY HALLAHAN (East Metropolitan - Minister for Education) [7.33 pm]: I move -

That the Bill be now read a second time.

This Bill is designed to overcome deficiencies in the Land Act which affect parties' rights and give rise to significant inefficiencies in relation to certain dealings. The essential thrust of the Bill is to enable leases and other interests existing over reserved or Crown land under the Land Act to remain in place while that land is undergoing changes in reserve status and ultimately Crown granted. This principle is well established in relation to freehold land. For instance, the Property Law Act preserves leases of freehold land undisturbed when that land is transferred between parties - sections 77 and 78 - and enables subleases and other interests to continue undisturbed where a lease is being surrendered to allow the grant of a new lease of the same land - section 83.

To a degree the same principle is already recognised by the Land Act, which in effect converts a lease given by a vestee under a vesting order to a lease given by the Minister, upon termination of a vesting order of a reserve - section 34B(1); allows Land Act easements to subsist over affected lands, despite changes to head tenure - section 134F; and allows mortgages, caveats and easements to be carried forward from a conditional purchase lease or licence to the freehold of the land - section 149. However, the same ability does not exist for situations where reserved land is not vested and leases have been granted by a Government agency pursuant to powers given by another Act - for example, the Government Railways Act, in relation to "railway" reserves - and the reserve is then cancelled or changed in purpose; or where reserved land subject to leases is to be vested in another party; or where reserved or Crown land subject to leases of this kind is to be Crown granted.

The legal situation is that where land is to undergo changes in tenure of this nature, it must be free of all encumbrances, unless otherwise provided by a Statute. Hence all interests must be surrendered by formal conveyance while tenures are being changed, and subsequently re-registered. The time and effort involved in this process can be considerable, and leaves the lessee or other interest-holder without security for a period of time. This Bill therefore seeks to protect and secure private rights while providing an efficient means of transmission through tenures.

The Bill will also facilitate a "best possible fit" approach to matching interests up to freshly surveyed boundaries - particularly where boundaries were previously unsurveyed - or to rationalising multiple interests over larger parcels of Crown land, with minimum delay and disturbance. Circumstances envisaged include the Westrail marshalling yards, which are no longer required for railway purposes but are subject to a number of leases for industrial purposes. Modern planning principles often require that the grid-pattern layout employed by Westrail for its lease be modified, and some adjustment to lease parcel boundaries then becomes necessary. The end result is a formal subdivision, which meets all planning requirements, over which individual certificates of title may be created. Lessees then have the option of either purchasing in freehold the land they occupy, or continuing to lease on the same terms and conditions as are applicable under their present leases, with the additional advantage of a higher form of tenure for registration of securities.

Because the adjustment of internal boundaries in the manner outlined is likely to affect a significant proportion of lessees - or other interest holders - within a given parcel, and because a disagreement by one party could prevent rationalisation from proceeding and its associated benefits from becoming available to the other lessees, it is important that the State be enabled to achieve a "best possible fit" of interests to formal lots without the need for parties' consent, provided the power is exercised in the interests of good planning and with minimum disturbance to interest holders. Having regard for the benefits of quickly resolving parcel identification for securing interests, it is not considered that the provision sought is unreasonable.

The Bill also seeks to reinstate in the Act a power which was there until 1987 in relation to adapting prescribed forms to suit the circumstances of each dealing. The deletion of this power as part of the 1987 amending Act left the Department of Land Administration - DOLA - without an essential operational flexibility, and the opportunity is now being taken to restore that provision. Finally, the Bill seeks to extend the new provisions to land recently Crown granted at Subiaco. This area, identified as Swan Location 11526, was formerly reserved for railway purposes, and Westrail had given leases to approximately 55 parties. On the basis of its understanding of the law at the time, and with the intention that de facto recognition would be given to existing rights, with formal re-registration of interests at a later time being permitted, DOLA issued a Crown grant of location 11526 in April of this year. Negotiations are proceeding with lessees in relation to the sale of redefined lots. The Bill will enable the recording of their interests against the title, which is currently clear of encumbrances. The Bill reflects an important general law principle and offers significant advantages to private interest holders and the State. I commend the Bill to the House.

Debate adjourned, on motion by Hon Margaret McAleer.

FITZGERALD STREET BUS BRIDGE ACT

Assembly's Message

Message from the Assembly received and read acquainting the Council that it had agreed to the following resolution -

That this House, having noted the report "A Proposal for the Fitzgerald Street Bus Bridge", resolves, in accordance with section 3(2) of the Fitzgerald Street Bus Bridge Act 1991 -

- (a) the recommendations of the report (page 1) are not acceptable;
- (b) the railway tunnel option is preferred;
- (c) the bus bridge should not be constructed.

PUBLIC AUTHORITIES (CONTRIBUTIONS) AMENDMENT BILL

Receipt and First Reading

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

Second Reading

HON J.M. BERINSON (North Metropolitan - Attorney General) [7.42 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to increase the statutory corporation levy on the State Energy Commission, the Water Authority of Western Australia, the Bunbury Water Board and the Busselton Water Board from three per cent to four per cent. Under the Public Authorities (Contributions) Act, these authorities and the Fremantle Port Authority are required to pay annually to the Consolidated Revenue Fund a levy of three per cent of their total revenue earned in the preceding financial year. The increase in the levy to four per cent is estimated to raise an additional \$21.2 million for the Consolidated Revenue Fund in 1991-92. Currently, none of the agencies pays a dividend or amounts in lieu of Commonwealth taxes - from which they are exempt - to the Consolidated Revenue Fund. Furthermore, Commonwealth Grants Commission assessments indicate below average revenue raising efforts by Western Australia in this area.

The increase is considered to be justified on the basis of improving the Government's return from these enterprises and addressing the current low rate of growth in CRF revenues without resorting to increases in the State's narrowly-based taxes. It will not result in any consequential lift in charges by the agencies to consumers. The Fremantle Port Authority was excluded from the increase, primarily as it was considered that it would only further aggravate its already difficult financial situation. The increase will apply to the 1991-92 levies as anticipated in the Treasurer's Budget speech. I commend the Bill to the House.

Debate adjourned until a later stage of the sitting, on motion by Hon Margaret McAleer.

[Continued on p 7515.]

RESERVES AND LAND REVESTMENT BILL

Third Reading

HON TOM STEPHENS (Mining and Pastoral - Parliamentary Secretary) [7.47 pm]: I move -

That the Bill be now read a third time.

One of the reasons that this Bill should be given a third reading is that it includes a response to the State's urgent need for the Marandoo project to become operational. The Government's response to that urgency is as follows: It received an informal approach from Hamersley Iron on Tuesday of last week. This led to Hamersley Iron making a formal approach in the form of a letter to the Government on Monday of this week. The letter, dated 2 December, was received by the Minister for State Development who immediately took it to Cabinet. The measure was approved by State Cabinet, which subsequently took the matter to Caucus on the following day.

Hon Reg Davies: Where did the letter come from?

Hon TOM STEPHENS: Hamersley Iron. I hope that answers one of the queries which arose during an earlier stage of the Bill. The formal response from Hamersley Iron was finally received on Monday of this week.

Hon Reg Davies: Has Hamersley Iron been negotiating with the Aboriginal community in that area?

Hon TOM STEPHENS: Yes, on a range of issues.

Hon Reg Davies: On this specific issue?

Hon TOM STEPHENS: No, not on this specific issue.

Hon Reg Davies: Therefore, no consultation has taken place on this specific issue?

Hon TOM STEPHENS: None of which I am aware regarding the land swap. Hon Peter Foss asked when the proposal was formally put to the Government, and the answer is on Monday of this week. That is why the Government does not take kindly to the suggestion that it has not moved rapidly. It has operated within a tight time frame. That is the direct response to the question asked of me by the Leader of the Opposition.

At 8.00 pm yesterday consultation occurred between the Minister for State Development and the Opposition's lower House spokesperson on this legislation. An undertaking was given by the Opposition spokesperson that as far as the Liberal Party was concerned no problem would arise with the passing of an amendment for the Marandoo project this week. The assurance was received at 8.00 pm, the Bill was handled at 9.00 pm and the amendment was moved at approximately 9.18 pm, which led to subsequent debate. The briefings on this matter have been short; it is a succinct issue and the description of the land swap does not take long. The clear reasons for this amendment have been outlined by the company and the Government has accepted them.

I hope that I have answered the queries which arose during the earlier stages of the Bill, and that this explanation will expedite the third reading. I commend the Bill to the House.

HON N.F. MOORE (Mining and Pastoral) [7.48 pm]: The Bill should be read a third time and the matter handed expeditiously. However, it is a pity that all other approvals related to getting the project off the ground have not been dealt with in the same manner. The project is 12 to 14 months behind schedule. The Parliamentary Secretary doth protest too much

about Opposition criticisms; he claims that the Government can be credited for expediting only one approval. This approval is virtually irrelevant when considered as part of the total project, and the project is still delayed. Until Government members get off their butts and provide approvals for the project, they will jeopardise a project which is vital to the future of Western Australia, the company and Tom Price.

HON MARGARET McALEER (Agricultural) [7.50 pm]: In supporting the third reading of this Bill I acknowledge the explanation by the Parliamentary Secretary regarding his understanding of the briefing which was given. It is important to remember that legislation dealt with in this Chamber is dealt with on its own merits. It is not correct to take for granted that any arrangements made outside the Chamber or in another place would have any standing.

Several members: Hear, hear!

Hon MARGARET McALEER: As it happens, there was no communication about the matter and the Opposition was caught entirely by surprise. Although we very much support the legislation, I must correct his mistaken assumption.

Question put and passed

Bill read a third time, and returned to the Assembly with an amendment.

LAND TAX RELIEF BILL

Second Reading

Debate resumed from 28 November.

HON MAX EVANS (North Metropolitan) [7.52 pm]: The Land Tax Relief Bill was quickly introduced by the Government because this year a certain number of districts, to which I will refer later, were subject to very large increases in land tax. About three years ago it was agreed that land tax increases would be brought in over four years. This is the fourth year for some districts in which an increase was applied. They were subject to the last quarter increase of the previous increase plus the first quarter of the next one. It could be seen also that over the next three quarters the ongoing increases would be severe and very expensive. Land tax is often seen as a wealth tax or a property tax. However, that applies only to broad acres or unimproved land. Generally speaking, where it applies to improved commercial land, the cost of the land tax is passed on to the tenants. For residential premises, the owner pays the land tax which continually increases and, consequently, reduces the return on the landlord's rent. However, he finds it very hard to increase the rent accordingly because domestic rental agreements very rarely, if ever, include provision for automatically passing on increases in council rates, water rates or land tax.

I spoke about land tax in 1986 and 1987 and the impact it has on businesses. The economy at that time was very buoyant and it was not difficult to pass on the land tax, which real estate agents had no hesitation in doing. They were paid a fee for the disbursements they collected. In other words, they paid land tax, charged it to the tenant and were paid a fee for collecting it. As a result, that raised more income for them. Businesses appeared to be successful in the rental of factory units, office units and shops. It was easy at that time to accept the increases, particularly as, in 1986, they would be implemented over three years. That was a ploy by the Government to lessen the impact of the increases. One's land tax bill might have been \$1 000 which would have increased to \$1 900, but in the first year one would pay only \$1 300; in the second year one would pay \$1 600; and in the third year one would pay \$1 900. People were relaxed about those amounts because they did not seem too bad, and because they were making good money out of their businesses.

At that time many of the large shopping centres were owned by property trusts. When the trust managers wanted to enhance the value of the property trust units they increased the rents. That had a direct effect on the value of the land and consequently the land tax has continued to increase. Now, many of the premises are empty and consequently the price of land will decrease. In his second reading speech the Attorney General stated -

No taxation rate of any kind has been increased in 1991-92.

That is quite right. The rate was dropped from 2.4 per cent - over \$200 000 - to two per cent

about three or four years ago; a reduction of 19 per cent. During that period the value of many of the properties increased by up to 200 per cent. However, there was only a small drop in the land tax rate and, therefore, there was no real benefit for landowners.

Similar to what local government does, the Government wants to revalue all properties every year. It can then set the new rate for land tax. At present about one-third of the properties are valued each year and, therefore, one-third of the values increase. If an effort is made to compensate that increase by lowering the tax rate, the other 66 per cent of the properties will pay less tax. I understand that other States have tried to make compensation for that with very little effect and have made the matter very complicated. The second reading speech further states -

Through the measures contained in this Bill the burden on taxpayers this year will be reduced by an estimated \$18 million, comprising land tax of \$16 million and \$2 million in metropolitan region improvement tax.

Only a few minutes ago an interesting Bill called the Public Authorities (Contributions) Amendment Bill was introduced. It just happens that it provides for an increase in a levy to raise over \$21.2 million. The Government will make a profit out of that exercise. On the one hand through tax relief measures it will lose money and, on the other hand, by bringing in another Bill to increase a levy it will raise money. I would like to know whether that was thought of before the Government knew it would lose the land tax, or whether it has been slow in introducing the Public Authorities (Contributions) Amendment Bill which it rushed through the Assembly today. I am not a cynic, but I believe that is exactly what has happened. No doubt we will discuss the Bill later - probably at 2.00 am or 3.00 am in the morning. The second reading speech continues -

Taxpayers will also benefit by the deferment of land tax payments and, if the estimated \$4 million in interest earnings which will be lost by the Government is taken as a guide for this purpose, the total benefit to taxpayers will be in the order of \$22 million.

That is an amazing statement. It fascinates me how the gurus in Treasury can come up with an answer like that. Land tax assessments are sent out in late October or early November. Therefore, the Government has had only eight months to earn that revenue. Ten per cent interest on \$18 million would earn \$1.8 million; being generous, one might earn \$2 million. The Government is saying it will lose \$4 million. I cannot work out how it arrives at that figure. I hope the Minister can explain how it can cost the Government \$4 million interest earnings on an amount of \$18 million over 18 months. That is beyond my comprehension. Maybe the Government has advisers who are better financial whizzes than I am.

As I said before, this legislation will affect increases in valuations caused by a general revaluation which will be phased in over four years. We have been told through Press announcements and through the Parliament that the Commissioner of State Taxation said that landowners need not pay the current assessment, but that a fresh assessment would be issued.

Hon J.M. Berinson: Don't hold me to it, but the understanding was that they would be held pending the passage of the Bill. Otherwise the commissioner is not authorised to send out the lower figure.

Hon MAX EVANS: I accept that. I was talking to a friend at a function tonight who said he had not received his assessment yet. I am unfortunate because my properties increased last year. The Bill provides that those people whose tax was increased in 1991 will have their tax reverted to last year's valuation and it will increase the following year. Those people who had to pay \$1 000 under the 1990 valuation must pay their first instalment of \$1250 this year. They are behind the eight-ball and are losing out badly, but the Bill will benefit a few.

The second reading speech continues -

The Valuation of Land Act is also amended by this Bill to preclude the Valuer General from revaluing land for tax purposes unless four years has elapsed since the previous revaluation. This will ensure that the four year phase-in provision operates as intended to lessen the effect of valuation increases from one revaluation to the next.

The Attorney General is aware that I will introduce an amendment to that. If some districts

have very high property values at the present time, those people will be locked in to those high valuations for four years whereas the Valuer General should be able to work out whether a district has dropped in value and revalue the district and implement lower values for the benefit of the taxpayers. I think that would be fair. It is wrong that we have moved away from a previous ruling under section 22 of the Valuation of Land Act whereby a revaluation was done every three to four years when we should be looking for reductions. Local government authorities, including the Perth City Council, could get a valuation of the whole of the city at one time and use that valuation to fix their rates. The State Taxation Department has to revalue certain districts throughout the State at one time. The Minister then states -

These measures are expected to benefit an estimated 50 000 taxpayers in this financial year and a further 30 000 next year.

A year ago I thought this State had only about 100 000 land taxpayers. I hope the Attorney General is listening to me and in his reply will tell me how many people pay land tax in this State and how will a further 30 000 be affected next year? The valuations are done only for this year and the rate is locked in. If it affects the 50 000 people who had adjustments, and he had to make a similar announcement next year, it would affect another 50 000. I cannot believe that the 50 000 people affected by this year's revaluation is one-third of the land taxpayers in this State if the commissioner does a third at one time.

The Valuer General makes a very good report each year. I was glad that I could get hold of the reports today to remind me that he sets out all of his methods of valuing and all of the districts that he revalues each year. His report states -

PROGRAM MANAGEMENT FRAMEWORK

A program management structure, supported by program based financial management and reporting systems has been implemented.

During 1990/91 the Valuation Program was supported by three Sub-Programs:

- Valuation Rating and Taxing
- Valuations Other
- Valuations Research and Development

He then refers to the metropolitan area gross rental values in which we are not interested but which local government uses to fix its rates. Land tax is fixed on the unimproved values. It states -

New Unimproved Values were assessed by the Valuer General in the following Valuation Districts for use by the Commissioner of State Taxation and relevant Local Governments:

*Bayswater, Canning, Claremont, Cottesloe, East Fremantle, *Melville, Mosman Park, Nedlands, Peppermint Grove, Perth-Carlisle; Central West; - Heirisson; North Perth; North Ward; East Victoria Park, Serpentine/Jarrahdale, South Perth, *Stirling.

* Denotes assessed using Computer Assisted Valuation techniques.

I am worried that we will end up with all of our revaluations being based on computer assisted valuation techniques. It is all very well to feed the stuff into a computer, but we are all aware that if we put garbage in, garbage comes out. A lot of these valuations were entered in very high times. For example, the Auditor General states that the Government is owed \$180 million for the Westralia Square site, but today it is probably worth only \$140 million; in other words the valuation has gone down by 25 per cent already and I think it will go down much further than that. It is a large vacant area of land and we do not need a swimming pool that big. The computer holds a figure like that. How will we feed into the computer all of these changes in circumstances? The Attorney General is a property owner and he knows that so many factors can change. Raine Square, which is opposite the present Perth Bus Station, was developed by the University of Western Australia. We now have two bus stations with the other being on the Esplanade. That must have taken a lot of traffic away from that property. The valuation of those properties must devalue.

Hon J.M. Berinson: The buses using the new bus station did not use the old bus station. I think they are roughly divided into north and south of the river.

Hon MAX EVANS: We will see what happens. Circumstances which affect the valuation of properties change. If a shopping arcade becomes half empty, it is the kiss of death for the ones that are left. The ones who go bankrupt are lucky in those circumstances because they can lose no more. However, those who have assets left in the arcade lose a lot of money. It takes a long time to reflect the figures at valuation. Valuations need to be done on the ground. Hon George Cash, who is a qualified valuer, and other people know that one must have on the ground experience. It is frightening to think that annual valuations of properties will be done by computer assisted valuation techniques and it will be hard to sort out later. The Valuer General then says -

Unimproved Values

New Unimproved values to come into force on 30 June 1991 were assessed in the following Valuation Districts for both urban and, where appropriate, rural land:

City of Geraldton and Town of Northam, Shires of Collie, Coolgardie, Derby/West Kimberley, Dumbleyung, Greenough, Halls Creek, Harvey, Kent, Kondinin, Kulin, Lake Grace, Murray, Roebourne, Waroona, Wyndham/East Kimberley.

These values were proclaimed by the Valuer General for use by the Commission of State Taxation and the Rural Wards of the Local Governments.

It seems that the computer has not been let loose on those and there may be some rationale there. The unimproved value of many rural properties is decreasing, but that is not significant because rural properties are not subject to land tax; only rural township sites are subject to land tax.

A letter was sent out from the State Taxation Department dated 4 November in response to the Government's making these changes. It was sent to every taxpayer because it was too hard for it to distinguish between those who had adjustments in 1991 and those who did not. It states -

Important Notice to All Owners of Taxable Land

LAND TAX 1991/92 - REVISED ASSESSMENTS

On 22 October 1991 the Government announced that it would be introducing legislation to reduce the impact of 1991/92 land tax increases on those taxpayers owning taxable land which was subject to the Valuer-General's 1991 general revaluation.

The legislation will require these revaluations to be excluded from the calculation of 1991/92 assessments.

As the 1991 general revaluation applied only to land in certain valuation districts, not all 1991/92 land tax assessments will be affected by the legislation. However, even if there is no change to your original assessment, you will receive a revised notice of assessment.

To enable you to determine if your assessment will be affected you should refer to Part B of your original notice of assessment, and for each taxable land item check whether the year (YR) of valuation is shown as "91".

If your original 1991/92 Notice of Assessment DID include a taxable land item with a "91" valuation, the following will apply:-

It goes on to refer to what will happen when one gets a new assessment. As the Attorney General said, that new assessment will come when we pass this legislation. For the interest of members, the Valuer General presented a comprehensive report in which he shows all the areas of the metropolitan area and country areas which have been revalued as per the list which I read out. I do not intend to read them again. It shows all of the shire areas in the State and the revaluations for 1991. That is an interesting effect. I was talking to a gentleman from the State Taxation Department about this today. I have been amazed in recent years that the increase in land tax has not appeared to be much greater than we have seen. If the total collection was \$100 million - although it is over that figure now - and the break up per valuation area was \$40 million, \$30 million, and \$30 million, and one area increased, as the metropolitan area has, by 75 per cent, that \$40 million would rise by 75 per cent to \$70 million, an increase of \$30 million or 30 per cent of the total figure. I know that increase would be over three years.

Hon J.M. Berinson: That would be over four years.

Hon MAX EVANS: In the old days it was over three years. Even before the phasing in method was adopted it was always beyond my comprehension, knowing that a lot of people were facing a 200 per cent increase in their land tax payment, why the total land tax collected did not increase at a faster rate. It may have been because other values were marked down at the same time.

Hon J.M. Berinson: I cannot remember the year, but a reduction of not only the top rate but also the whole table occurred.

Hon MAX EVANS: The rate was decreased from 2.4 per cent to two per cent in 90 per cent of cases. Below a figure of \$200 000 that does not matter as most of the money is raised above that figure. I will quote some of the figures from the appendices which show valuation districts, previous general valuations and the year in which they were done, the general valuations this year, the percentage of properties that have had their value increased or decreased and the percentage change in value. The Canning district valuation increased from \$772 million to \$1.719 billion, an increase of 122.76 per cent; in other words, property values in the Canning district in the two years between 1989 and 1991 increased by 122.76 per cent. In Bayswater the increase between 1988 and 1991 was from \$536 million to \$1.077 billion, an increase of 100.87 per cent - that is just an average. These increases are what have been hitting people. The average person has been facing an increase in his land tax assessment, if the original assessment was \$10 000, of another \$10 000, mercifully introduced at \$2 500 a year. At the end of the day people know what they are paying. Unfortunately that amount is always passed on to tenants.

The increase in the valuation for Perth-Carlisle between 1988 and 1991 was 101.52 per cent. Perth-East Victoria Park showed an increase in the number of properties of only 1.4 per cent but an increase in values of 114.5 per cent. In Serpentine-Jarrahdale, where I suppose more houses are being built as people move there to adopt an alternative lifestyle, valuations increased by 114.57 per cent. Turning to country towns, the values in the City of Geraldton increased by 182 per cent; the Shire of Coolgardie, 110 per cent; the Shire of Greenough, 149 per cent; the Shire of Harvey, 142 per cent; and the Shire of Kent, 134 per cent. They were general revaluations.

The next chart refers to property values and the trend related to farm values. In the Shire of Kondinin the rural unimproved value of land is down by 64 per cent. In the Shire of Kulin, where the values were not high in 1984, they decreased by 1991 by 65 per cent. In the Shire of Lake Grace, between 1984 and 1991 values decreased by 55 per cent. Most of these figures reflect clearly what has been happening to valuations in these areas. The total increase in values in the metropolitan area was 75 per cent. In country areas total unimproved value was up by 130 per cent overall. A similar pattern appeared in 1990 with improvements in values. In the three years between 1987 and 1990 values in Armadale increased by 119 per cent; Cockburn by 128 per cent; Gosnells by 114 per cent; and Rockingham by 130 per cent. The increases I have just outlined imposed a terrific imposition on people in the towns. I made speeches about this problem years ago. We must arrive at a better way of doing this. Maybe the Valuer General needs a computer that will enable him to revalue all properties in the one year. What the Government must do is change the rate each year.

Hon J.M. Berinson: We are close to that capacity, if it does not exist already, as I understand it.

Hon MAX EVANS: That is good. The Government will have to make further changes to the Valuation of Land Act when it wishes to introduce that method. The revaluation which now lasts for four years will have to be amended soon otherwise an annual amendment will not be able to be implemented to strike a new rate, which will be the next problem for the Government. One of the most interesting figures is that in 1990 the Shire of Albany, where all the wealthy farmers retire to improved properties, showed a 8 774 per cent increase in values, probably because Hon Murray Montgomery lives there. No wonder the member needs a double income to pay for that. Values in Chapman Valley increased by 264 per cent during that period. In the Shire of Laverton the total value of unimproved land in the town rose from \$761 000 to \$5.2 million, an increase of 584 per cent. The unimproved land values in the Shire of Leonora increased since 1984, a fair while ago, from \$1.6 million to

\$6 million, an increase of 260 per cent. In the Shire of Meekatharra it rose from \$500 000 -

Hon Mark Nevill: A number of houses have been built there for the gold mining industry.

Hon MAX EVANS: The number of blocks decreased by minus 22 per cent and value increased by 532 per cent because of the demand from people moving into the area. The whole influence of valuation has this effect on revenue. It is marvellous for a Government that it brings in all the money it does. Hon George Cash mentioned the money raised in recent years which has risen from \$40 million in 1986 to about \$130 million now. The Government says, "We have reduced the rate by 19 per cent. We are nice people. We have extended the period. We have done nothing wrong. It was the Valuer General and the boom economy that caused the increased rate." Commonsense must be applied to this problem and this is a start. During the Committee stage I will move an amendment related to the valuation of land. The Leader of the House is introducing an amendment which limits increases to being introduced every four years. My amendment is such that if the Valuer General decided that a valuation district had decreased in value he could revalue it so that people could gain the benefit of that revaluation quickly without waiting for four years to do so. Those who faced the severe increases of 1990 would gain no benefit from any decreased valuation before 1994 and those who were valued in 1991 would gain no benefit until 1995, which could involve a severe cost for them.

That option will be there, and the leader and I have discussed it with the experts. We must bring something forward next year, and we must bring in a better way of doing it. I hope we can get that new valuation done so that we can bite the bullet and reduce the amount of money we take from these people.

Landlords pass the tax on to their tenants, but one of the problems recently has been when the tenants move out the landlords pay the land tax for those empty premises, and it is starting to hurt. If the landlord has interest bills he will probably lose a lot of money. We have to bring in a new system, but at the same time I hope we will be able to bring in a rate which will reduce the amount of land tax. We do not want the normal amount to be \$130 million, and will bring it down to \$110 million. I hope we will not strike a nominal amount of \$110 million, which is what local authorities do. Local authorities strike a rate because they have worked out the costs and they know the values of all the properties in their area. They must balance their books. Local authorities have wonderful ways. They boast about the rate not changing. Property values go up by 50 per cent, and they use the same rate, saying, "We are so pure we have not put the rates up this year," but owners will be paying 50 per cent more. I hope that we will bring in a rate which will collect well below what has been collected this year. There will be some winners and some losers, but let us bring in a fair basis for the future.

HON GEORGE CASH (North Metropolitan - Leader of the Opposition) [8.21 pm]: I support the Bill before the House. While the Government may take some comfort in calling this Bill the Land Tax Relief Bill, it is a Bill which will see almost as much land tax collected this year as last year. There has been a significant increase in tax receipts during the currency of this Government. I will not retread the ground Hon Max Evans has covered, but I want to point out that some of the increases which have affected businesses in particular have been nothing less than enormous.

In 1983-83 in Western Australia land tax was worth about \$35 million in revenue to the State Government. At that stage land tax was generally paid by business people, although some residential properties qualified. By 1983-84, which was the first year in which this Government was in command of the Treasury benches, the amount collected increased by \$7.6 million, which indicated a 21.7 per cent change. Members will recall that when the Burke Government was first elected in 1983, in its first Budget it dramatically increased taxes and charges right across Western Australia. Those increases were not restricted to land tax; they flowed through to stamp duty, payroll tax and all the other State taxes, and that has been the situation in general terms ever since.

Hon Mark Nevill: We had a \$9 million deficit that year.

Hon GEORGE CASH: If the honourable member claims a \$9 million deficit, the fact is that this year, 1991-92, the Government anticipates revenue from land tax of \$140 million -

Hon Mark Nevill: I am talking about 1983.

Hon GEORGE CASH: - and after this Bill goes through, the revised figure may be \$120 million. It seems to me that the honourable member would have made that \$9 million up somewhere along the line; or does that not count?

Hon Mark Nevill: In 1983 that \$9 million had to be found.

Hon GEORGE CASH: Hon Mark Nevill may be correct, but I doubt if he is because he has never been good at figures; he might be a good scientist but he would never make a good mathematician. In the first year of the Burke Government land tax in itself increased by \$7.6 million. That is a fairly good contribution towards that \$9 million to which Hon Mark Nevill was referring. In addition to land tax, stamp duty increased by \$35 million during that period. Add that to the \$7 million for land tax and we have \$42 million. Does Hon Mark Nevill yet concede that that beats \$9 million?

Hon Mark Nevill: We inherited a \$9 million deficit and now you want us to add another \$13 million with the bus bridge.

Several members interjected.

Hon GEORGE CASH: What I am saying is that in the first year of the Burke Government, stamp duty increased and land tax increased. As a result revenue increased by in excess of \$42 million.

Hon P.G. Pendal: They have left the next Government with a deficit of \$1.5 billion.

Hon GEORGE CASH: Exactly!

Hon J.M. Berinson: Where do you find that in the Budget figures precisely?

Hon GEORGE CASH: We will not find that figure in the Budget because it is not accounted for at this stage, but we confidently predict that when we add up all the losses which have generally been associated with WA Inc, they will reach something in the order of \$1.5 billion, and that beats \$9 million.

Hon P.G. Pendal: By a fair bit!

Hon GEORGE CASH: That is if we are to believe Hon Mark Nevill in the first place!

I am not going to waste the time of the House, but I want to indicate that the Government, over the past few years, has done very well out of land tax in this State. It has used the inflation level generally, and increases in the Cost Price Index - and that is clearly associated with increases in property values - to reap a huge reward from the land tax receipts area. By 1987-88 land tax had increased by almost 100 per cent over what it was when the Burke Government was first elected. By that time it was \$62.2 million.

Hon Murray Montgomery: But we did have galloping inflation.

Hon GEORGE CASH: We did have galloping inflation, as Hon Murray Montgomery points out, but galloping inflation or not, the Government still managed to double that figure.

Hon Murray Montgomery: Perhaps it was a galloping Government too.

Hon GEORGE CASH: By the time the Estimates came out in 1991-92, the Government was anticipating \$140 million in land tax receipts. I contrast that with receipts in stamp duty. In 1982-83 stamp duty receipts were \$133.3 million. They increased in the 1991-92 Estimates to \$392 million; a 218 per cent increase over that period.

While I strongly support the Bill before the House, it is time that this State Government addressed the question of its taxes and charges. In addressing that question the Government, and indeed the Opposition when it becomes the Government, will have to recognise that it cannot keep bleeding business and ripping business off just to fill the land tax coffers. Land tax has been used as something of a discriminatory tax. It is now basically imposed on business in Western Australia, although people with second houses and investment houses are required to pay. If we examine the three most recent inquiries which have been conducted into land tax in Western Australia, we find this State Government has got away from the basic principle which was the underlying reason for the introduction of land tax and the metropolitan region improvement tax. That needs to be addressed.

Members will be aware that in the last two weeks the next Prime Minister of Australia, Dr John Hewson, has launched his Fightback! program. It is a program for a basic principle of key economic reform in Australia.

Hon B.L. Jones: Looking after the wealthy.

Hon GEORGE CASH: It is clear from that interjection that the member has not read the documents, but I will give her half a chance. If she wants to read them I will provide them to her, because she will find that the Fightback! program of economic reform offers the State the opportunity of getting away from the concept of payroll tax.

Hon Doug Wenn: Can I have a copy too?

Hon GEORGE CASH: No, I want to give it only to people who will understand it and I do not think it has enough pictures for Hon Doug Wenn.

The PRESIDENT: Order! I do not know whether it has a chapter on land tax relief, either.

Hon GEORGE CASH: It has a chapter on payroll tax relief and, in relating to that, while our Federal colleagues are prepared to address the question of payroll tax right across Australia it is incumbent on this Government - and, indeed, on the Opposition when it becomes the Government - to address the taxes and charges that are presently imposed on industry so that the impost of those charges does not continue to send many businesses to the wall of bankruptcy. I support the Bill.

HON J.M. BERINSON (North Metropolitan - Attorney General) [8.31 pm]: The Land Tax Relief Bill is an unusual Budget Bill in that not only is its sole purpose a decrease in tax revenue, but also it comes in a period when there are such obvious pressures on the national and State economies.

As has been indicated, the Bill is designed to reduce the impact of land tax by about \$22 million, and the reason for that move has been covered both in my second reading speech and in the comments of Hon Max Evans tonight. I think it should be said that this Bill does not purport to provide a long term solution to the sort of difficulties which have been demonstrated by the very sharp increase in total land tax revenues which would have accrued this year if not for the effect of this Bill in reducing them. In the longer term there are two quite different measures to which we would be looking. The first is the achievement eventually of annual revaluation rather than the cyclical three or four year valuations that have operated in the past. As well as that, members will be aware that the Treasurer has indicated the establishment of a general review of the land tax system. It will not be the first, nor do I think I am being excessively pessimistic when I say that we would probably be expecting too much of this inquiry, after all the others, if we expect it to come up with some permanent, definitive resolutions of the problems that can arise from the quite sharp fluctuations in land prices. Nonetheless, there is obviously room for improvement and I have no doubt that inquiry will produce recommendations that will be worth our attention.

Hon George Cash: Why don't you have a look at the last three inquiries into the question of land tax?

Hon J.M. BERINSON: I have, and that is what leads me to express some reservations about the possibilities of any measure at any particular time providing a permanent solution to cover all the possibilities that can arise in this sort of area over different periods. Nonetheless, as I have said, we can expect something useful from that, and particularly something useful for the period in which it will be reporting. To that extent I think it would not be wise simply to go back and rely on previous consideration and reports.

It follows from what I have said about the absence of any long term solution in this Bill, and the other measures that are already under way for further review, that it is doubtful that the effect of this Bill will operate for all that long.

Properly Hon Max Evans has drawn attention to the need for an amendment covering a four year period from this point on; but I would personally hope very much that well before the expiry of any period like that some more substantial and long term changes to the system would be possible.

Hon Max Evans has indicated his intention to move an amendment, and the general effect of the amendment. I might reduce subsequent discussion by advising the House that I am aware of the amendment which he proposes and the Government will support it.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chairman of Committees (Hon Doug Wenn) in the Chair; Hon J.M. Berinson (Attorney General) in charge of the Bill.

Clause 1: Short title -

Hon MAX EVANS: During the second reading debate I asked some questions. Normally I might have moved to report progress, but as the end of the year is approaching I ask the Attorney General to provide me with answers to my questions regarding the \$4 million interest and the number of affected taxpayers.

Hon J.M. BERINSON: I had intended to refer to Hon Max Evans' questions, but not in a way that I believe can satisfy him. All I can say is that the calculations in both respects - that is, the number of affected taxpayers and the amount of forgone revenue - have been provided by the State Taxation Department. I have had no indication of the basis of its calculations, but I suggest to the Chamber that we have every reason to be confident about the accuracy of its calculations because, unlike stamp duty estimates, for example, which necessarily involve judgments about the likely state of the economy during a forthcoming year, land tax is based on figures that are known by the time we start. As a result, our experience has been that the estimates of the State Taxation Department in respect of land tax projections have been very accurate and I have no reason to doubt that these figures would also be accurate. If Hon Max Evans is interested in having some elaboration from the department as to how it arrived at those figures, I would be happy to ask it to provide that.

Hon MAX EVANS: It is a little hard for me to comprehend how the figure of \$4 million was arrived at on simple interest rates. Let us say it was \$120 million. Thirty per cent, or one-third, of that is \$40 million. Will that be the amount of tax the payment of which will be delayed by an extra month or so?

Hon J.M. Berinson: I do not think that is right.

Hon MAX EVANS: The money will come in a month later, because it has been held up; but the interest on \$40 million a month later will not be \$4 million. I just want a simple answer in writing showing how the calculation was made. I want to know the total number of land tax assessments issued and the total number involved, because I want to check the figures. I have never believed them before, and I would like to be able to tell the Attorney General whether I will believe them this time.

Hon J.M. BERINSON: I am sorry that Hon Max Evans remains so cynical about it. If he wants a breakdown, I have already said I am happy to convey his request to the State Taxation Department. I agree with him that there is no point in entering into a guessing competition here, but nevertheless a couple of elements are clearly wrong in his approach to the calculations. The first is that I do not believe that only the taxpayers whose land tax will be reduced have delayed payment. My understanding of the advertisements that were placed in an effort to avoid confusion between people in various areas invited all land tax payers to delay payment until they heard further. That of course put a much larger amount into the pool in respect of income from interest on revenue. The second thing is that much more than a month is involved in the time difference in payment. As Hon Max Evans indicated in his second reading debate, he is aware of people who still have not received an amended statement and he accepts that what I am saying is the obvious explanation; namely, that the State Taxation Department does not have a basis on which it can authoritatively issue amended assessments until this Bill is through. We are much more likely to find a delay closer to three months than one month, and also more than the number of land tax payers who will have the direct benefit of this Bill benefiting from the ability to postpone payment.

Hon MAX EVANS: I am pleased to have those words on the intention of the legislation. When Paul Fellowes, the Commissioner of State Taxation, catches me with a late fine, the Attorney's interpretation is that we should all be late and so he might let me off.

Hon J.M. Berinson: I was not interpreting the Act; that is quite a different thing.

Clause put and passed.

Clauses 2 to 4 put and passed.

Clause 5: Valuation of Land Act 1978 amended -

Hon MAX EVANS: I move -

Page 4, after line 17 - To insert the following as new subsection (3) -

(3) Notwithstanding subsection (2), that subsection does not apply in respect of land in a valuation district if the Valuer-General is of the opinion that the valuations for that district proposed to be brought into force will in general be lower than the valuations that will be superseded on that coming into force.

I reiterate the point that the Opposition wanted some provision whereby the Valuer General could bring into play a valuation if the land value had gone down. I accept what the Attorney General has said; that is, my amendment is based on the fact that we might have to wait four years. In other words, the interpretation was that it might be four years before the next valuation is done. If the department gets up and running before next June with the new methods of assessment this amendment would not be applicable. We would need to make further amendments to the legislation prior to next June for annual revaluations and fixing a rate. In the meantime it might take longer to get up and running, as we have found in previous reports from the Valuer General; I just wanted some protection for people. Members can see the trend of how high land values have gone and many land valuation assessments must have dropped a long way back. There must be some way so that people can get the benefit of revaluations down. People cannot afford horrendous increases and at the same time have no way of receiving these benefits. I accept the opinion of Parliamentary Counsel and the State Taxation Department that this amendment will do exactly what we require; that is, the Valuer General can go into a valuation district if he thinks values have decreased. In some districts we accept that some property values might have gone up in that time. However, the main thing is that people should get the benefit of revaluations down.

Hon W.N. STRETCH: I welcome very much this amendment because I am not sure whether the Attorney General is aware of the very great differences that occur in the Valuer General's assessments in rural areas, particularly in the down times. In many cases when a person is having to leave his land, the deciding point on whether he will receive exiting assistance depends not on what someone will pay for the farm but on what the Valuer General thinks it is worth. This has become a sticking point and has caused many months of delay in the settlement of a sell-up. In the case of a voluntary sell-up where the farmer is trying to get out when things have gone bad, the Attorney General will appreciate that some of those people are paying many hundreds of dollars a day in interest and these delays are considerable. I was called in to help with a case where it took about three months to convince the lending authorities that the valuation of land was actually far lower than what the Valuer General was saying.

I welcome Hon Max Evans' amendment and stress that the Attorney General should make the point to the Valuer General that the value of land, particularly rural land, is not what the Valuer General says it is; it is what the buyer is prepared to pay for it. This must be speeded up. There are cases involving good land where the Valuer General is between \$50 and \$100 a hectare out in his valuation. The state of mind of the lenders has been that the property could not be worth the low price offered because the Valuer General says that it is worth so much more. That has led to a situation where things have been unnecessarily delayed. I repeat that I welcome the amendment and I urge the Attorney General to bring it to the Valuer General's attention and make the point that there must be flexibility in these assessments. The Valuer General's department should not stick with its valuations just because the Valuer General feels in his heart of hearts they must be right.

Amendment put and passed.

Clause, as amended, put and passed.

Title put and passed.

Report

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

Third Reading

Bill read a third time, on motion by Hon J.M. Berinson (Attorney General), and returned to the Assembly with an amendment.

APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL*Second Reading - Budget Debate*

Debate resumed from 12 November.

HON P.G. PENDAL (South Metropolitan) [8.50 pm]: I support the Bill. I will use this occasion to touch on three or four issues that require some airing in this House. The first relates to a matter that I have attempted to pursue for some time in this House; that is, the question of who are receiving legal assistance from the Government in their appearances before the Royal Commission, the extent to which they are receiving that assistance, and whether those payments, which I now believe to be running into the millions, are being made by the Premier according to the guidelines that were announced some 18 months ago to this House. I ask that members keep in mind that in the year 1989-90 the Western Australian Legal Aid Commission allocated a little over \$2 million in legal assistance for Western Australians who were either pursuing or were confronted by civil proceedings. That assistance which was allocated in that financial year now rivals the amount of money that has been allocated by the Government out of a separate fund to the benefit of a very small number of Ministers and ex-Ministers who are appearing before the Royal Commission. I am not saying that Ministers and ex-Ministers and public servants and ex-public servants should not be given legal assistance. However, I most certainly question the liberality of those payments. In the course of the next few minutes I will indicate that probably up to \$2 million has already been approved by the Premier in the case of as little as four or five people appearing as witnesses before the Royal Commission. That amount is the equivalent of that set aside for 2 400 separate accounts handled by the Legal Aid Commission in that calendar year for ordinary people of Western Australia. To obtain the facts I had the Leader of the Opposition in the Legislative Assembly ask the Premier if she had approved more than \$750 000 for Mr Brian Burke's legal aid. Astonishingly, for someone who actually approved these payments, the Premier suffered a bad dose of memory failure, not unlike that suffered by many witnesses at the Royal Commission. At page 6534 of *Hansard* the question asked -

- (1) Has the Premier, or her ministry, approved payments of more than \$750 000 for legal and other expenses in relation to Brian Burke's Royal Commission appearances to date?
- (2) If so, on what basis has she approved such an enormous payment on behalf of the former Premier?

Dr Lawrence replied on that day in the following way -

I cannot confirm the amount of money. I do not carry those figures around with me . . .

She went on to say many other things. I challenge the veracity of a remark like that, given that I am led to believe that the amount the Premier has personally approved for legal assistance for Mr Burke now exceeds \$900 000. On 12 November the Premier declined to indicate the amount of money she had approved for Mr Burke's legal and associated fees. Therefore, on the next day, at page 6622 of *Hansard*, I was quoted as asking the Attorney General if he was satisfied that the legal assistance for Mr Burke and other Ministers and ex-Ministers was being granted according to guidelines which the Attorney General tabled in this House in July 1990. The Attorney General's response was somewhat instructive because he said -

That question should not be addressed to me. The guidelines are not my guidelines but the guidelines of the Government.

At that point I interjected and said -

You are the Leader of the Government.

Hon Joe Berinson responded on that occasion and added -

So, I am the Leader of the Government. The member may as well ask me if I am satisfied with the railway schedule.

The problem with that answer is that I did not ask the Attorney General about the railway schedule because I know he is not, directly or indirectly, responsible for railway schedules. However, the Attorney General cannot disclaim responsibility for the guidelines in place for

legal assistance for witnesses appearing before the Royal Commission. Why cannot the Attorney General claim responsibility for the guidelines? My answer to that is that despite his attempted disclaimer on that day, the Attorney General is deeply involved in the matter of deciding who shall and who shall not receive legal assistance for appearing before the Royal Commission. The Attorney General went on to say in answer to my question at page 6622 of *Hansard* -

I will answer the question by saying that it is not for me to answer it. The reason for that is that the guidelines are not my guidelines but the Government's guidelines -

The Attorney General seemed to forget for a moment that he is the Leader of the Government in this place. I continue to quote him -

- and their implementation is not my responsibility but are always dealt with directly by the Premier. Accordingly the member, if he wants to pursue this line of questioning -

At that point I interjected and said, "You bet I do." He continued -

- ought to now know what he may do.

One could take that only as a challenge or a request to ask the relevant questions of the Premier, which I then proceeded to do. Mr President, you would think that after the Premier had been given something like three weeks' warning of that question in the other place, after she said that she did not carry those figures around in her head, and after the Attorney General was questioned in this House and he replied that the question did not come within his responsibility and I should ask the Premier, that the reasonable thing to do would be to put the question on the Notice Paper. I did exactly that.

The question I now refer to was placed on the Notice Paper on 26 November; it was in five parts and a precis of the question will suffice at this stage. I asked the Leader of the House representing the Premier to ask the Premier to disclose the full details of all payments approved by her - and this is important - relating to Mr Burke's involvement in or appearances before the Royal Commission and those relating to Mr Dowding, Mr Parker, Mr Grill, Mr Hill, and the former civil servants Mr Tony Lloyd and Mr Kevin Edwards. I asked not only for full details of all the payments, but also whether those payments had been approved by the Premier in compliance with the official guidelines which, according to the Attorney General, belong to the Premier and the Premier alone. I also asked whether the Solicitor General or the Crown Solicitor, or their nominees, had expressed any concern over any of the payments that the Premier had authorised. Again, one would expect that, having been given the run around for weeks prior to that, that question might have elicited some fairly simple and basic information. I inform the House that more than a week after asking that question the answer has not been forthcoming. In other words, in the absence of the Government's preparedness to be forthcoming with the answer I am left now with no alternative but to reveal one or two things that I know about the matter.

I have referred to the guidelines that were tabled as paper No 382 in this House on 10 July 1990 by the Attorney General. The guidelines are titled "Guidelines relevant to Ministers and officers in regard to legal proceedings". Members will see from both the date and title of the paper that these guidelines were established well ahead of the appointment of the Royal Commission late in 1990. They outline the circumstances under which a Minister of the Crown might make a claim on the public purse for his or her legal fees. I will refer to the guidelines, particularly that part at page 3 under the heading "General". It states that applications for Ministers and officers for indemnities for legal costs and damages shall be decided by Cabinet and that they will be accompanied by an assessment prepared by the Attorney General, with the assistance of the Solicitor General or Crown Solicitor. I put it to the House that that is clear evidence that the Attorney General misled this House on 13 November. On that day he told this House that the questions should not be addressed to him because the guidelines were not his guidelines but the Government's guidelines and their implementation was not his responsibility.

The document which was tabled in July last year states specifically that applications for Ministers and officers for indemnities for legal costs and damages shall be decided by Cabinet and they shall be accompanied by an assessment prepared by the Attorney General. In other words, the involvement that the Attorney General said he did not have is, in fact,

contained on page 3 of these guidelines. I put it to the House that if that is not bad enough - that is, the question of misleading the House - Hon Joe Berinson then put the House through a circuitous route and then invited me to ask those questions of the Premier, which questions, to this day, have remained unanswered. Therefore, three weeks after my original attempt to find out how much taxpayers' money is going towards legal costs incurred by Mr Parker, Mr Dowding and other people, I am still being denied the information. Members can only conclude that we have arrived at a point where the guidelines are being breached and abused and I will now demonstrate why I believe that to be the case.

I asked whether the Solicitor General or the Crown Solicitor, or any of their nominees, had conveyed any concerns to the Government over the adherence to the July 1990 guidelines. If the Solicitor General or the Crown Solicitor, or their nominees, have conveyed that sort of concern, verbally or in writing, I ask that the Attorney General arrange for their comments to be tabled in this House. I also ask him to table all of the assessments that he is required to provide to Cabinet, according to page 3 of the guidelines to which I have referred. It is important to understand that the guidelines for legal assistance for Ministers appearing before the Royal Commission are to be dealt with in the same way as the Ministers who are applying for legal assistance in the cases of civil proceedings. In other words, the guidelines state that a Minister involved in a Royal Commission should refer to the earlier part of the document, under the heading of "Civil Proceedings", to determine what will be his or her entitlements. The crucial part of the guidelines appears at the top of page 2, which states -

The evaluation of these requirements requires knowledge of the circumstances of the case. For this reason, it is usually necessary for the decision -

And that is the decision as to whether the Minister will be given legal assistance. To continue -

- to be made after the proceedings have concluded. In those circumstances, the Minister or officer will take their own legal advice in the knowledge that the decision will be made whether they will be indemnified for costs and other liabilities according to this policy depending on the circumstances revealed in the proceedings.

In other words, these guidelines gave the Government of the day the opportunity to see how the Minister was going. If the Minister was proved in an inquiry to have acted in an illegal or improper way, the Government had the opportunity to say, "Well, we will not give that person legal assistance." Despite that guideline, it appears already that all costs and indemnities have been met up front. That is in direct contradiction to the guidelines. Admittedly, the next paragraph, to which I shall refer in a moment, does make allowances for extreme circumstances. However, these apply specifically to cases where "the nature of the allegation against the Minister or officer and the public interest in defending the action may justify decisions to indemnify at the commencement of proceedings". That is fine, except that the Ministers who are currently appearing before the Royal Commission are not defending an action; and that is one of the requirements of the guidelines. Those Ministers are actually appearing before the Royal Commission as witnesses. Therefore, there must be some serious doubt about whether the guidelines apply to that startling array of Ministers. If the guidelines do not apply, then that by extension means that the guidelines are being abused.

I turn now to another element that is causing some concern. The guidelines envisage the scheme's being administered by the Crown Solicitor or the Solicitor General. The guidelines do state later that decisions will be made by Cabinet. However, my understanding is that the scheme is being administered in the Ministry of the Premier and Cabinet by three people who have been brought together because of their connections with the Labor Party: Mr Ross Harrison; a political appointee who has been seconded from the Office of the Minister for Police; and a full time lawyer and member of the Australian Labor Party who has been seconded from a leading Perth law firm. Why has that person been seconded from a leading law firm in Perth - a person with Labor credentials and, I understand, membership - to administer a scheme which is now spending several millions of dollars and which, according to these guidelines, is meant to be administered by the Crown Solicitor or the Solicitor General? That begs the question: Why is all of this not being driven by the Solicitor General or his nominee? It also begs the question: What is the cost of hiring this lawyer from a leading law firm to go into the Ministry of the Premier and Cabinet if it is not to meet the political agenda of the Australian Labor Party?

These comments would be unnecessary if three weeks ago the Government had promptly and honestly answered the questions that were validly posed to the Premier in the other place. Can members believe that those questions were not answered? The Premier stated in the other place that she could not recall how much she had approved in legal assistance to Brian Burke. How can the Premier state seriously that the figure of \$900 000 has slipped her mind? Would she not be able, after approving payments of that nature, to hazard even a bit of a guess and say -

Hon D.J. Wordsworth: She would be lucky to sleep at night.

Hon P.G. PENDAL: Never has a truer word been spoken. I am surprised that the Premier, who has this ill deserved reputation for openness and all the rest, can put herself in a position in this Parliament where for three weeks she declines to have anything to do with furnishing the answers to questions and where in all likelihood she is in breach of the guidelines that were tabled in this House in July last year. That is not unlike the teeth pulling exercise that we have gone through in this Chamber for the last five years; that is, if a member asks a question and that question is not the precise question that the Government wants to answer, it will evade the issue and then say later that the member did not ask precisely the right question. There is no suggestion on the part of the Government that it might answer the question in the spirit in which it is asked.

Hon Bob Thomas: Do you want us to write the questions for you now too?

Hon P.G. PENDAL: No. I can assure the member that we do not want his help. I am saying that if the Government evades the issue on the first occasion, it will invite the wrath of the member who is asking the question so that he or she says, "I will get the information from somewhere. I will keep chipping away, and eventually I will find out the best way to ask that question so that you cannot evade it." Hon Bob Thomas should mention in his Caucus room, if it ever comes up there, that if Ministers keep evading questions, members on this side of the House will start to make their own calculations. They will start to draw their own conclusions and say, "If the Government does not want to answer, it is trying to hide something, and if the Government will not tell us the amount of money, one can assume that it is large enough to be an embarrassment."

Hon Bob Thomas interjected.

Hon P.G. PENDAL: No, that is where the member gets it wrong. If the Government had come back to that question that I arranged to have asked in the Assembly some weeks ago and had answered it promptly and honestly, the pain would have been over. But no, the Government must create an atmosphere where it suffers not only pain but also embarrassment in that teeth drawing process.

Apart from not answering the questions, there is that other element to which I have referred: If it is true that this Government has spent up to \$2 million on legal assistance to half a dozen Ministers and ex-Ministers of the Crown, including Brian Burke, it has spent the equivalent of what the Legal Aid Commission spent last year on about 2 400 Western Australians who were battling down in the courts of law in civil proceedings. That is the magnitude of it: Five people get \$2 million, and 2 400 Western Australians get the other \$2 million. That does not sound to me as though everyone is being treated equally.

In summary on this point, I understand that the Premier has personally approved, and then sought to keep secret, up to \$2 million in that special legal assistance to Ministers and ex-Ministers. I further believe, from the information that has come to me, that the guidelines have been breached and abused, and I also believe that the amount the Premier has personally approved for Mr Burke's legal and associated expenses now exceeds \$900 000. I believe further that that is in clear breach of the guidelines tabled in this Parliament in 1990, which required a Minister or ex-Minister to be defending an action before cost indemnities are given up front. Neither Mr Burke nor any of the other Labor figures are or were defending actions. They were witnesses at the Royal Commission, and they continue to be.

Also in summary, I ask the Attorney General to table all of those assessments of applications by Ministers and ex-Ministers - and those are the words that appear in the guidelines - for that legal assistance, which Hon Joe Berinson is required to give. I ask him as well to say whether the Solicitor General, the Crown Solicitor or their nominees had concerns, or still have concerns, about the application of the guidelines in this matter. Members should be

aware that the guidelines were written by the Government itself and envisage situations where legal assistance would be approved, certainly before proceedings commenced. However, my reading of the guidelines is that they are applied only where there are allegations against a Minister prior to commencement of legal action. Since Mr Burke and all existing and past Ministers have been mere witnesses I say it is impossible for the guidelines to be properly applied to them. Finally, I simply repeat that call for the Premier herself to live up to that ill-deserved reputation for open Government by forcing Hon Joe Berinson, if necessary, to reveal all of the details of the costs and the Attorney General's and the Solicitor General's behind the scenes advice.

The second matter I raise is, on the face of it, a small local issue, but one that has caused some distress to a constituent of mine. It will require no more than my reading into the record a letter from a Julie Lewis of 55 Hovia Terrace, Kensington. She wrote to the Deputy Secretary of the Australian Labor Party in Beaufort Street, Perth and sent a copy of the letter to me. The letter reads -

Dear Sir/Madam *

I have been receiving mail from The Australian Labour Party for a few years and am annoyed at this as I have no connection with the Party. About 8 weeks ago I received a receipt for 'my' membership renewal. This angered me, and prompted a phone call to the Labour Party to question why I have been receiving mail, and to state I have never joined the Party. It was revealed I was joined to the Bedford branch by a Mr. Jim Connolly - of whom I have no acquaintance.

I note that Hon Fred McKenzie is having a bit of a chuckle. He is not up for preselection, but perhaps he might throw some light on this.

Hon Fred McKenzie: I just happen to know Jim Connolly.

Hon Mark Nevill: Was she paid up as a member or a pensioner? Pensioners are cheaper.

Hon P.G. PENDAL: The letter continued -

It appeared someone had been making me a financial member since 1987, unbeknown to me!!

I find this an unacceptable practice, and a criminal act that someone has signed my name on an application form.

I can see that Hon Bob Thomas agrees with that. The letter continues -

I consulted with Mr. Connolly on the phone and was very unsatisfied with his explanation.

I will bet she was. The letter continues -

He was expecting my call as I had spoken to his son earlier and had left a message re the nature of my enquiry. Mr. Connolly indicated that he had met me through his daughter Susan. I assured him that I had never met his daughter nor himself. He went on to deny any knowledge as to who falsified my name and address in connection with 'my' membership.

I trust you appreciate my concern on this matter and expect to be informed on any outcome or action taken.

At the bottom of the letter it is marked "c.c. Philip Pendal, MLC." My constituent has then hand written an additional note, I presume for my benefit, as follows -

This letter was drafted approximately 6 weeks ago, but due to personal reasons has not been posted until today. (14/10/91). Please note I am continuing to receive mail from the Labour Party.

Hon Tom Stephens: That does not stop even in death, I can tell you.

Hon N.F. Moore: People are still on the roll and voting when they are in that category.

Hon P.G. PENDAL: The slogan of the New South Wales Labor Party used to be "Vote early and vote often".

Hon Graham Edwards: After all the shenanigans in the Stirling division of the Liberal Party, you still have the gall to stand up and read a letter like this.

Hon P.G. PENDAL: I have, because I think that is a criminal act, and that is what this lady says.

Hon Graham Edwards: What happened to all the money in Stirling?

Hon Sam Piantadosi: Tell us about the Swan division.

Hon P.G. PENDAL: That pales into insignificance when compared with this sort of thing.

Hon Sam Piantadosi: What about the membership you wrote up in the Swan division?

The DEPUTY PRESIDENT (Hon Garry Kelly): Order!

Hon P.G. PENDAL: Some time ago a statement was made, I think by the Independent member for Perth, who was then echoing the sentiments of the now Premier, who in her earlier days took the view that marijuana should be decriminalised. I hope that the Government takes serious notice of the letter sent to me - and I am sure to other members of the two Houses - from Holyoake. No-one would suggest that Holyoake is anything other than an organisation with an excellent reputation for the rehabilitation of people with addictions of various kinds. The people at Holyoake are a very fine group of people. For the record I wish to read into *Hansard* half a dozen or so paragraphs that relate to evidence that has come in from around the world to Holyoake, and its plea not to decriminalise these laws.

Hon Mark Nevill: If a person is convicted for the possession of marijuana and fined by the courts, say, \$200 to \$300, should that person lose his job as well?

Hon P.G. PENDAL: I am aware of a case where I took the view that that would become a double penalty.

Hon Mark Nevill: I know of three cases at the moment.

Hon P.G. PENDAL: That double penalty would be unfair. These people should be dealt with by the courts and they should accept the penalty. However, if a person commits a very serious offence in society, it may be that the person not only should be dealt with by the court but perhaps also should be removed from his job as well. I do not put these people in that category. Like Hon Mark Nevill, I would regard that as a double penalty and, therefore, essentially unjust.

I am talking about the effect of marijuana on the human body. That is the point being made by Holyoake, which went on to say -

During the decade when 11 American states formally decriminalized marijuana, regular marijuana use tripled amongst adolescents.

In Holland consumption had increased with decriminalization. In addition Amsterdam became the European capital for the traffic of hashish and opiates.

In England when tests were carried out on drivers killed in motor accidents 19% proved Tetrahydro-cannabinol positive, indicating the presence of marijuana.

In Morocco where marijuana has been used for many years 40% of hospital admissions for acute psychosis or mental illness - are related to marijuana smoking.

A European cell biologist discovered that her 36 long term hash smoking male subjects, had what she calls "A distinct female 'secondary sex characteristic' in their cells". As yet no one knows exactly what this means.

The marijuana of 20 years ago was mild, -

That is an interesting point. To continue -

- usually containing a small amount of (THC) Tetrahydro-cannabinol. The potency of the marijuana available today is 16 times what it was in 1975.

So, anyone who experimented with marijuana in 1975 can thank his lucky stars. The document goes on to say a number of other things -

The United States Surgeon General has issued the following statement:-

"As Surgeon General, I urge other physicians and professionals to advise parents and patients about the harmful effects of marijuana and to urge discontinuation of its use . . ."

The United Nations Commission has classified cannabis as illegal, concluding, "The use of the drug was dangerous from every point of view whether physical, mental or social. Extensive research has indicated that marijuana impairs short term memory and slows learning, interferes with normal reproductive functions, adversely affects heart functions, has serious effects on perception and skilled performance, such as driving and other complex tasks involving judgement or fine motor skills . . .

The document finishes with the most instructive of comments -

The marijuana cigarette contains more cancer causing agents than the strongest tobacco cigarette.

I was not aware of that comparison with nicotine smoking.

Hon Graham Edwards: Do you say that the Bill introduced by an Independent member in another place reflects the decriminalisation of marijuana?

Hon P.G. PENDAL: No. I said that the member for Perth, Dr Alexander, had publicly called for the decriminalisation of marijuana use.

Hon Graham Edwards: That is not what his Bill in the Legislative Assembly reflects.

Hon P.G. PENDAL: I do not know. We do not know of the existence of a Bill in another place because we are not supposed to know. That is the spirit of what Dr Alexander is all about and, while I have considerable regard for him as an individual and even enjoy a friendship with him, I think he is hopelessly and dangerously wrong on that topic.

Another matter that is not far away from the attention of all of us is the question of law and order. Some time ago one of the schools in my electorate - the South Perth Primary School - was concerned enough about recent juvenile crime to want to write to me on the matter. The children wanted to inform me and the Government - and I take this opportunity of bringing it to the notice of the Minister for Police -

Hon Graham Edwards: I went to speak to the children. They are a delightful bunch of people; intelligent and switched-on.

Hon P.G. PENDAL: That is what one would expect from an area which is represented by a diligent member of Parliament. One of the sensible things that the class of young people did was not to dwell all the time on the problem but perhaps see if they could suggest some solutions. I do no more here than to read into the record some of the suggestions - not necessarily in the order in which the children would implement them but to give the House a range of options as they saw them. For example -

1. They should build a home for kids who can't go to jail stay, and there are areas where nothing is there except a bed, a tap and a toilet. The kids would get bored and hate it.
2. Kids from 15 - 17 years should go to a really hard jail and have to stay there for about 1 - 2 weeks so they can see what jails are like.
3. You could blame the parents for this and tell them off, then they would know what their kids are getting up to.

That is an interesting observation because even they saw that personal level of responsibility. The document continues -

4. If a car gets stolen by a 10 year old, they shouldn't be put in prisons or juvenile detention centres because they get out straight away. They should be given a hard job as punishment for a year, but if the kids steal again they should be brought to court and charged.
5. At school they should learn more about the law.
6. Have more jobs for younger people so they have more things to do and don't have time to steal cars.
7. Younger kids that steal cars should have a day in jail to see what it is like, it might stop them stealing seeing how bad it is.

The list goes on and contains 27 suggestions. I am aware that the Minister for Police was invited to the school and that he went there, as did other members of Parliament. I raise this

matter not only to acknowledge the activities of these young people but, more importantly, to highlight the fact that when a social problem has become so serious that it is the subject of attempts by very small school children to find solutions, that social problem has got way out of hand.

I intended to canvass a number of other matters in this debate, but with a little more than nine minutes to go I do not intend to pursue another topic, for no other reason than that it is the second last day of the session and I know there is much other business to transact. I finish, therefore, at my starting point. I have asked a series of questions on the Notice Paper about the details of legal assistance for people appearing before the Royal Commission. Yesterday I think the Leader of the Opposition was told that 77 questions remained unanswered; mine is among those. I fully expect that the answer to my question will be given tomorrow. I also expect to find out the answer to the other questions I have posed, particularly in relation to what the Attorney General provided to the Cabinet by way of an assessment of the applications for indemnities for legal costs and damages from people such as Messrs Burke, Dowding, and Parker. On that basis I support the Bill.

HON MURRAY MONTGOMERY (South West) [9.42 pm]: I support the Appropriation (Consolidated Revenue Fund) Bill. I sometimes wonder whether one really supports this Bill in its entirety. We have had time during this session and at the Committee stage to debate some of the Consolidated Revenue Fund allocations. I wish to raise a number of topics which are of interest to my electorate and about which I feel quite strongly.

I will begin with tourism and some problems felt within the industry. The south west attracts tourists and is an ideal area in which to promote tourism. However, a few problems are being experienced in getting tourists into the area owing to various restrictions placed on the industry by the Government, particularly on transport. It is unfortunate that tourists coming to Australia can purchase an around Australia bus ticket even before they arrive here. However, unless those tourists can afford to spend extra money, they are not able to visit the south west corner of this State because the bus companies cannot travel there. Westrail buses have been given sole rights by the Government to travel into that area. The tour bus companies can run through the area only as long as they do not pick up passengers in Perth or set them down in Albany. That is a ludicrous situation, particularly for backpackers, who would use the hostel facilities throughout the area. They by-pass the south west corner; that is, the area between Perth and Esperance, and particularly between Perth and Albany.

The situation is unfair to the operators who promote the south west corner as a place people should visit. It has a number of tourist attractions which would keep people in the area and encourage them to spend their tourist dollars. It would seem therefore that the review the Government proposes should perhaps start in January next year. It is unfortunate that did not happen last year because one more tourist season has passed. One of the major coach companies operating throughout Australia applied for a permit to travel to that area on 30 August 1990. It commenced an operation in September 1990, but concluded on 22 November of the same year mainly because of the pick-up and set-down restrictions which applied to its permit at that time. It has since made another application, I understand in October this year. However, it is still not allowed to pick up passengers in Perth, but it can pick them up in Mandurah. That situation is crazy because people who visit Australia usually want to get on a bus in Sydney, Melbourne or wherever and travel around the country. Why should people miss out on seeing some of the most beautiful parts of the Australian coastal and bush areas? Unfortunately, owing to lack of communication between Government departments, even though they are the responsibility of the same Minister, there seems to be no desire to see tourists come into that area. One operator indicated to me that the restriction has reduced his clientele of about 40 to 45 people a night to about 15 to 20 a night. That comparison was made for the period of September-October of each year. That is a drastic reduction. I often wonder how people keep their businesses running, particularly in that field, in the light of the reductions brought about by Government restrictions.

I understand Westrail runs a bus service from Bunbury to Albany. However, unfortunately it is available only for the people who normally commute by bus in that area and it is not aimed at tourists. I fail to see why Westrail cannot promote its service in conjunction with the tourist operators. A tourist should be able to use the ticket he originally purchases to travel around Australia and, in conjunction with Westrail, to travel to the south west corner of this State. Alternatively, a coach company should be allowed to operate without restriction in

that area. It appears to me that most of the time a coach company would be a little more expensive than the Westrail bus service, in which case people travelling on that system between Perth and Albany or Perth and Esperance would not want to use private coach companies.

The promotion of tourism is something else in which Westrail could become involved. The Nullarbor Plain is a unique area of Australia that can be reached only by rail. There appears to be very little promotion of that route to Adelaide on the *Indian Pacific*. The promotion of that could be done in conjunction with a bus service that could run between Kalgoorlie, Esperance, Albany, Bunbury and Perth, but certainly taking in the southern part of the State. It could take people off the *Indian Pacific* at Kalgoorlie and bring them to Perth by that route and pick up people in Perth and take them back to Kalgoorlie the same way. That would allow them to see that vast region of Australia before they travel across the Nullarbor Plain to Adelaide. As I said, that should be promoted. I was pleased to hear the Minister for Tourism indicate support for the upgrading of the *Indian Pacific* rather than, in times of cheap air fares, advocating that we get rid of it. I do not think we should do that. We should be showing tourists what we have to offer in the central part of Australia and letting them see that tourism in Australia does not revolve around what happens on the coastline, because there is some beautiful country inland; at times it can be quite picturesque. That needs promotion and it will take those involved in the national rail system to carry it through. This State should take the initiative and attract tourists to Western Australia.

One question that needs to be answered - it has attracted some attention from a member opposite - is that relating to orderly marketing and the Potato Marketing Board. A member opposite has referred to problems with the Edgell-Birds Eye factory at Manjimup. At no stage in the last few years, certainly since Edgell-Birds Eye came to an arrangement with the Potato Marketing Board, has growing potatoes been a problem, because they are grown under contract to that plant as other growers of potatoes are under contract to Southern Processors Ltd, the vegetable processing plant in Albany. The only requirement placed on them is that they must notify the Potato Marketing Board that they are growing potatoes for the vegetable processing plant. They do not have to be licensed by the board and no levy is placed on the growers. One problem being faced by the Manjimup vegetable processing plant is the importation from overseas of potato products, french fries or chips. That is the biggest problem we have in keeping our producers in production. It causes me great concern because I have no trouble in supporting orderly marketing if producers agree through a producer poll that that is what they want. It is also the prerogative of producers to get rid of that system if that is what they want. I also believe that once it has been set up it will not be set in concrete. Obviously there is always need for change in any system, but the change should be instigated by the producers. It should not be instigated by people who are not producers but who have vested interests. If people want to produce, whether it be potato, egg or lamb production, so be it. They should get in and change the system to the way they want it to work. However, people should not try to change the system from outside because referendums of producers have been held to set up these authorities and marketing boards, and that is the way it should be. Whether other people agree with that depends on their philosophical point of view. The producers have held the referendums and should be allowed to get on with the job.

It is interesting that when a referendum on lamb marketing was held in 1971-72, approximately one-third of producers did not support orderly marketing, which meant that two-thirds did. A second referendum was held 10 years later and the same proportion supported orderly marketing. I was at an industry forum a few years ago at which suggestions were made for change, but the same proportion of support still existed for orderly marketing. Majority rules in most instances although the majority does not rule in this place most of the time. The Government sits on that side of the House and we sit on this side. We have the majority but are not the Government.

Hon Derrick Tomlinson: We exercise the will of the people.

Hon MURRAY MONTGOMERY: Sometimes we try.

Another area which I find pleasing is that of agricultural education. About 12 months ago the Denmark Agricultural College reached the stage where it did not know whether it would open again this year. Decisions were made that enabled it to remain open. A young

principal named Andrew Castle came from Cunderdin and sorted things out. The college was previously known as the Denmark Agricultural High School and was part of the Denmark District High School. It was interesting to go there this year and to see the change in attitude that has happened at the college in the past year. A huge increase in enrolments has occurred in that time and about 23 students are enrolled this year. The 1992 year will see more applications for enrolment than the school is able to accept, and more than it has ever seen before.

Mr Castle believed the school required promotion and sought the best way to do so. One must remember that four or five other agricultural colleges are available in this State. He hit on the idea of using television promotion in the middle of this year. It is interesting that he had the ability to drive a hard bargain. The Government should look at what he achieved. He was able to get the standard television advertising rate reduced for the three week period he used it from its usual \$25 000 to \$30 000 to about one-third of that cost. That was good work and the school has lifted since. It has zipped along because people understand where Denmark is, what courses are available and what facilities the school has for its students.

It was pleasing to return to the school after that first 12 months to find the students believing they have something to offer the community because they were given the opportunity to attend the college. It is good for the Denmark community and the agricultural community at large for young people to be trained so that they are able to take their place in the rural community. We need that approach to be promoted because, as sure as night follows day, the agricultural sector of our community will not stay down even though it is going through a torrid time at the moment. When it recovers it will require these young people to ensure the agricultural and farming sector has people to work in it and keep it moving along. I am sure that agriculture will take its rightful place in our community in the next few years after we pull out of the present recession. Once agriculture and the rural sector take over the production role and earn that first dollar that the rest of the community desperately needs we will see people moving back into employment in the rural sector.

Hon J.N. Caldwell: Matt Stephens, the former member for Stirling, will be pleased about that because he opened a pig shed there and there is a plaque saying he did so.

Hon MURRAY MONTGOMERY: That is true. The previous member for Stirling is pleased we have been able to retain the area and facilities at Denmark. If those facilities had been lost the south coast would not have any agricultural pursuits to offer young people. The closest facility would then have been at Narrogin or Harvey. That would have resulted in a great disservice to the south coast area.

The Denmark Agricultural College is looking to ensure it has the facilities it requires, so it is obviously looking to see what land is available or may become available to it. I believe the Government holds land in the area. I sincerely hope that if the Government is thinking of disposing of that land it will have second thoughts and will ensure that the agricultural college is provided with the opportunity of using that land so that it can offer expanded courses. It would be a shame if the college were not given an opportunity to use that land. Although I have some reservations about this Bill, I support it.

Debate adjourned to a later stage of the sitting, on motion by Hon Max Evans.

[Continued on p 7520.]

SITTINGS OF THE HOUSE - EXTENDED AFTER 11.00 PM

Wednesday, 4 December

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

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

PUBLIC AUTHORITIES (CONTRIBUTIONS) AMENDMENT BILL

Second Reading

Debate resumed from an earlier stage of the sitting.

HON MAX EVANS (North Metropolitan) [10.09 pm]: The Public Authorities (Contributions) Amendment Bill has for some unknown reason been rushed on today in both

the other House and this House. I will have to withdraw the strong statement I made in a speech this evening that I thought that had been done to balance the loss of land tax that has occurred, because the Attorney General assures me that this was always part of the Budget program. I have not checked it yet, but it is all in the Estimates, to the last dollar and cent. It was part of the Budget Estimates. I do not remember reading it in the Budget speech, but it is in the Estimates. We could not find it before; it was hidden under that wonderful heading "Business Undertakings, Profits and Surpluses". The Treasurer puts everything into one big figure.

Hon J.M. Berinson: But it was in the speech.

Hon MAX EVANS: I never take any notice of the Government's second reading speeches; we can never believe them; a lot of the time they are not even right. The second reading speech says the purpose of this Bill is to increase from three per cent to four per cent the statutory corporation levy on the State Energy Commission, the Water Authority, the Bunbury Water Board, and the Busselton Water Board. That reads beautifully. Three to four per cent does not seem like anything. We talk about the taxes which people pay. Many people would love to make three per cent or four per cent net profit after all expenses. The Government is going to take three per cent or four per cent off the top, which is an increase of 33 per cent gross. This is nothing to do with taxes or net profit. We could examine the accounts of SECWA or the Water Authority. Their books have been adjusted one way or the other. It is very difficult to see what the true position is. I did not want to drag the debate out forever; we could have gone through the balance sheets of each of these agencies to prove how the Government could not afford this.

Hon Derrick Tomlinson: You are not saying three per cent to four per cent altogether; it is three per cent to four per cent more.

Hon MAX EVANS: It is 33 per cent more than before.

Hon J.M. Berinson: It is just as accurately one per cent more.

Hon MAX EVANS: Goodness gracious me!

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

Hon MAX EVANS: No; it is one per cent gross, not one per cent of what we had before. It is 33 per cent more than what was paid before, and one per cent of gross revenue more than before. It was three per cent of gross revenue before, and one per cent now; add them together and it is four per cent. That is a lot of money off the top. There used to be great criticism of Lang Hancock's receiving five per cent of the gross sales of Hamersley Iron Pty Ltd. Every twentieth truck of these long iron ore trains was Lang Hancock's. He received five per cent of the total revenue. Next year the figure here will be five per cent also. When the Government goes to five per cent next year, it will be only a 25 per cent increase, but this year it is a 33 per cent increase. At least we would be keeping closer to the inflation rate. It is unbelievable. We might think this is a pantomime. The speech continues -

The increase in the levy to four per cent is estimated to raise an additional \$21.2 million for the Consolidated Revenue Fund in 1991-92.

Currently, none of the agencies pays a dividend or amounts in lieu of Commonwealth taxes - from which they are exempt - to the Consolidated Revenue Fund. Furthermore, Commonwealth Grants Commission assessments indicate below average revenue raising efforts by Western Australia in this area.

The Government might even be making a profit. One has only to look at the provisions for superannuation in recent years. That is why I do not want to get bogged down with balance sheets. There will be a huge shortfall and profits below the line because of a huge accrual for superannuation. There may be a profit on trading before paying out this amount. For a couple of years there was an adjustment, something to do with the gas pipeline up north. The three per cent levy was reduced as a compensating factor to help get out of the troubles on the pipeline.

Here is another quote from the Attorney General's second reading speech -

The increase is considered to be justified on the basis of improving the Government's return from these enterprises and to address the current low rate of growth in CRF revenues -

I agree with that completely. It is only justified to address the current low rate of growth in Consolidated Revenue Fund revenues. It has nothing to do with getting a better return on these enterprises. The second reading speech continues -

- without resorting to increases in the State's narrowly-based taxes. It will not result in any consequential lift in charges by the agencies to consumers.

It might not do that, but it might reduce the reserves by quite a large amount. After all, we build up our business only by retaining the profit in the business. If we pay it all out we will go backwards the whole time. Inflation may be under control at two per cent, but we must try to catch up with inflation in previous years. We need more money each year.

Hon J.M. Berinson: Nonetheless, in the SECWA accounts \$21 million will come out of the surplus, not out of reserves.

Hon MAX EVANS: I do not have the accounts; I did not want to spend all night dealing with them. I could have gone through each of them if I had had unlimited time, but that would not have been fair. Many of the speakers, like Hon Phillip Pandal, would like to spend an hour or so, but we wanted to get this debate over with. The second reading speech continues -

The Fremantle Port Authority was excluded from the increase, primarily as it was considered that it would only further aggravate its already difficult financial situation.

Because the Fremantle Port Authority is in a mess, why should it be excluded? The mess should have been cleaned up long ago. Getting rid of 250 members came only because of the loss. This should have been done long before the loss. The authority should have said, "We do not want these men; we want to make huge profits." It was only when there was a big loss that the authority got rid of these men. As a result, it is let off the hook.

What is this worth in money terms? Some might say not very much. Do not believe it! We are supposed to think in terms of three per cent or four per cent. That does not sound like much money, but what is it in real terms? The SEC's contribution for 1990-91 totalled \$42 486 565. The estimate for next year is \$64.615 million. The Attorney General talks about the money coming out of the SEC surplus. I have news for him: In the last couple of years it made only about \$25 million.

Hon J.M. Berinson: I am sorry; are you talking about the increase or the total?

Hon MAX EVANS: I am talking about the SEC's contribution increasing from \$42 million to \$64 million, an increase of \$22.200 million. That is an increase in the levy against the SEC.

Hon J.M. Berinson: I would like to clarify these figures. The figure I have is \$21.2 million. That is the combined increase of SECWA and the Water Authority.

Hon MAX EVANS: The Attorney General is wrong again.

Hon J.M. Berinson: I may be, and that is why I want to get it right. Could you tell me where the figures you are now quoting come from?

Hon MAX EVANS: That is secret.

Hon J.M. Berinson: Right!

Hon MAX EVANS: I asked the Attorney General, representing the Treasurer -

Can the Minister advise the Estimated Revenue - Treasury (CRF page 17) details of -

- (a) business undertakings - profits and surpluses 1990-91, \$120 681 000; and
- (b) business undertakings - profits and surpluses 1991-92, \$141 667 000?

Hon J.M. Berinson: That does not sound like a question on levies.

Hon MAX EVANS: Oh, yes.

Hon J.M. Berinson: Right.

Hon MAX EVANS: The Treasurer provided the following response. He gave two columns, one headed Receipts, 1990-91; the other Estimate, 1991-92. R & I Bank Ltd receipts, \$20 411 342. Statutory levies - this is what we are coming to; and it is the Attorney General's answer, not mine. If it is wrong he should not say I have been telling lies in the

Parliament; he has. The answer shows: SEC, \$42 486 565 and \$64.615 million. Western Australian Water Authority, \$11 921 970 and \$17.540 million. If we take those together we get receipts of \$54 million and estimates of \$81 million, an increase of \$27 million. Fremantle Port Authority is interesting because the Government budgeted to get another \$500 000 from that authority, so there will be a shortfall in the Budget. Receipts for the authority were \$1 066 440; estimate for this year, \$1 549 000. If the Government is not going to increase it, it will come down unless the turnover has gone up. Bunbury Water Authority: Receipts, \$104 234; estimate, \$115 000. Busselton Water Board, \$36 421 and \$43 000. I shall not go through all the others, but that was the Attorney General's answer to me in Parliament. I have no better authority in this world than the answer given by Attorney General. He might like to explain why his figures are different from ours.

Hon J.M. Berinson: I have.

Hon MAX EVANS: He thinks he is wrong again?

Hon J.M. Berinson: No, I think I did not grasp what you were quoting; that is all.

Hon MAX EVANS: Reluctantly we have to support this Bill. We do not have the privilege of the other House of being able to reject it. If we did, nobody would be paid wages for Christmas, and that would be very sad. Nobody wants that. We are in the spirit of Christmas. The Liberal Party supports this rip-off legislation; this smart move in nicely couched terms. The second reading speech states that the increase is considered to be justified on the basis of improving the Government's return from these enterprises and to address the current low rate of growth in CRF revenues without resorting to increases in the State's narrowly-based taxes. It also states that it will not result in any consequential lift in charges by the agencies to consumers. It must affect them at the end of the day. If the State Energy Commission is down \$22 million, the interest is worth a couple of million dollars; and we all know how much it is struggling to balance its books.

We support the increase in the levies under the Public Authorities (Contributions) Amendment Bill from three per cent to four per cent in relation to the State Energy Commission, the Water Authority of Western Australia, the Bunbury Water Board and the Busselton Water Board.

HON J.M. BERINSON (North Metropolitan - Attorney General) [10.21 pm]: I cannot say that I detected too many questions in Hon Max Evans' address. In his exuberance in quoting my reply, I could not grasp the nature of the questions and answers which he was quoting. I am absolutely sure that if the Treasurer provided those figures, they are accurate; just as the Treasurer's figure indicating \$21.2 million from the one per cent increase, or the 33 per cent increase by Hon Max Evans' calculation, would also be correct.

Hon Max Evans: They cannot both be correct; SECWA has an increase of \$22.2 million alone.

Hon J.M. BERINSON: Is that what the Estimates show?

Hon Max Evans: Yes; the Water Authority is up by \$5.6 million.

Hon J.M. BERINSON: I will be happy, especially if the member can provide the questions, to obtain a detailed response for question time tomorrow, or alternatively I will provide detail in writing for Hon Max Evans.

On one matter at least I have Mr Evans' agreement; that is, that there is no secret or surprise about this Bill. It has always been an integral part of the Budget proposal, just as the three per cent levy has been an integral part of the revenue Estimates for a large number of years.

One aspect referred to in the second reading speech which should not be overlooked concerns the effect of the current three per cent levy on the approach of the Commonwealth Grants Commission. A number of other States pay either levies or dividends equivalent to five per cent or more and, as indicated in the second reading speech, that has a direct impact on the Grants Commission's approach to its calculations of payments to be made here. The estimate is that by keeping our levy at three per cent the State Government is forgoing revenue of the order of \$80 million compared with that applied by other States.

Hon Max Evans: How do you reconcile that? There would be no profit left.

Hon J.M. BERINSON: I am not advocating it, and nor is the Government. I am pointing to the fact that the lower recovery of funds from this source as compared with the average impost in other States does produce \$80 million less than would otherwise apply. This is a factor taken into consideration by the Commonwealth Grants Commission in arriving at its recommendations for payments to this State. No-one is suggesting we go to five per cent, as in South Australia, or to 10 per cent, as is the case with the Victorian dividend.

Hon Max Evans: A dividend occurs after a profit; we are talking about five per cent gross.

Hon J.M. BERINSON: I take that distinction, but at the same time that does not alter the position we face when making a comparison with South Australia, which has a straight five per cent levy, on the same basis as ours.

Hon Max Evans: South Australia has fewer work practices and a greater degree of productivity.

Hon J.M. BERINSON: I am glad the member mentioned that. Again, I think it is worth repeating some comments from the introduction to this Bill. That is, the increase in the levy in both cases is being achieved without any additional impact on the rates charged by either the State Energy Commission or the Water Authority. That, in turn, is not a consideration which can be looked at in isolation or in a vacuum. The truth of the matter is that not only do we have a situation where the increased levy does not cause an increase in rates, but also this is being applied in a year where rates are being kept well under the consumer price index commitment which the Government originally had, and deliberately so. Not only that, but the authorities have a long term commitment to continually reducing the increase in their charges below the rate of inflation so that over a period we should at least get onto the right track of reducing the serious differential between our energy charges here and the energy charges applying in other States.

The reason I say Hon Max Evans' interjection was relevant to all of this is that the authorities could start their move along this direction only as a result of the attention which they have paid to work practices, and the start at least of very significant improvements to those practices. Again, I doubt if anyone would say that the process has gone as far as it might or as far as we would like it to go. Nonetheless it is now having a discernible beneficial effect. That is seen most importantly in the ability of the authorities to restrain increases in charges at the very same time as they have an ability to meet the levy increases. This is an important element in the Budget; it always has been since its introduction. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chairman of Committees (Hon Doug Wenn) in the Chair; Hon J.M. Berinson (Attorney General) in charge of the Bill.

Clause 1: Short title -

Hon MAX EVANS: Has the Attorney General checked carefully what will happen with this legislation? I see that the Government made a profit last year, after statutory contributions of \$42 million, of \$35 million. Therefore, a small profit will be left. Last year, \$78 million profit was made, \$64 million was provided in the statutory contributions, and \$14 million was left over; however, this is a small margin in an operation of \$1.1 billion. Therefore, the figure of \$24 million is not negligible. The Government must take care with the implementation of this legislation because the State Energy Commission has many problems. The Government has not told the Parliament what the position will be with the Water Authority and SECWA. Also, the Attorney General provided a figure of \$21.2 million which was not correct.

Hon J.M. Berinson: No I didn't; in any event, I have undertaken to get detailed figures for you.

Hon MAX EVANS: I would have preferred to have the information within the second reading speech so that we could have determined what the impact would be at these bodies. I do not want to adjourn debate so that we can consider the details; this is a small problem and the taxpayer will appreciate the intent of the legislation.

Clause put and passed.

Clauses 2 to 5 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

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

APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL

Second Reading

Debate resumed from an earlier stage of the sitting.

HON MAX EVANS (North Metropolitan) [10.34 pm]: The second reading speech for this Bill is probably the shortest ever; it comprises half a page yet it relates to a \$5 billion expenditure.

Hon J.M. Berinson: That is because of the extensive statement which was provided when the Budget was presented.

Hon MAX EVANS: That was when the Budget papers were tabled. I quote from the Budget overview contained in the Treasurer's Budget speech which was printed and distributed -

Last year, for the eighth year in succession, the Consolidated Revenue Fund budget was balanced with expenditure growth being contained to a mere 2.1 %.

One of the biggest difficulties in government finance is minimising the difference between capital expenditure and revenue expenditure to achieve a balanced result. I looked at the Budget information last year to discover how a balanced Budget was achieved. Under territorial land, Crown grants, and sales of the Asset Management Taskforce in 1990-91, a revenue of \$18.29 million was earned. This also involved special sales of \$17.799 million. Therefore, approximately \$36 million in revenue from the sale of assets was used to balance the Budget for the year. In other words, the revenue balanced with expenditure for the year because the Government sold \$18 million-worth of assets. Unfortunately, I do not have the full details of those sales figures for that year, and I will refer to those again in a moment.

Over the eight years prior to last year the Government's accumulated surplus was \$1 million or \$2 million, and during that time the Asset Management Taskforce has made sales as follows: In 1990-91, \$18.3 million; in 1989-90, \$32.9 million, which gives a total of \$52.1 million. The special sale of land in 1990-91 was \$17.8 million; in 1989-90, \$45.3 million; and in 1988-89, \$35.9 million, which gives a total of \$102.6 million. That is a grand total of \$153.8 million in revenue acquired over the past three years through the sale of land and property.

Probably some farmers today are in the same position whereby they have to sell land to pay wages and to survive. However, one can only sell one's most valuable assets and at the end of the day have nothing left to sell. The Government still has something up its sleeve, and it is estimated that this year the Asset Management Taskforce will sell another \$30 million-worth of assets, and special sales will raise \$8.5 million. Therefore, \$38.5 million will be raised just to balance the Budget for this year. This is creative accounting - a phrase I first coined when I became a member of this place - and the Government has improved in this area over the years. It has become very astute in being creative with its figures. In 1987 I remember that Exim Corporation revalued its livestock up by \$1.4 million and it brought interest from WA Government Holdings Ltd of \$2.8 million. That business involved only \$4.2 million, but that was regarded as a lot of money in those days. We now talk about sales of land to balance the books over four years, from 1988 to 1992, of \$193.3 million! I read again the Treasurer's words -

Last year, for the eighth year in succession, the Consolidated Revenue Fund budget was balanced with expenditure growth being contained to a mere 2.1 %.

The balanced Budget was achieved through these asset sales. However, the situation is not

that simple. Some figures were provided to Hon Derrick Tomlinson regarding the previous year's sales of properties by the Asset Management Taskforce. In 1989-90, \$32.9 million was raised. Creative accounting can also come into effect here by selling property to one's wife or a relative at a pumped up price and by keeping this property moving in circles. Members who are as old as I will remember that the Stanhill group in Victoria created big profits because Stanley Korman sold major assets from one company to another; he made huge profits.

Hon D.J. Wordsworth: That was a long time ago.

Hon MAX EVANS: Many members would be too young to remember that. That person went to gaol for creating false profits by selling from company A to company B which had to borrow the money. Alan Bond did the same thing years later. This sort of thing happens time and time again. The Asset Management Taskforce helped the Government to balance its books - the assets sold to the Government totalled \$18 million out of the \$32.9 million, which is over 60 per cent, from the sale of land.

Hon Derrick Tomlinson: Was not the purpose of the asset sales to provide revenue for Government to assist in balancing its Budget?

Hon MAX EVANS: That is right.

Hon Derrick Tomlinson: How can it balance the Budget when it is buying and selling from one Government agency to another?

Hon MAX EVANS: It is easy because it has a cash flow. The first item I will refer to is the surplus Westrail houses in the metropolitan area. Those houses were sold to Homeswest for \$1.87 million. What happened is that Homeswest borrowed the money for that purchase, but it did not give that money to Westrail. The money went into the Consolidated Revenue Fund. Therefore, the Government thinks that it has a cash flow, but that is not the case; it has a greater debt in Homeswest.

Hon Derrick Tomlinson: Are you saying there are, in effect, concealed public borrowings?

Hon MAX EVANS: Yes, there are, and the South West Development Authority is another example of that.

Hon Derrick Tomlinson: Rather than balancing its Budget it is getting further into debt.

Hon MAX EVANS: Yes, that is right.

The old Kentucky Hostel site was sold for \$1.73 million. We now have a total of \$3.6 million from the sale of two properties and Homeswest had to borrow that money. The reason Homeswest cannot build houses is that it keeps buying land from the Government. If those two deals had not occurred there would have been a deficit that year of \$3.6 million.

I refer now to the Ministry of Education land at Welshpool; the Minister for Education should know about it because she was involved with the Asset Management Taskforce. Some of the ministry land was sold to the Industrial Lands Development Authority for \$1.1 million. I have now demonstrated that the books have been fiddled by a total of \$7.4 million. Who got the money? It was not the Ministry of Education because members will recall that the ministry was not able to provide light globes for schools last year, yet \$1.1 million worth of its land was sold to the Government and ILDA borrowed the money for that purpose. The North Fremantle railway land was sold by direct negotiation to ILDA for \$2.74 million. The list goes on and on. This information should be included in *Hansard* so that history can recall how this Government survived in spite of all the deals it did.

Reserve 25192 in Victoria Park was sold to Homeswest for \$90 000. The Keilman Road property in Willetton was sold by direct negotiation to LandCorp for \$882 000. In the first year that LandCorp was established it had sales worth \$16 million and a net profit of \$5.4 million. The reason for the profit was that the Urban Lands Council gave it that land for next to nothing. In fact, the Urban Lands Council wrote off its land and it had about a \$1 million loss. As a result, LandCorp made a \$22 million profit in the first 18 months of its operations. I wonder whether LandCorp was involved in a direct negotiation in this deal of \$882 000.

Lot 33 Kathleen Street, Bassendean was sold to Homeswest for \$75 000. For all we know there may have been a house on that block. Lot 489 Davenport Street, Karrinyup was sold to

Homeswest for \$210 000. One may ask why Homeswest was buying land in Karrinyup at that price. Reserve 39364, Bakers Hill was sold to ILDA and I certainly hope that it wanted that land and that it was not conned into buying it.

Hon Derrick Tomlinson: It was for a noxious industry site which is now stalled in Government red tape.

Hon MAX EVANS: It is costing ILDA to hold onto it.

Hon Derrick Tomlinson: It could very well be a total loss.

Hon MAX EVANS: What is new? I refer now to Crown land at Joondalup which was bought by the Joondalup Development Corporation for \$9.37 million. The JDC has a lot of money and the Government will take \$25 million from it this year to balance its books. In 1989-90 the Government raised \$9.37 million by selling land to the JDC. I wonder how the Government handled this because it involved a third payment for purchase of the land.

The Department of Land Administration sold land to the Government Employees Housing Authority and LandCorp and on the open market. Its land sales in that year totalled \$45.3 million. I would imagine that most of this land was sold on the open market, but the figures do not indicate that. The Government has been able to balance its books by selling off property and it did exactly the same thing in the 1989-90 financial year. In the next few days we should receive details of the money raised from land sales last financial year. However, we know that sales by the Asset Management Taskforce totalled \$18.3 million and special sales totalled \$17.8 million, a total of \$36.1 million.

I refer again to the Treasurer's Budget speech, which states -

In the circumstances, that result was a remarkable achievement, even though we deferred a planned \$25 million repayment of principal on the debt obligation of Western Australian Government Holdings and some alternative funding strategies were necessary for some items of a capital nature.

Therefore, the Government paid \$25 million in principal, plus \$24.8 million in interest. It was paying interest at the rate of 13.9 per cent on \$175 million and it had to find an additional amount of \$50 million. The Treasury Department loaned the money to the State Government Insurance Commission which, in turn, loaned it to WA Government Holdings Ltd. The Government was able to balance its Budget by not paying the planned \$25 million repayment of principal on WAGH's debt obligation. If we cannot balance the Budget next year all we have to do is to not pay someone. The Treasurer's speech continues -

In 1991-92, our Consolidated Revenue Fund position is for revenue to increase by a modest 4.7% with expenditure growing by the same amount if redundancy payments are excluded.

I will come back to that. To continue -

Including redundancy payments, expenditure is expected to increase by a further \$50 million or 5.7% in total. This amount will be appropriated from the General Loan and Capital Works Fund, bringing the Consolidated Revenue Fund into balance.

In other words, the Government will not take the money out of the Consolidated Revenue Fund to balance the Budget, but will take it out of the General Loan and Capital Works Fund Budget. By not paying 3 000 people \$35 000 a year the Government will save an amount of \$105 million. If redundancies take place for six months, there will be a saving in wages of about \$52 million to June 1992. Therefore, the Government will capitalise in the General Loan and Capital Works Fund the \$52 million that it will save, and bring that into the Consolidated Revenue Fund. It will fiddle the books by another \$52 million in the first year. It will get better in the following year because the Government should be able to save \$100 million, but it will still have to pay off that \$50 million in interest and repayments. This has all been done to balance the CRF. What the Government is trying to do is amazing. We cannot even blame the Attorney General, because he is no longer the Minister for Budget Management. He was more honest in his day. We never had the problems with him that we have with the present Treasurer. He was an honest man. It is ludicrous for the Treasurer to come up with these sorts of things.

The Budget speech continues -

As I mentioned earlier, our total capital works program will increase by 9.2%, partly due to a heavy carryover of works in progress and the decision this year to change the funding arrangements for departmental motor vehicle purchases.

Most business people in this House, such as Hon David Wordsworth and Hon John Caldwell, would say that seems quite normal; if the Government purchases motor cars, why should not that come from the General Loan and Capital Works Fund? I will tell members why. The Government purchases vehicles free of sales tax, and since the beginning of time the purchase of motor vehicles has been funded from the CRF and the revenue from the sale of motor vehicles has gone to the CRF. However, this year the Government has borrowed \$35 million from the General Loan and Capital Works Fund for the purchase of motor vehicles. The reason is that it wants the CRF to look that much better because, at the same time, this year the revenue from the sale of motor cars will go to the CRF. In previous years there has been a \$1 million or \$2 million difference in the CRF between the cost of the purchase of motor vehicles and the revenue from the sale of motor vehicles, but not this year. The Government has budgeted that the revenue from the sale of motor vehicles will be \$21.5 million. The normal accounting practice if one wants to capitalise \$35 million for the purchase of motor vehicles is to offset the trade-in price of \$21.5 million, so that the net borrowings would be \$13.5 million. The Government should, therefore, be borrowing \$13.5 million but it will be borrowing \$35 million, which will be written off to the General Loan and Capital Works Fund. The Government is breaking all the traditions of accounting practice which it has followed previously. Hon Joe Berinson would never have done that as Minister for Budget Management. I wish the Government would give back to him the portfolio of Budget Management so that he could do things properly. Government members in the other place are a new breed.

The Department of Agriculture will sell \$2.09 million worth of motor vehicles and the Building Management Authority will sell \$1.2 million worth of motor vehicles. The BMA will probably not require any motor vehicles when it gets rid of all its people.

[Quorum formed.]

Hon MAX EVANS: The Police Department will sell \$10 million worth of motor vehicles this year and the Health Department will sell \$2.1 million worth of motor vehicles. That is a total of \$21.5 million that is shown clearly in the CRF figures under each of those bodies.

The Budget speech states also -

The 1991-92 net financing requirement for the general government sector includes the impact of the capital injections to the R & I Bank and the SGIC which have already been announced. After allowance is made for these transactions, together with the transfer of debt from the Commonwealth to the State as agreed at the 1990 Premiers' Conference, the core net financing requirement is estimated at \$374 million.

On an equivalent basis, this compares to \$348 million in 1989/90 and to \$332 million in 1990-91. I should also mention that the net financing requirement in 1991/92 will be temporarily boosted by estimated borrowings of \$50 million required to meet redundancy payments. Funding demands will also be lower next year due to a significant winding down of expenditures on many of our major capital works and in response to an expected strengthening in our revenue collections.

I have tried to elaborate the impact that the things I have mentioned will have on the Budget.

Hon Derrick Tomlinson: What has been the impact on public borrowings?

Hon MAX EVANS: That is the next debate. I have only another 40 minutes in this debate so I will not go into that.

I turn now to education and skills formation. The Budget speech states -

Education and skills formation remain key priorities for this government and features of the Ministry of Education's expenditure programs include:

total recurrent spending of \$992.8 million on education services, including provision for the appointment of an additional 369 teaching and support staff in primary and secondary schools to meet expected increases in enrolments and to staff new schools and major growth in existing schools;

a capital works expenditure program of \$84.5 million for primary and secondary school buildings and facilities; and

a special \$75 million two year maintenance program including minor works to address ongoing needs and overcome the backlog in school maintenance. \$35.6 million will be made available this year, an increase of 66.6% on 1990/91.

I am a bit mystified about the mention of a special \$75 million maintenance program. All I can pick up in the General Loan and Capital Works Fund is a special maintenance program of \$20 million. We are told elsewhere that special maintenance is for the maintenance of schools. We cannot capitalise that. That should have been written off against the cost of education, but no, it has been included as a capital expenditure. The \$50 million, plus \$35 million, plus \$20 million is a total of \$105 million of expenditure which would, had Hon Joe Berinson been the Minister for Budget Management, been treated properly and not in the way that the Treasurer is treating it. We are then looking at \$22 million as a probable loss from land tax. The Attorney General pointed out that I was not incorrect in my assumption that the extra levy on statutory authorities was to offset that loss, and I accept that. So there is \$22 million on top of that, which makes a shortfall of \$127 million. Hon Mark Nevill appeared to be quite stunned about a shortfall of \$9 million or \$14 million, or whatever it was previously, but in 1983 either \$23 million or \$32 million interest was earned in short term investments which could have been brought into the books to offset that loss, but was not. The correct description of the education item is special maintenance and other works, \$20 million is the total amount estimated, and the whole amount will be spent this year.

I turn now to the description of the accounts, and I hope my remarks will be picked up by Treasury. Each year I have to ask the same question, and perhaps I should have mentioned this before so that the presentation of the accounts was improved. Before I came to Parliament there used to be a huge amount of money related to Treasury, but just one line of explanation. In the Estimates of Revenue and Expenditure for 1991-92 under the heading Treasury there are several subheadings. Alongside Business Undertakings, Profits and Surpluses the receipts for 1990-91 are shown as \$120.7 million, and the estimated receipts for this year are \$141.7 million. Why does the Treasury not break these figures down? They are very material amounts which are of interest to people because of what they represent. Similar one line entries are for much smaller amounts - for instance, Sport and Recreation, Regional Services, \$22 000; Technical and Further Education, Small Business Classes, \$90 000. So why are the business undertakings, profits and surpluses of Treasury combined in one line, when Recoveries are broken down into Superannuation Board Charges, Debt Charges, and Other? They are all on separate lines, which is as it should be, so that people who want to look at them can find the exact receipts for last year, including the R & I Bank Ltd dividend of \$20.4 million. That is an amazing dividend when one considers that the R & I Bank Ltd made only a \$16 million profit after tax, but the Government forgot to tell us that was a tax credit added on, giving \$16 million. It was agreed that it was a nice round figure of \$20.4 million, which was what the Government wanted out of the R & I Bank Ltd as a dividend last year. The bank has lost \$100 million since 31 December 1990, so that was before we got the final accounts. It paid out \$20.4 million last year when it was not making very much profit. That was the figure agreed on, and it was actually more than the bank made in cash for the year.

Hon Mark Nevill: What was the prognosis for this year?

Hon MAX EVANS: I would have thought about \$150 million, but I do not know. The figure that came out in July was about \$100 million. When we consider the valuation of properties and so on, the R & I Bank Ltd has only about six per cent of its money in agriculture, but with \$8 billion that is still \$480 million it has in the agricultural region. We were talking tonight about falling property values, which affects how the bank assesses its debts. It would be difficult to estimate. It is not a cash loss; it is a paper loss until the bank sells them up, but it has an effect on its books.

As for the other statutory levies, one could pick them up before if one went to the State Energy Commission or the Water Authority. Those figures should have been itemised separately for years. The figures are SECWA, \$42.4 million; Western Australian Water

Authority \$11.9 million; Fremantle Port Authority, \$1 million; Bunbury Water Board, \$104 000; Busselton Water Board, \$36 000. The SGIC's contribution in lieu of tax was \$260 000. When one looks at the SGIC's losses, one would think it would want money back. Alongside GoldCorp is the figure of \$26 million. It is battling to survive this year, yet last year it paid \$26 million, a large part of which was repayment of capital. I believe that some of that capital came from the General Loan and Capital Works Fund. The Attorney General might recall that originally the Government planned to put \$15 million into GoldCorp, then the Reserve Bank made the Government lift the amount to \$25 million. It went to the R & I Bank Ltd and repaid \$26 million. It has all come in as receipts. I am not saying it is creative accounting, but it is a fact.

The receipts of Joondalup Development Corporation for 1990-91 amounted to \$3.5 million, but next year it will get \$25 million, and I suppose it should. The Government gave it land for nothing, but the trouble is that it has virtually converted land into revenue for the Government. The land cost the Government nothing - the Aborigines gave the land to the Government years ago - but I believe that when we sell this land we must start to pay off debt. So \$25 million will come into revenue; we are relying on these proceeds from the sale of land. We used to have the same problem: When the Western Australian Development Corporation made its first big profit from the sale of land it was laundered through the WADC into the State development fund and into the Consolidated Revenue Fund. This is the same thing.

There is an entry for Landbank of Western Australia, \$454 000. I am not sure what Landbank is; it is not LandCorp. Western Australian Exim Corporation has an entry of \$1 million, and the WADC's contribution in lieu of tax was \$2.5 million. When one sees the losses coming up now and reads the Auditor General's report today, one wonders why we are paying any tax there. Alongside WADC is a special dividend of \$10.477 million. That is actually a reduction of repayment of capital. The Government put in about \$40 million there, and as it is running down it has repaid capital. That capital came from the prepaid royalties on Northern Mining NL of some \$50 million some years ago. I recommend to the Treasury that in future it should do the right thing by us and split up the figures for the Treasury entry. It used to show just the word "Other"; now at least we are given a couple of headings, but I want more information than that.

I missed the debate on the Estimates, but there is an interesting figure under Miscellaneous Services. Item 78 relates to Global Provision for Salary and Wage Award Adjustments and Redundancy Payments; \$50 million was the vote last year, and expenditure was nil. That is marvellous, because we were told that instead of all the departments budgeting for an increase in salaries and not keeping control or knowing how they were running, the departments would fix their wage structures on last year's wages, there would be a big pool of \$50 million, and the departments could draw down on that. If we believed what was written in the Estimates of Revenue and Expenditure - that is, that the vote was \$50 million and expenditure was nil - we would believe that no pay increases or redundancy payments were made. It is a bit of sleight of hand and I hope the Attorney General can tell us how it was done. Many people received pay increases but they are not shown here. As well, some distribution information should be included in the accounts, because I would like to know to which departments that \$50 million was allocated, and how it was distributed.

Between Miscellaneous Services items Nos 79 and 80 is an item called Hospital Buildings and Equipment - Contribution to Trust Fund Account, \$12.2 million. Last year the Government got some money from the Lotteries Commission and put it in the hospital trust fund. It was short of money in 1990 and could not balance the books, although it had the \$5 million not paid to the Western Australian Health Promotion Foundation as well. It had a shortfall and could not make a profit, so it paid out this \$12.2 million and put it into revenue. However, the Auditor General said that that could not be done. That is how the Government balanced the books in 1990. This is added to the fact that all the other land was sold, and I referred to this earlier. We were told that \$78.2 million-worth of land was sold, along with the \$12.2 million. That is the way the accounts are arranged in that organisation, and I am sorry that we cannot return to some realistic accounting.

I am glad that the Minister for Sport and Recreation is here, and I am not being critical of him when I question how the FTEs are arranged within his department. It took me some effort to find out what had been done. The FTEs within the Ministry of Sport and Recreation

in 1987-88 were 129, followed over the next three years by 134.4, 124.5, 94.2; the figure for this financial year is 88.5. As a result of this one might say, "That's good; the Minister has done a good job to achieve this huge drop in staff. How has he done it?" In the first year the number of FTEs increased because the Minister's office had been taken on board within the department. The following year the FTE figure dropped from 134 because the Minister's office was transferred to another agency. There is nothing wrong with that, but the number of FTEs drops within the Budget papers. We obtained this information through a question on notice. The ministry had a drop of 30 FTEs from one year to the next, and I could not work this out. I looked at this closely and I was sure that the ministry could not drop that number of FTEs. By chance, I picked up the decrease through the transfer of the Recreation Camps and Reserves Board being appropriated separately; it was accounted for under the Minister for Lands's portfolio. The Minister for Sport and Recreation had a drop in FTEs under his responsibility, and the Minister for Lands had an increase. However, in the following year the FTEs were returned to the Ministry of Sport and Recreation, so I asked another question of the Minister. We do not have separate accounts for that board, although I presume it produces accounts just as every other agency does, but to date the accounts have not been lodged with the Parliament. In the following year the ministry achieved a 5.6 reduction in FTEs due to Budget reductions, and that is to be commended. This is creative human resources, not creative accounting, in that people are moved from one department to another.

I am still trying to ascertain the figures for the total number of FTEs within all departments. Last year the figure was approximately 82 500, and I had hoped that we would have been provided with a total figure this year. I did not want to go through the Program Statements and add up the FTEs; the Government's figures would be more accurate than mine. We need that figure to gain the overall picture within Government. People move from one department to another and this can be misleading.

It is interesting to consider how the Government handles statutory authorities' accounts so that the results do not hurt too much financially. Last year during the Estimates Committee proceedings a request was made for information on social welfare concessions as reimbursement to the Metropolitan (Perth) Passenger Transport Trust, and the following information was provided for inclusion in *Hansard* -

In June 1983 the Government agreed that recognition should be made in the trust's financial accounts of non-commercial or social welfare obligations that the trust fulfils. It was agreed that 25 per cent of the cost of Transperth's bus operations and 40 per cent of the cost of suburban rail operations be identified as a social welfare payment by the Government based on an examination, at that time, of bus and rail operations. This is in addition to the concessional fare recoup which reimburses the trust for fare revenue foregone from concessional fares.

The social welfare payment is aimed at recognising in Transperth's financial statements the non-commercial nature of services provided on week nights, weekends and public holidays to those members of the community who do not have access to private transport.

[In 1985/86 it was agreed that the social welfare payment would be calculated in advance on the basis of the budget estimates of bus and rail expenditure to provide an incentive for Transperth to reduce costs through efficiency improvements.]

The difficulty in distinguishing Transperth's commercial and social welfare obligations inevitably mean some degree of arbitrariness is necessary. However, Transperth has been delivering its service criteria, costing techniques and methodology such that a more accurate recognition of Transperth's social welfare function can be made.

Recently, the Department of Transport has been examining the question of the optimal level of subsidy to Transperth, taking into account the broad community benefits of public transport such as reduced road congestion and reduced road accidents. It is anticipated that the output of this study will result in Transperth's community obligations being more appropriately taken into account in future years.

Anything in this world can be rationalised. The Government provides the buses to make it easier for people to go to work, and create less congestion on the road; however, this in effect

is a \$50 million grant. I did not understand this figure until I obtained Transperth's accounts this year, for which I am indebted to the Minister for tabling them. In considering these accounts it is possible to see the effects of the Government's subsidies on other revenues. The cash fares for Transperth for the last financial year earned revenue of \$50 million; the charters and cruises for ferries raised \$3.1 million; and the sundry revenue was \$2.9 million. Therefore, the total fare revenue was \$56 million. The subsidies totalled \$108 million. In other words, the subsidies were double the amount of fares received. I have heard it argued in Sydney that it may be cheaper not to charge for buses by not employing conductors. I wonder about the situation here. However, wages accounted for \$66 million in the department's accounts, so perhaps that proposal would not work out. The subsidies totalled \$108 million, plus a further funding deficit of \$13.3 million; therefore, it cost the State \$122 million to balance the books of Transperth.

Hon D.J. Wordsworth: Another \$40 million is to be accounted for the northern suburbs railway.

Hon MAX EVANS: It will be interesting to see the cost of that project. The accounts indicated that 40 per cent of the total Transperth figure was for suburban railways. The northern suburbs railway will be operating on today's costs, and the other railway systems are operating at yesterday's costs on old permanent ways of the railways. The capital expenditure for the northern suburbs railway is \$220 million in capital expenditure, and that does not relate to the electrification of the other lines. The depreciation and all the other costs will have to be taken into account.

Hon Garry Kelly: Are you opposed to the northern suburbs railway?

Hon MAX EVANS: No. It is interesting that 40 per cent of the operating cost of the northern suburbs railway will come out of social welfare.

Hon Garry Kelly: It is a Public Service obligation.

Hon MAX EVANS: The member was probably here in 1983 when that obligation was introduced. I am not critical of what has been done, as it reflects the costs. However, we normally only see the Government payout and we rarely see it in perspective; that is, its relativity within Transperth. The point is that the subsidies are double the fares collected.

The social welfare contributions in 1990-91 were \$50.42 million, and the notes in the accounts say that the cost to Transperth of providing services of a social service nature have been acknowledged by the Government and valued in its accounts at 25 per cent of the bus service operating costs and 40 per cent of budgeted suburban rail operating costs.

In 1990-91 the figure for bus services was \$30.9 million; in 1989-90 the figure was \$28.9 million. In 1990-91 the figure for train services was \$70.36 million. If one calculates 40 per cent of the operating costs of the northern suburbs, along with the electrification of the other railway lines, the operating costs will double if not treble; we will see what happens at the time.

The contribution from the Consolidated Revenue Fund is \$5.2 million, so the total amount paid is \$12.45 million; in the previous year it was \$30.993 million. The transport trust fund totalled \$45.64 million from petrol levy moneys, which members might remember the National Party wanted to go back for expenditure on roads. However, these moneys support Transperth and are also part of the subsidies. An amount of \$122.355 million represents the net community expenditure of Transperth operations for the year ended 30 June 1991. The NCE now includes the \$250 000 leasing grant whereas previously that amount was included in sundry revenue. The 1990 NCE figure has been adjusted to incorporate this change. The cost to the community of public transport - Transperth trains and buses - is \$122.355 million.

I am indebted to the Minister for tabling the accounts of Westrail the other day. However, the figures are so big I can hardly follow them. I will quote the trading figures: Revenue, \$346 million, of which \$235 million comes from freight charges and \$19.9 million from passenger fares. Last year Westrail's operating loss, before operating grants and subsidies were taken into account, was \$27.4 million. The abnormal items, which are superannuation and periodic maintenance, are quite mind boggling. They suddenly bring back a credit of \$154 million for superannuation. Where did Westrail get that from? The note on the abnormal items is as follows -

- (i). An actuarial valuation carried out this year by Mr Dennis Barton F.I.A., A.S.I.A., qualified actuary, disclosed liability for retired and current employees under the old State superannuation scheme of \$1.425 billion. As the existing provision (at 30.06.1991) was \$1.579 billion, (based on a previous actuarial valuation done in 1988/89) - the provision has been reduced accordingly in 1990/91 by an amount of \$154 million.

It is quite mind boggling to see that the total revenue of Westrail is \$346 million and that an adjustment is made for superannuation of \$154 million. At the end of the day one sees on the balance sheet a provision for superannuation plus other provisions of \$1.438 million, of which superannuation is \$1.395 million. The balance sheet contains an interesting provision for future track maintenance, long service leave and rolling stock maintenance. The balance sheet looks great; it says that Westrail is operating this year at a profit. It has done a marvellous job, and I give credit to Julian Grill and those following him for getting the numbers down and holding them down. But superannuation is an anomaly in government accounting that we have had for so long. I give credit to the Government for responding to the Auditor General's report on the total liability for superannuation; that is, \$3.9 million. I had a go at Treasury today because its figures for superannuation do not allow for that \$1.4 billion for Westrail, and another \$450 million for Transperth, which adds up to \$2 billion but which does not add up in any of its other figures. I have left that with the Auditor General to sort out.

A couple of years ago Westrail had to bring in the total effect below the line for superannuation of \$1.4 billion; so it was the capital minus \$827 million. With a minus capital like that, what a fantastic return on one's money one would get if one made a dollar's profit. That is a problem Westrail will get over, but after all the years of nobody knowing what the superannuation was it has now been brought into all these statutory authorities. On an ongoing basis no-one will ever have to pay superannuation all at once.

However, another problem must be faced by the Government on superannuation. That is the fact that not all statutory authorities are accruing this as was probably expected. The Geraldton Port Authority has fought this one, and this is what it said two years ago. All authorities must now bring in superannuation for all employees. Some of them may have only joined the authority two years ago but may have worked for the Department of Marine and Harbours for 40 years. The body that employs the employee now has the total liability. The Government says that authorities must run at a profit. How can they run at a profit when they take the full share of superannuation for employees who have changed employment in recent years? That is beyond my comprehension. The Geraldton Port Authority has dug in its heels and has refused to accept this, but most other authorities have accepted it. It makes it very hard to do meaningful accounting for any of those bodies when they must pick up those sorts of liabilities.

I am more cynical about government accounting now than I was some years ago, and it is probably because we have a new person doing the books rather than Hon Joe Berinson. Hon Derrick Tomlinson has been talking about how the Government borrows money to make things happen outside Treasury. We have a lot of fuss about borrowing outside the global borrowing limits, but these authorities are borrowing money to put into CRF. I wonder if the capital grants people know what is going on around here. I might send a copy of my speech to them. Statutory authorities and all these different bodies are borrowing money to put into Government revenues. I could pick up \$18 million only last year, but it is probably more money this year.

I have in my hands an example of the reverse situation. It just happens to be another \$18 million in round figures for the South West Development Authority. What is wrong with these authorities is that they go out and borrow money well ahead of their CRF appropriations. The South West Development Authority borrowed \$18 million so it could build a lot of recreation and sporting facilities around the south west and it is now in debt to the tune of \$18 million. CRF has paid the authority only a couple of million dollars in the last few years, but now the authority must pay back about \$2.2 million each year just to pay the interest on the borrowings for things that have already been done. If this were extended to all statutory authorities and they spent money that the Government had not provided for, Western Australia would be in one helluva mess. Thank goodness the Auditor General pointed this out to us, so the accounts quite clearly show what is happening. The authority

has a deficit of \$11.4 million because what it spent the money on was not an asset; it may have been a sports hall here or somewhere else - and I am not critical of that because it was to buy good votes in the south west - but they are not assets on the balance sheet. This is a thing we must watch. I hope Treasury will bring pressure to bear so that statutory authorities cannot borrow privately and be guaranteed by the Treasury. I must look in the contingent liabilities, because \$18 million was borrowed last year and I thought it was only \$13 million; so the authority has increased its borrowings by \$5 million in one year. If the authority keeps going at that rate it will be a big worry - if not in the overall effect. The view that statutory authorities can borrow and can show huge deficits that can only be paid for out of CRF is wrong. These bodies do not generate any revenue. They are generating an interest debit on the private borrowings which is sending them backwards. We must develop some better accounting standards for amounts like that, for the sale of assets and where the proceeds will go.

It is interesting to wrap up on these accounting standards. The Auditor General's report issued yesterday is critical of the State Energy Commission's leasing of turbines and queries whether it was a financial lease or an operational lease. An operational lease does not show on the balance sheet; a financial lease does. The Clerk of this House was also criticised by the Auditor General for how he showed the lease and its effect on global borrowings. The State Energy Commission did exactly the same thing as the Clerk of this House did, but for \$97.2 million. They got opinions saying that what they had done was all right. The commission did the same thing as the Clerk, and was right, yet the Clerk was criticised for using financial or operational leasing. This matter must be clarified soon. It comes back to accounting standards. Total assets and liabilities must be shown in the books, although I do not always agree with that opinion. We see two actions, one involving \$100 million and another, ours, involving \$500 000. The Auditor General criticised both parties for using that approach, so it must be sorted out so that correct accounting standards are implemented and people know how it should be shown on the books. The Opposition supports the Bill.

HON MARGARET McALEER (Agricultural) [11.30 pm]: In commenting on the Appropriation (Consolidated Revenue Fund) Bill I will make some brief comments about the Department of Conservation and Land Management's approach to the bushfire problem. I have been pursuing this matter for some time because it causes a good deal of disquiet in country areas, particular in the Agricultural region. This has been an increasing problem which CALM is officially inclined to deprecate and say does not exist and that people in the country areas are imagining it. However, in their more expansive moments CALM officers have admitted that CALM has a problem.

Two difficulties arise. The first is the way in which CALM manages its Crown land properties in relation to fire. It does not conform to the normal standards of bushfire control, saying that it has to take greater risks and leave land less controlled and protected because it wishes to preserve the flora and fauna. Farmers who surround these areas feel at risk and believe that this is an unjustified risk. I have heard a CALM bushfire officer say about conservation matters that CALM feels it can take a far greater risk than ordinary bushfire brigades because it has good equipment at its disposal and if a fire should break out in heavily wooded areas it is preserving it can be on the spot quickly so the risk is quite minimal. Anybody living in those areas knows that very often equipment is far away and that CALM being first on the spot is a remote happening indeed. Local people are the first on the spot to do fire fighting and they accept the risk involved. I had an opportunity during the Estimates Committees' debates to discuss this matter with Mr Underwood, the acting chief executive officer of CALM, who said, quite honestly I thought, in response to a question something to the effect that all he could say was that CALM did its best with the available resources; that its resources were spread thinly; that thousands of nature reserves were scattered throughout the wheatbelt; and CALM had a couple of dozen people managing them at Narrogin, Katanning and Merredin. He said that naturally people thought CALM did not do a satisfactory job, but that it did its best.

I have raised this matter tonight because I have just received a letter from an area on the coast between the Dandaragan and Carnamah shire boundaries called Warradarge. The letter comes from the Warradarge Bushfire Brigade and reads -

At a recent meeting of the above Brigade it came to our attention that C.A.L.M. is to be given additional responsibilities in regard to fire control in the area from Dongara

to Lancelin. At present 227,000ha is controlled by C.A.L.M. It is proposed to add a further 250,000ha of unvested Nature Reserves and vacant Crown land to this total.

In Warradarge Bushfire Brigade area alone over 70,000ha will be added to lands already under C.A.L.M. control. . .

We further understand that C.A.L.M. funds have been reduced.

We feel that this is an inequitable situation on the following counts:-

- 1) If C.A.L.M. is given added responsibilities it should be given additional funds to carry out these responsibilities properly.
- 2) If C.A.L.M. is unable to carry out their responsibilities in this regard it is obvious that the local people - mainly farmers - will have to carry the additional burden of fire control on Government lands.

The following statistics collected by Association of Volunteer Bushfire Brigades of W.A. Inc. will help to illustrate the point:-

"During one week at the end of January, 1991, at only 48 of the fires where the data was collected, VOLUNTEER FIRE FIGHTERS worked 18,000 hours from 387 units on Government lands. During this same period, from the same data, 2,000 hours were spent on fighting fires on private lands."

"If we applied a cost of \$15 for each VOLUNTEER hour and then added in a figure for vehicles, say \$90,000, we arrive at a total of \$360 000."

It would seem to this brigade that Government is abrogating its responsibilities in regard to the financing of C.A.L.M. for fire control and loading up the rural communities with additional costs at a time when these communities are finding it difficult enough to carry on without further burdens . . .

I particularly wanted to read that letter because it illustrates the situation before this additional land was given over to the control of CALM. If this letter is correct then, as CALM has admitted, it was extremely thinly spread and unable to exercise reasonable control over the land for which it was responsible. The reason I think fire protection is often not carried out is not for conservation reasons only but simply that CALM does not have the resources to carry out fire protection and is way behind in its own program. That is an unsatisfactory situation.

To add a more positive note, for probably far less expenditure more could be done for the bushfire brigades and a little more money could be spent on bushfire resources for the Bushfires Board which only has about 40 people in it but has done a good job up to date. This would strengthen the country bushfire brigades and provide better control of fires. There would then be no need to extend more responsibility to CALM without providing it with more money and resources it so badly needs. This is an ongoing problem and I hope that the Government, despite the fact that Hon Max Evans has just explained to us there is no money to do anything, will address this matter because the present situation is far from satisfactory. I support the Bill.

HON W.N. STRETCH (South West) [11.39 pm]: My comments on the Appropriation (Consolidated Revenue Fund) Bill will range over a number of topics. The first of those topics is local government and the moves taken in my electorate by the Minister to impose his will on the councils against their will. At present there are many things pressing on the finances of the State and the Minister's action seems to be a real trip to fairyland. He is upsetting councils and interfering with their right to make their own decisions. That is an improper imposition on them. It is upsetting many shires, and they should be left to manage their own shires on their own boundaries. If changes are required, it should be the shires which make them. I have seen this happen over several years and during the terms of several Ministers for Local Government. Most of them have had the good sense to look at the problem, test the water and go away, but the present Minister seems determined to impose his will on all the councils, and this is an improper imposition.

I believe Western Australia will come very badly out of the move towards a Federal transport network. Western Australia relies very heavily on long distance transport, and we will be the losers. The increase in vehicle fees will be a severe impost on the transport industry. If the

Government would consider the alternative of putting fuel levies back onto the roads, that problem could be overcome. That will not happen in the next month or two, but I urge the Government to examine that issue. The Premier gave somewhat qualified approval to the Federal proposal, and I suggest she examine that again and consult closely with the transport industry in regard to the licence fees for rural users of that transport system before going further down that track. With those two points I indicate my general approval for the Bill.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chairman of Committees (Hon Doug Wenn) in the Chair; Hon J.M. Berinson (Attorney General) in charge of the Bill.

Clause 1: Short title -

Hon P.G. PENDAL: At the second reading stage of this Bill I posed quite seriously some specific questions to the Attorney General about the legal assistance being offered in defiance of the guidelines. However, we have seen no attempt by him to answer them tonight. I do not intend to let the matter rest; I shall be pursuing those questions in other avenues. I conclude from the silence of the Attorney General that he had no intention of taking those questions seriously. I intend to take them seriously and I intend to pursue them in other forums if necessary during the parliamentary break. We are talking here about matters involving possibly up to \$2 million, and about a matter in which the Attorney General had a direct obligation, according to the guidelines tabled in July 1990. I referred to those guidelines in some considerable depth tonight. The record will show that the Attorney General declined even to comment on what are serious allegations, let alone give us the benefit of his answers. I do not intend to pursue the matter beyond that, but no-one can take comfort from the fact that the Attorney General has remained silent on the issue.

Hon J.M. BERINSON: I remained silent on the questions Hon Phil Pental has referred to because I was not aware of them. I am sure Mr Pental would have noticed that.

Hon P.G. Pental: Since you were handling the Bill you should have been here.

Hon J.M. BERINSON: Mr Pental is now saying that I should have heard the questions.

Hon P.G. Pental: Of course you should have done.

Hon J.M. BERINSON: Or I should have replied to them, even though I did not hear them, in fact. I am quite prepared to look up the *Hansard* and catch up on these questions. I can only say that I either missed the whole of Mr Pental's speech, or most of it, and that is surely a simpler reason for his complaint than the one he has tried to construct.

May I also indicate in reply to the general criticism which I perceive Mr Pental to be making about the absence of a detailed reply to this Bill that the position is that the nature of Appropriation Bills precludes detailed replies. It has been said on innumerable occasions that the unrestricted nature of the matters which can be raised on Appropriation Bills makes it impossible for detailed responses to be given to the debate itself. That does not mean that consideration will not be given to issues raised by various speakers. It does mean that that consideration cannot be given off the cuff, especially as it covers virtually the whole gamut of Government, if not in fact, certainly potentially.

Hon P.G. PENDAL: I accept, as every other member of this Chamber does, that a Minister handling a Bill which turns out to be a financial grievance Bill which ranges far and wide will not be in a position to detail his responses to all the issues raised. However, the very least members can expect is that the Minister handling the Bill will be present while it is being debated. He might find it tedious to be here for the four or five hours that a Budget Bill is debated, but I wonder if it occurs to him that it is perhaps the most important Bill debated at any part of the session. After all, his Government's survival depends upon it. I regret having said, as I found when I checked my *Hansard* greens, that I supported the Appropriation (Consolidated Revenue Fund) Bill. As I have said in previous Supply and Budget debates, I do not think the Government deserves even to be in office, given its record. The Minister now comes here and says, "I could not reply to Mr Pental's contribution because I was not even here." That is the contempt with which this place is being treated.

Hon J.M. Berinson: That is not the position at all.

Hon P.G. PENDAL: The Attorney General can get up and speak in a minute. I never asked him for a detailed response, but as the record will show, I asked for a commitment that there would be a response. For three weeks the matters I have been pursuing have remained unanswered. If the Minister is sponsoring the Bill, he has the obligation to be here so that he goes away at least with something more than the parliamentary record by way of *Hansard*. That shows, if nothing else, a Government in a serious state of decline. It indicates to me the sort of seriousness with which the Attorney General approaches the sort of complaint which I raised tonight. Not to put to fine a point on it, it alleges that the system is being rorted. However, I do no more now than to signify that what the Attorney General said, and his failure to be here during the debate, is an indication of the Government's contempt for this in the first place.

Clause put and passed.

Clauses 2 to 4 put and passed.

Schedules 1 and 2 put and passed.

Title put and passed.

Bill reported, without amendment, and the report adopted.

Third Reading

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

APPROPRIATION (GENERAL LOAN AND CAPITAL WORKS FUND) BILL

Second Reading

Debate resumed from 3 December.

HON GEORGE CASH (North Metropolitan - Leader of the Opposition) [11.51 pm]: The Opposition supports this Bill, the purpose of which is to grant further supply and to appropriate and apply out of the General Loan and Capital Works Fund certain sums for the service of the year ending 30 June 1992 and to appropriate the General Loan and Capital Works Fund for charges during the year ended 30 June 1991 under the Treasurer's Advance Authorization Act 1990.

This year the Government has estimated that its capital works expenditure will amount to \$1 355.421 million, of which \$460.820 million is appropriated in detail in this Bill. In offering the Opposition's support of this Bill I recognise that much of the detail of the General Loan and Capital Works Fund was discussed during the Committee stage of the Budget some weeks ago. However, the Government's bringing this Bill on at midnight on the day before the House is scheduled to rise seems to defeat the object of allowing full and robust debate on the Bill, because when we are debating the Appropriation (Consolidated Revenue Fund) Bill, the Appropriation (General Loan and Capital Works Fund) Bill and the Loan Bill all on the same night the opportunity for members to speak on all Bills to the limit of their time is somewhat restricted. No doubt that is the Government's objective in bringing the three Bills on for debate on the same night.

Hon P.G. Pendal: Mr Berinson thinks he can get away with it because it is on the eve of his retirement and he does not have to front the House again.

Hon Graham Edwards: That is what you said 12 months ago, and he is still here.

Hon P.G. Pendal: I must be right some time.

Hon GEORGE CASH: It comes as news to me that Hon Joe Berinson is resigning.

The DEPUTY PRESIDENT (Hon Garry Kelly): Order! I ask the member to return to the Bill.

Hon GEORGE CASH: This is pretty important. I am glad this is a general debate. As that is the case it is incumbent on all members of the House to make some comments and pay tribute to the work the Attorney General has done during the time he has been the Attorney General.

I refer to the situation which has arisen annually since the Labor Government was elected in 1983, whereby the Government publishes its proposed capital works expenditure for the year and sends out the appropriate Press releases to signal that various capital works will be completed during the year, yet at the end of the financial year many of those works are not completed and the funds are carried over to the next year. That method of the Government cribbing - and that is the polite way to describe it - year after year and offering false expectations and false hope to the community about capital works expenditure should be addressed by the Government. Last year proposed expenditure of \$1.387 billion was signalled in the Budget and the actual expenditure was only \$1.194 billion. In 1989-90 the proposed capital works expenditure was \$1.606 billion and actual expenditure was \$1.442 billion. It is convenient year after year for the Government to claim that it is about to progress certain works, only for people to find at the end of the financial year that certain works have not been progressed in the manner that the Government had previously promised.

I have raised this matter before, and the Attorney General has acknowledged the situation that occurs every year. In the past he has offered the excuse that, for reasons often outside the Government's control, works simply are not able to be progressed the way the Government might wish in any one year. I would argue that, given the publicity with which the Government surrounds its Capital Works Program and the promises to the community about the various works it intends to complete during the year, those programs are often overemphasised - indeed, overrated - and by now the Government should be able to run its accounts on a much more balanced basis.

This year the capital works expenditure includes an amount of \$50 million which has been appropriated to the Consolidated Revenue Fund for redundancy payments, and I ask the Attorney General to explain the reasoning behind borrowing \$50 million, appropriating it to the Consolidated Revenue Fund and then using it for redundancy payments. I am unable to understand why the Government would not use direct funds out of the Consolidated Revenue Fund for that purpose.

Other matters that I want to raise tonight can be raised during the Loan Bill debate. The Opposition supports the Bill, and recognises that reasonable discussion occurred during the Estimates Committees debates.

HON J.M. BERINSON (North Metropolitan - Attorney General) [12.01 am]: If I can comment first on the procedures we are following in considering these Bills, I should refer to the fact that in general the Budget is considered as a single measure although it requires a number of Bills to be introduced in order to meet its various components.

I indicated earlier tonight that the difficulty in responding to second reading comments on Appropriation Bills arose from the fact that the subject matter of these debates can be so unlimited; and the fact of the matter is that that applies to all three of the major Bills we are dealing with at this stage; that is, the two Appropriation Bills, and the Loan Bill yet to come. In each case there is unlimited capacity, in practical terms, for any member to speak on any subject and at considerable length. One result of that is that members will usually group the various matters they wish to raise in this generalised sort of debate, and they then have an hour to present that. It is only rarely, in my experience, that members having used the full hour on one of those general debates have felt the need to use another hour as well.

I think that I would be correct in saying that any examination of the records of the Legislative Council would indicate the sort of procedure we are following now is very typical of the procedure which has been followed for many years, not simply by this Government but by successive Governments. In the case of the present Government, the reasons for proceeding in this way are strengthened by one old procedure which continues to be adopted, and by a very important new procedure which has been implemented only over the last two years. The old procedure consists of a presentation of the Budget papers in this House at the same time as the Budget Bills are moved in the other House. For formal reasons we do not move the Bills in the Legislative Council at the same time as the Budget is presented but all the Budget papers are presented; that includes the Budget speech, as delivered in the Assembly, as well as the supplementary speech in this House. From that point on, very considerable debate usually follows and it has again followed this year. By that means, an opportunity is given to a significant proportion of the members of the Council to speak on the Budget before the Budget Bills themselves are dealt with. That is what I

have referred to as the old procedure. The new procedure I am referring to involves the establishment and the use of the new Estimates Committees. As members know, there are three such committees, and members are free to attend any or all three of them.

Hon George Cash: Simultaneously!

Hon D.J. Wordsworth: Why is the Attorney General making this speech? Is he trying to fill in time?

Hon J.M. BERINSON: Not at all. Mr President, I am having extraordinary difficulty here. When we were dealing with the Appropriation Bill, Order of the Day No 5, I was attacked for not replying to what was said to be a serious criticism.

Hon P.G. Pendal: We heard six speakers, and you ignored the lot of them; that is the point.

Hon J.M. BERINSON: Mr Cash has made a criticism, and now I am being criticised for responding. I am happy to meet one or other of the criticisms but it is very difficult to meet both of them simultaneously. However, I take Mr Wordsworth's lead; I take it that he is indicating that he understands without my elaboration, and that Mr Cash's basic complaint is met by our present procedures, and I will not take that any further.

However, I should take up a matter which relates specifically to the Capital Works Program, and that was the suggestion by Mr Cash that the fact that the estimates on capital works are regularly underspent indicates some sort of cribbing, as he called it, by the Government year after year.

Hon George Cash: I prefer the word "cribbing" rather than conspiracy.

Hon J.M. BERINSON: I am happy to go along with that preference, but cribbing is wrong too. Mr Cash suggested that the usual response to this sort of complaint is an excuse. It is not an excuse; it is a reason, and it is a very valid and practical reason arising from the nature of capital works. Mr Cash has taken a close interest, for example, in one of the major capital works in my portfolio in recent years, Casuarina Prison. We did not reach our projected amounts in the second year of the project because the project did not proceed according to its original schedule. There was no wish by the Government for it to fall behind, and to have moneys being spent in the year after the original allocation. That, however, was the result of the building program. Such considerations at the time involved boom conditions in the construction industry, and so on. The reasons do not matter; what matters is that there was a delay which put the project behind the original timetable. That was certainly not the choice of the Government and neither was the inability to apply all the original allocated funds as a result of that.

Mr Cash was brief on this matter, and I intend to be as well. I thank him for his support of the Bill, and I commend it to the House.

Question put and passed.

Bill read a second time.

Committee and Report

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

Third Reading

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

LOAN BILL

Second Reading

Debate resumed from an earlier stage of the sitting.

HON GEORGE CASH (North Metropolitan - Leader of the Opposition) [12.10 am]: I indicate the Opposition's support for this Bill. Members will be aware that this Bill is intended to authorise the borrowing of \$390 million for public purposes generally and \$200 million for the redemption of maturing financial agreement debt. As in the case of debate on other Budget Bills, members are able to range fairly widely, and that is what I intend to do tonight. Before I move into some other areas I want to recognise the plight of

the people of Western Australia. I say that because if one looks at the latest State loan liability figures which are set out in the "Analytical Information in Support of the Treasurer's Annual Statements 1990-91" one can see that this year there has been an increase of \$1.044 billion, or 11.44 per cent, on the previous year's figure of \$9.127 billion. That means that as at 30 June 1991, we in Western Australia owed \$10.171 billion in State debt. I suggest that the mere fact that there was little general debate on the Appropriation (Consolidated Revenue Fund) Bill and the Appropriation (General Loan and Capital Works Fund) Bill - and I foreshadow that there will probably be little debate on the Loan Bill - indicates that apart from members of Parliament not being particularly enthused with the huge expenditure pattern and, indeed, huge borrowings of this Government, it spreads beyond Parliament House; the community does not bother to take an interest in how much its Government is borrowing. I doubt that many taxpayers or other people in Western Australia would realise that our State debt has risen by in excess of \$1 billion over the last financial year and now totals in excess of \$10 billion.

Hon Fred McKenzie: How does that compare with the other States?

Hon GEORGE CASH: We are the second most indebted State in the Commonwealth of Australia. I am glad that Hon Fred McKenzie asked that question.

Hon Fred McKenzie: On a dollar or per capita basis?

Hon GEORGE CASH: On a per capita basis. A dollar basis would not necessarily mean a lot given the high population base in New South Wales and Victoria. In fact, Victoria is the most indebted State on a per capita basis of all the Australian States. I would not be so mean as to suggest that the Victorian rail system is adding to that huge expenditure because I think it is fair to say that both New South Wales and Victoria are trying to improve their losses in respect of their rail systems. However, we run second as the most indebted State on a per capita basis of all the States. I mention that because from time to time we see comment in the media about the indebtedness of the Federal Government; I think in the order of \$140 billion to \$150 billion. If we go back over a period of years we can see the rapid increase of the national debt. Few people recognise that in real terms Western Australia's debt is increasing at basically the same rate as the runaway situation in respect of the national debt. In fact, if we project the situation where Western Australia has approximately 10 per cent of the population of Australia, we are running pretty close in so much as this State Government is almost on the same borrowing pattern as the Commonwealth Government. The net loan liability per head of population in Western Australia as at 30 June was \$6 102. That is an increase of \$516 or 9.2 per cent per person on the previous year's figure of \$5 586. I again refer as the source document to the "Analytical Information in Support of the Treasurer's Annual Statements 1990-91".

To understand to where some of that money has gone, one can turn to the specific analytical information and see that our total net direct liability increased by \$139.0 million in 1990-91 from \$3.092.4 million to \$3.231.4 million. The net liability to Western Australian Treasury Corporation for new borrowings for the General Loan and Capital Works Fund increased by \$171.2 million, being \$193.8 million paid to the General Loan and Capital Works Fund, less capital repayments from the Consolidated Revenue Fund. The liability to the Commonwealth outside the financial agreement was reduced by \$14.8 million, and the liability under the financial agreement was reduced by \$114.7 million, which is partly offset by \$97.2 million refinanced by the Western Australian Treasury Corporation.

The net borrowings for State agencies guaranteed by the Treasurer increased by \$905.3 million from \$6 034.4 million to \$6 939.7 million. Some of the borrowings that have been guaranteed by the Treasurer for various State agencies, and which represent the major increases for 1990-91, were: The Department of Conservation and Land Management for forest establishment, land purchases, sharefarming schemes and associated works, \$11.1 million; the Government Employees' Housing Authority for the construction and purchase of properties, furniture, and upgrading of houses, \$5.6 million; and the State Energy Commission's guarantee by the Treasurer, which increased by \$162.5 million. That was for electricity generation and supply, gas and other works, and computing equipment, and that was \$120 million in borrowings in a total works program of \$368 million. It also included valuation adjustments for exchange rate variations on overseas borrowings and for discounts on the face value of negotiable instruments, net of sinking fund contributions, which

represented \$42.5 million. R & I Bank Holdings Ltd weighed in with \$349.8 million of the borrowings for State agencies that were guaranteed by the Treasurer. That represented acquisition of the ordinary fully paid shares on the change in the ownership structure of the R & I Bank of Western Australia Ltd in the amount of \$149.8 million, and the financing of the investment in the bank's subordinated inscribed stock issue, which was, as members will recall, \$200 million. The WATC was guaranteed in the amount of \$193.7 million, which represented an increase in funds available for on-lending to the State agencies, plus State discounts and deferred expenses on net loan raisings during 1990-91 which were to be amortised over the life of certain loans, less net reduction in funding arrangements other than borrowings for State agencies guaranteed by the Treasurer.

From the historic perspective we can see that our net loan liability in actual terms was \$7.353 billion. In 1987-88 that had increased to \$8.071 billion, and in 1988-89, to \$8.44 billion. However, a gigantic leap occurred in 1989-90, as the figure rose to \$9.217 billion, and this was followed in 1990-91 by another enormous leap of over \$1 billion to \$10.31 billion. That was an increase of 11.4 per cent, although in real terms this was 9.1 per cent given that inflation was not running as high as it was in previous years.

The data to which I refer comes from the "Analytical Information in Support of the Treasurer's Annual Statements 1990-91" document tabled in this House some time ago. I mention this significant increase to signal to the House that the State is borrowing huge amounts of money, yet little attention is paid to the capabilities of the State to repay its interest payment, and, indeed, the capital involved. I do not want to be a scaremonger, but a State of this size with a total debt liability in excess of \$10 billion - at a time when production levels are low due to the economic recession - should signal to a responsible Government that the matter of general loans must be addressed. Also, the manner in which the debt is being repaid must be examined.

Members would be aware that some members of Parliament are so concerned about the rapid increase in State debt they have called for an inquiry. I regret that the Government has not heeded that call to date and has relied on one of its lower House agencies, the Public Accounts and Expenditure Review Committee, to examine the matter. That will not adequately address the problems associated with the rapidly increasing debt of Western Australia. If this matter is not addressed, we will find - as with many of our rural producers and business houses - that the debt will grow to such a stage that the State's operations will collapse under the weight of the debt. It is fair to say that, because the loans of the State are backed by the Crown, it is difficult for the business of the State to fall in on itself. However, additional burdens have to be placed upon taxpayers in Western Australia in order to meet the loan repayments. This is a serious matter which will be debated further during the next 12 months as more members of Parliament understand the massive debt burden faced by the people of Western Australia.

The Loan Bill enables a wide ranging debate, and I raise another matter of concern to me; that is, firearm safety in Western Australia. The Firearms Act in Western Australia is recognised as maintaining stringent controls on the ownership of firearms in Western Australia. I recognise that the Government is attempting to encourage other States to adopt similar legislation. However, when it comes to the ownership of firearms and firearm safety, Western Australia, along with most other States, is lacking. Recently I had the opportunity of meeting with Mr Ian R. Edgell, who is an accredited firearm safety instructor who lives in Kewdale. He presented to me a paper which I shall outline to the House. I do this to invite the Government in a bipartisan manner to recognise the work of the submission. I would be happy to enter negotiations with Mr Edgell to further his call to implement tighter firearm safety controls in Western Australia. His submission indicates a positive alternative approach to the firearms debate. It involves the introduction of a compulsory firearm safety course for people wishing to hold a firearms licence in Western Australia.

As a brief history to the submission, in 1965 the then Minister for Internal Affairs in New Zealand was instrumental in the formation of the New Zealand Mountain Safety Council. I am told that to this day the council is still the recognised authority on all aspects of mountain recreation in that country, particularly regarding the welfare and safety of those who derive sport and pleasure from that type of country. A subcommittee was formed which is continually engaged in producing firearms safety posters and other relevant literature. In addition to this, in agreement with the local Police Department some hundreds of approved

firearm safety instructors conduct training courses throughout New Zealand. These courses involve lectures and a subsequent examination designed to assess the suitability of the persons to hold a shooters licence. That is the New Zealand scene, which I relate as a matter of history.

The Victorian Government in 1988, in consultation with the firearms consultative committee and the Victorian Police Department, called for suitable applicants from the sporting shooting associations to study for, and eventually pass, examinations to enable the applicant to instruct and examine voluntarily new applicants for shooters' licences. The Victorian Government subsequently enacted legislation so that each applicant for a shooter's licence had to attend and pass a firearm safety course. In the meantime the police selected suitable police officers from each police district to become district firearm safety officers. Their task was to liaise with the shooters and to arrange venues where such instruction and examination could take place. Their responsibility were also to instruct police officers at local police stations as to the venues, the dates and the times where such courses were to be held.

The applicants for firearms licences were handed a booklet on firearms safety at the time they made application for a licence. I have a copy of that booklet with me; it is titled "Firearms Safety Code, A guide to safe firearm practices". The course took the form of approximately two, two and a half hour lectures which generally considered the following subjects: Responsibilities pertaining to the ownership and safe use of firearms; basic firearm safety; and safe storage of firearms and ammunition.

It is my intention to forward a copy of this submission to the Minister for Police, along with a copy of the booklet, for his consideration. This is worthy of the Government's consideration. The safe use of firearms in the community involves a great deal of responsibility and self-discipline. It is a matter of creating and maintaining an awareness. Mr Ian Edgell made the submission available to me, and he believes that a voluntary firearm safety instruction and assistance course should be made available. The Government, the police and the public will find such a scheme to be most beneficial. Mr Edgell has requested that the Government give consideration to his proposal and I will invite comments from the Minister for Police in respect of this submission after I have sent it to him. The Opposition supports the Bill.

HON E.J. CHARLTON (Agricultural) [12.31 am]: I will follow the line of the Leader of the Opposition and refer to the loan situation of this State. This State owes approximately \$10 billion. Victoria currently owes approximately \$38 billion. We should remember that Victoria has no natural resources of any significance to fall back on to get out of its problems. Members may ask what that has to do with this State. Somebody has to service Victoria's debt and the only people who can do that are the people of Australia, wherever they live. That is frightening when one considers the problems that we have. On top of all of that, the national debt is a burden on any recovery and it is on those matters that I wish to make a few comments.

I am stunned and disgusted by the comments I hear daily from people who I would expect to have a finger on the pulse of the economic position of this nation. I include people from the banking sector through to members of the Government and of various other organisations that have responsibility for the financial management of the nation. I hear constantly that we are at the end of the recession; we are now coming out of it; we will be out of it by the end of this year; or we will be out of it by the second half of 1992. I suggest that there is not a hope in hell of our coming out of this recession until one basic problem is resolved; that is, not until our exports are greater than our imports. The nation's October deficit was \$1.8 billion. We are not coming out of the recession; we are getting further into it. I could not believe it when I heard the top people of the Westpac Banking Corporation say a few weeks ago that things were starting to turn around. I wonder why an organisation like that would make that sort of statement. That does not give one much confidence in investment or an appreciation of the current economic position. Obviously, I am in no position to be able to back up my observations other than from the point of view I have just expressed about exports and imports. It does not matter what people say, we have to cut down on our imports or we have to export more, or both. Until we do that we will not change the economic position of our nation. We can borrow more money to maintain a standard of living at the "expense" of an increase in the national debt. However, every year we take more of our gross national product to service that borrowing, forgetting that every loan must be paid off.

We keep talking about pride, but it is pride in a false sense of security. We also talk about balancing the Budget and being able to manage the loans and successfully operate the State's finances. People who say that live in dream land. The bottom line, no matter what one says or how one describes it or dresses it up, is that everyone knows the economic position of almost everyone in this State has deteriorated greatly and will continue to deteriorate and it does not matter what happens to change the direction or even change the Government - in the short term, things will get worse.

People keep telling me that I should not say these things because it is irresponsible. I am told to talk up the economy and to try to give confidence to people. However, it is one thing to give confidence; it is another to live in a false state or in fairyland, and if anyone says that we can be doing anything else while we are still in a downward spiral, he is joking.

I know members have heard all of this before. However, the day will come when this nation realises that only the mining and agricultural industries, with the transport industry as an integral part of them, can pull us out of this economic decline in the immediate term and get Australia back on its feet. I heard Hon Mark Nevill refer the other night to the significance of agricultural inputs. Although he may not have been insinuating that the importance of agriculture has declined to such an extent that it is only a small part of the economy of this State, the fact is that that is the basis of our problems. As the agricultural industry has declined, so has the economy of the State. It is not a coincidence that the decline in the agricultural industry corresponds with a decline in the finances of the State because it has not been able to carry the State. I warn the House that things will get worse next year because we have not seen the effects of the Eastern States drought. Members may ask what that has to do with us. It does not matter how many people in country areas of those States are involved; while they do not produce, this nation suffers. People can say what they like and continue to live in a false economy. It will not matter whether the population of Perth doubles in the next 10 or 20 years! No manufacturing industries will be set up in the immediate term because everything that is needed to make them jump and fit will not be available next year or the year after that. Those things will probably be available only when there is a massive influx of people to this country who are prepared to live and work under difficult conditions. Australians should not be expected to work under such conditions, but they will have to if Australia is to become a manufacturing nation.

The current rural debt is about \$12 billion and that in the next two months I predict it will increase by another \$2 billion. That debt is secured by nothing else but real estate. A return to profitability for agricultural industries can be achieved only in three ways: Repayment of capital, payment of interest and taxation. The great difference between the situation which prevailed in Western Australia in 1981-82 and 10 years prior to that and the situation that prevails today is the debt level. We have never had the debt level which we have today. On other occasions when there has been a significant downturn in the economy there has been a significant movement of profit going into a range of measures which improved the economy. We will never see that happen again.

Several people from banking and financial institutions have been critical of me and the National Party over the Farm Debt Bill. They say they are doing everything to keep people on the land, but by doing that they are not helping the economy in any way. In fact, it is incurring a greater level of debt and I do not know what will happen to those people, to the industry and, more importantly, to the economy of this State. The industry will be fully occupied in servicing that debt and I do not know how long it will take or the amount of profit that will be required to reduce that debt. It will only be inflation which, over time, will lessen the impact of that debt. We are faced with a problem of almost insurmountable proportions and it will be very difficult for the people of this State to deal with it. While this State may have a \$10 billion debt, the agricultural industry in Australia is faced with a debt which is in excess of that figure. A range of people are talking about assisting the agricultural industry but, with all due respect to them, what they are suggesting is a joke because they are only nibbling at the edges. This country does not have the capacity to turn the economy around.

I ask that during the parliamentary recess members seriously consider what action we should take. We have had many debates on how we should assist a range of people. Both the State and Federal Governments have agreed in principle to a national vehicle licensing scheme to generate funds to pay for damage to our roads. However, in eight years the fuel excise tax

has increased from 6¢ a litre to 27¢ and none of that money is spent on roads. I suggest to Government members that they do not allow the Government or the Premier to proceed with this ludicrous proposal because it will be another burden on the total economy of this State and it will destroy the transport industry, which is the nerve centre of every industry. Approximately 70 per cent of this State's foodstuff is brought into this State by road from the Eastern States. Another tax or burden should not be put on the transport system to pay for the upkeep of roads while the Federal Government is reaping the benefits of the fuel excise levy. The Federal Government is blackmailing the States. The National Party will continue to oppose the proposal to introduce a national vehicle licensing scheme. We must do everything we can to mobilise the transport industry. There is no way in the world that this State can afford to add another burden to the industries to which I have referred.

While everyone supports this Bill for obvious reasons, it provides members with the opportunity to express their points of view on a range of matters. The goods and services tax which was announced recently by the Federal Opposition is the most positive thing to come out of Canberra in the last 10 years. The only thing radical about it is that it is giving back incentive which was taken from industry and from the people about 20 years ago. It is a ray of hope and is a positive response to the difficulties facing this country. Even though it is late in the day, if this Government and its Federal counterpart does not make some drastic changes a significant burden will be placed on the people who are the backbone of this nation. I suggest to the Government that a recovery of this nation's economy will take anything between five and 20 years.

HON GRAHAM EDWARDS (North Metropolitan - Minister for Police) [12.49 am]: I want to respond to the Leader of the Opposition, who raised the question of firearm safety, to indicate that I have no difficulty with the notion of greater gun safety. Indeed, it is something I raised at a recent Ministers' meeting which addressed the issue of gun control and legislation across Australia. I will be happy to look at the submission the Leader of the Opposition has in his possession. As a matter of interest to him and to the House, I advise that I have had discussions with the police and the shooting clubs in this State. It is my view we must legislate to ensure that before a person receives a gun licence for the first time he must be able to demonstrate some proficiency in the use and safe handling of that weapon. That is something we can do by using existing gun clubs throughout the State. I will be progressing that suggestion with them and we will be establishing a body to further the review of the Firearms Act. I suggest to the Leader of the Opposition that if he wants to give me a copy of that submission I will refer it to that body and also look at it personally.

HON MAX EVANS (North Metropolitan) [12.50 am]: I support the Loan Bill. It is unfortunate that all three of these money Bills come into this place on the last sitting night. I know they have been delayed coming from the other House. These Bills provide an opportunity for members from both sides of the House to make important speeches on subjects in which they have an interest. However, we are getting through them tonight, and do not wish to be here all night. I would have liked to add to my comments on the Second Report of the Auditor General for 1990-91. I recommend to all members who received a copy of this document the other day that they read it. It is a well put together report which is easy to read and which contains honest comments on the different departments saying when their operations are satisfactory and when they are not.

I spoke to the Auditor General today. He is to be commended on this document, much of which was put in train before Des Pearson came here; he has rounded it off well. The document is a credit to the Office of the Auditor General, which keeps us well informed. I am disappointed at times that more time is not spent on reports of this nature either by way of debate or discussion. Such reports should be commented on in the same way as the Estimates and Budget papers. Some may say that the Public Accounts and Expenditure Review Committee or the Standing Committee on Estimates and Financial Operations should look at these reports. However, I believe the House should be aware of these reports and someone should be made accountable for what is in them - the relevant Minister, for instance - when things in a department are shown to have gone wrong. Take the example of the Education Department, where an overpayment of salaries and wages of \$1.5 million was made this year for people who were on leave without pay or had even left their employment. That amount was \$900 000 last year, so it is up \$600 000 this year. No-one was asked to account for that. The Public Accounts Committee did not pick that up. Somebody must start

working on these matters otherwise we will be seen to be making a mockery of the reporting process .

The Royal Institute of Public Administration had a meeting here the other night which Nick Catania hosted and which Hon Margaret McAleer and I attended. About 100 public servants were present. I found it was an excellent opportunity to talk to them. I found that they enjoyed the exercise of coming here to the Estimates Committees. They flatter members of Parliament by thinking that we read all their annual reports. I look at nearly all of them but I do not think any member of Parliament reads them all. They asked, "How do you find them? What more should we put in them?" Hon Mark Nevill did a great job some years ago with the Lonnie award. Nick Catania is handling that now. I am told that the quality of applicant is so high now that they get about 90 entries which comply with all the requirements under the award. The better ones have to be culled out. A remarkable improvement has appeared. This comes back to the introduction of the Financial Administration and Audit Act, which has resulted in better accounting methods being used. I have tried to get our members to read more of these annual reports because they are written for members of Parliament and the public.

When I first came here a large number of annual reports were distributed to members. Nowadays we all receive the Estimates and the Auditor General's report but we must seek out the rest ourselves. We receive a report twice a month showing all the signed opinions, and when they were signed and brought here. This year only one department did not have its annual report signed by 31 October; that was the Police Department. It arrived a few days later. This achievement is a major step forward. The Auditor General has commented that a lot of departments are not completing their performance indicators and as of this week he is taking action on that matter to ensure they are produced to ratify matters.

Hon Mark Nevill: Performance indicators are difficult to develop.

Hon MAX EVANS: Hon Mark Nevill is quite right. Alan Smith, the previous Auditor General, did not want to report on them and said he would not report on them. Mr Des Pearson, however, says that they cannot be ignored and that something will have to be done to ensure that performance indicators are produced. He does not wish to report on them; he merely wants them to be available for people to see. We know that people can use good performance indicators and leave out the bad ones. However, they are improving.

Hon Mark Nevill: Initially a lot were workload indicators and not performance indicators.

Hon MAX EVANS: That is right. The Department of Multicultural and Ethnic Affairs did not know what its performance indicators were, how many booklets it gave out, or how many people it was teaching English. The analytical information we get now supports the Treasurer's Annual Statements. Members may recall that it was only about two years ago that we had to hold up the debate at the end of the session until we received the Treasurer's statements. We nearly got through the Budget figures without seeing the State's balance sheet. In the past couple of years it has arrived a little earlier. It arrived earlier this year than last year because I contacted the Auditor General and asked him to treat it as a priority document. The year before last we received it on the second or third day in December but this year we received it sometime in November. It is a good document which has improved. Treasury is doing a lot of work here. It has some very good personnel. We now have all the statutory authorities bringing their liabilities to account. They previously showed their assets. They are now bringing in together long service leave accruals, provision for maintenance, superannuation, and so on. Departments have slightly different cash accounting methods. I will quote from a comment in the "Introduction" which states -

The Preliminary Tables of assets and liabilities have been prepared from returns submitted by departments and statutory authorities. These returns and tables have not been audited.

What that is saying is that at the moment they are not like a consolidated balance sheet, which is checked by auditors. They are merely brought together arithmetically and some weaknesses and problems can be seen in that approach. The introduction continues -

It is not yet possible to report the fixed assets of General Government agencies. Departments, which are classified as General Government agencies, have generally not yet been able to provide complete financial information on fixed assets since in

most cases they report on a cash basis rather than on an accrual basis. General Government agencies hold substantial fixed assets such as schools, hospitals and other Government buildings, roads and bridges, land holdings, and related office equipment, computers and software, plant, equipment and motor vehicles, etc. Action is progressing for agencies to obtain values for their various fixed assets such that these can be reported in full by not later than the year ending 30 June 1993.

In other words, they are really trying to get things together. The Sir Charles Gairdner Hospital is an agency and does not have a balance sheet showing its assets, plant and equipment, or even the building. Princess Margaret Hospital is the same. Sir Charles Gairdner Hospital was funded out of the Consolidated Revenue Fund. Therefore, there is no end cost and all the fixtures and fittings were written off at the time. The introduction continues -

The liability for workers' compensation has now been identified and included in the Preliminary Table of Liabilities. An actuarial valuation is yet to be obtained for the superannuation liability under the Judges' Salaries and Pensions Act.

That means that the Government has self-insured for workers' compensation over the years and the actual liability has never been known because it is always done on a receipts and payments basis. If a department has paid workers' compensation it just involved a contra entry with money coming in and going out. The State Government Insurance Office used to run the Government funded superannuation scheme.

Hon J.M. Berinson: But premiums are paid now.

Hon MAX EVANS: It is coming under control now. They did not know what the liabilities of those workers' compensation payments were; in other words there are long term liabilities associated with those payments for workers' compensation. Some statutory authorities pay workers' compensation and some do not. They involve self-managed funds. This book contains a preliminary table of assets which shows public trading enterprises. A consolidation of fixed assets has been done which amounts to \$8.3 billion, inventories \$330 million, property investment and equity interest \$14 billion, and net deferred expenses \$594 million. The total financial assets which include cash at bank, accounts receivable, and so on total \$1.748 billion. Total assets are \$10.988 billion. Under "General Government" it shows fixed assets at nil so at the bottom there is no total, which is the position that must be reached at the end of the day. That does not worry me much at this stage. It will take a long time to value land holdings that is, if there is any land left to value the way the Government is selling it through the Asset Management Taskforce and at special land sales.

The other side of the balance sheet is the preliminary table of liabilities. That includes borrowings and other liabilities. The State public sector liabilities are borrowings of \$10.463 billion and a total liability of \$16.513 billion. That figure is broken down into subtotals, which have been improved each year. I commend the Treasury for doing a great job. It just cannot do it all at once.

Page 10 of the "Analytical Information in Support of the Treasurer's Annual Statements 1990-91", under the heading "Property investments and equity interests", and under (d), "Financial enterprises", refers to the R & I Bank of Western Australia Ltd, \$567 million; the State Government Insurance Corporation, minus \$186 million; Western Australian Exim Corporation, \$5 million; and Western Australian Government Holdings Ltd, minus \$172 million. That amounts to a net investment of \$214 million. That is a sad tale of diminishing values. R & I Holdings Ltd has since announced a \$100 million loss, which will wipe out a further \$100 million of those investments so that they will decrease from \$214 million to \$114 million. The matter was improved in September 1991 when a further \$70 million share issue was made to R & I Holdings Ltd to improve its position. Page 10 states also that -

The unfunded liability for superannuation has been separately brought to account (see Note 17) and the balances of the Government Employees Superannuation Board which are of the nature of contributions to the funds are not brought to account as a net equity value.

Item 17 on page 15 refers to superannuation. The superannuation liabilities for public trading enterprises are \$1.067 billion, and for general Government \$2.998 billion, making a

total for the State public sector of \$4.065 billion. I have already alerted the Auditor General that those figures do not seem to add up. Westrail has just found out that it has a superannuation liability of just under \$1.4 million, and Transperth has a superannuation liability of nearly \$500 million, so \$1.9 million of superannuation liabilities must be brought into the accounts for those two bodies, which does not seem to add up. There may be some anomalies in the figures.

The expenditure in item 19, operating leases, is increasing each year as more and more Government departments and statutory authorities move towards leasing as the method of financing their asset purchases.

I turn now to the "Treasurer's Annual Statements 1990-91". This document has been improved greatly over the years. Only a few years ago, one could not find out what was the interest earned on short term investments. There is now a summary of that item. Contingent liabilities have been expanded further so that we know exactly what they are. Page 123, under the heading "Loan and Contingent Liability", states that -

The direct loan liability of the State arises under three separate arrangements:

- i) liability to the Commonwealth under the Financial Agreement Act 1928 for loans raised under arrangements approved by the Australian Loan Council;
- ii) liability to the Commonwealth for loans provided under a range of agreements outside the Financial Agreement Act; and
- iii) liability arising from borrowings by the Western Australian Treasury Corporation for the purposes of the General Loan and Capital Works Fund...

Members may recall that some years ago many local government and other statutory authorities could raise their own funds, which were pooled into the Western Australian Treasury Corporation. Whereas the State Energy Commission and the Water Authority previously borrowed hundreds of millions of dollars and paid interest direct, that is now under the management of the WATC. That has advantages and disadvantages, because when the State Government Insurance Commission wanted some money quickly that it could loan to WA Government Holdings Ltd for the Petrochemical Industries Co Ltd deal, it was able to go to WATC and borrow \$175 million for that deal. Had it not had that easy access to that money, this Government would not have lost that \$175 million.

Page 124 states, under the heading "Direct Liability", that the overall net direct liability at 30 June 1991 was: Net liability under the Financial Agreement, \$1 414 497 839; net liability to the Commonwealth outside the Financial Agreement Act, \$770 612 116; and liability to the Western Australian Treasury Corporation for moneys borrowed for the purposes of the General Loan and Capital Works Fund, \$949 071 593, and for moneys borrowed to refinance maturing Commonwealth loans, \$97 243 572. The total net direct liability for 1991 was \$3 231 425 120. It states also -

The net liabilities are liabilities net of sinking fund balances.

The total net direct liability increased by \$139.0 million in 1990-91 from \$3,092.4 million to \$3,231.4 million. The net liability to the Western Australian Treasury Corporation for new borrowings for the General Loan and Capital Works Fund increased by \$171.2 million being \$193.8 million paid to GL&CWF (Statement No. 7) less capital repayments from CRF (Statement No. 4). The liability to the Commonwealth outside the Financial Agreement was reduced by \$14.8 million and the liability under the Financial Agreement was reduced by \$114.7 million, partly offset by \$97.2 million refinanced by the Western Australian Treasury Corporation.

Therefore, the liabilities are increasing. The way that Budgets are done in this State, and have been done since the beginning of time, is to balance the CRF. I suggest that the CRF and the General Loan and Capital Works Fund should not be kept separate. They are one cash deal and should be put together.

Hon J.M. Berinson: I think we are already moving to their amalgamation.

Hon MAX EVANS: Yes, the Government is getting closer to that. England has done that

for years. This would have a public relations impact because the Budget would immediately show a deficit situation. At the moment, the Treasurer has shown a balanced Budget in the CRF, yet borrowings have increased by \$139 million in the direct liability and there has been a \$171 million increase to the General Loan and Capital Works Fund, which amounts to roughly a \$300 million increase in liabilities.

I was interested yesterday to talk to the people from SECWA about how it has taken some years to get people around to not wanting to increase debt. Last year, 80 per cent of the capital expenditure of SECWA came out of internal funds. Everyone wants to finance everything with borrowings and that is the cause of many of our problems today.

Page 126 states, under the heading "Contingent Liabilities", that the overall contingent liability of the State under such guarantees, indemnities and sureties, as quantified at 30 June 1991 was: Borrowings for State agencies guaranteed by the Treasurer, \$6 939 712 424; guarantees issued under the provisions of the Industry (Advances) Act 1947, \$17 270 369; guarantees and indemnities issued under the provisions of other Acts, \$621 915 400; and sureties issued by the Treasurer without recourse to legislation, \$2 239 428. The total was \$7 581 137 621. The whole topic of these guarantees is a big headache but, subject to reasonable trading conditions, they should work their way up. The Treasurer has listed all the increases in contingent liabilities for the Department of Conservation and Land Management, Edith Cowan University, Fremantle Port Authority, the Metropolitan (Perth) Passenger Transport Trust, etc. That is a very comprehensive schedule and it makes for good and proper reading and understanding of the Accounts. I compliment the Government, and particularly Treasury, for its diligence. I talked to some of the people from Treasury at a cocktail party the other day, and they are seeking to do a better job all the time and to improve the quality of management and reporting. That can only serve to help us in the future to make better decisions in respect of this State's finances. I support the legislation.

HON D.J. WORDSWORTH (Agricultural) [1.09 am]: The Attorney General has almost challenged us with his statement that we have unlimited time to speak about this matter.

Hon J.M. Berinson: I said an unlimited range of subject matter but with a one hour time limit.

Hon D.J. WORDSWORTH: I will not take that length of time but I did interject when the Leader of the House was getting a bit carried away with the subject. Time cannot be allowed to pass without my drawing the attention of the House not only to the State's economy and its overdrafts but also to the state of the nation's finances. I draw the attention of the House to the front page of the Tuesday, 2 December edition of *The West Australian* which reads -

The Federal Government was reeling yesterday after more bad trade figures and a blunder by Deputy Prime Minister Brian Howe in the first big assault on the Opposition's health policy.

In October, Australia recorded its second successive month of billion-dollar-plus current account deficits as exports fell and the recession failed to stifle imports. Foreign debt continued to soar.

The higher-than-expected \$1.79 billion October deficit was a sharp jump from September's \$1.215 billion figure and came as imports outstripped exports for the first time since January.

Members can see from this that Australia's deficit continues to rise. Indeed the foreign debt is now \$133.5 billion. Interest on that amounts to 19 per cent of our export earnings. Little wonder that Australia is in such dire straits! It is rather interesting that Mr John Kerin, our new Federal Treasurer, says that, despite the 13 per cent jump in imports and four per cent fall in exports, Australia is still paying its way in the world. One wonders how he can make a statement like that.

One of the interesting things is that Australia's sales or export earnings are as high as they are. If one reads what is happening in the farming world and the difficulties farmers face, one wonders how it is that our exports are so good. I remind members of the farming situation by quoting from the *Esperance Express* of Thursday, 29 August. Under the heading "Future 'bleak' for 50 farmers" is the following -

At least 50 of Esperance's 500 farmers have no commercial prospects and face a bleak 1992-93 season if substantial rain does not fall in September.

Needless to say it did not.

Hon Sam Piantadosi: Were they potato farmers?

Hon D.J. WORDSWORTH: To continue -

These were Rural Adjustment and Finance Corporation chairman John Groves' conclusions from his tour of the Esperance WAFF zone this week.

He is a fairly important person and is in a position to make a serious statement like that. One would think this would have been reflected in Australia's balance of payments for exports and imports. I was surprised to see from the document sent to us, "Australia at a Glance", how our exports were faring. This gives the figures for 1987-88, 1988-89 and 1989-90. The gross value of agriculture goes from \$19.9 billion to \$22.8 billion to \$23.5 billion in those three years. In other words, agriculture is continuing to increase its production.

Hon Sam Piantadosi: Horticulture is the big improver.

Hon D.J. WORDSWORTH: One would think from these figures that there was very little problem with the economy. Perhaps Mr Kerin is looking at the overall situation of Australia, which shows crops worth \$7.6 billion in 1988, \$9.6 billion in 1989, and \$9.8 billion in 1990. The production continues to improve. Wheat production in thousand tonnes is given as: 1988, 12.2; 1989, 13.9; 1990, 14.2.

Hon E.J. Charlton: 1991, none at all.

Hon D.J. WORDSWORTH: Unfortunately those figures are not out yet, but members can see how people can be lured into thinking that things in Australia are not too bad. Private finance - all bank deposits - are shown as: 1988, \$123 billion; 1989, \$159 billion; last year, \$183 billion. We could not get better than that. Everyone says we are in bad times, but there seems to be plenty of money.

Hon E.J. Charlton: There is \$12 million in rural debt.

Hon D.J. WORDSWORTH: It is very deceptive. Although some may look at statistics and think things are good, we on the land know that they are not. When we look at the unemployment situation, we are obviously in great trouble. We have never had such high unemployment figures before. Suggestion are being made that perhaps the Australian dollar should be devalued to give an improvement, certainly to agriculture. I am reading from the *Land* newspaper of Thursday, 3 October, where Peter Austin says in his column that we need a US75¢ dollar. He gives figures for the boost that would give to agriculture in simple figures and how that can be related to \$5 a head for cattle in the sale yard for every 1¢ decline. In other words, one would get \$25 more a head if the US dollar adjusted 5¢. Wheat growers would see a great change in their harvest plans. They would get between \$8 and \$9 per tonne extra. He did not think it would improve the wool industry much because of the stockpile. The problem is that if the dollar goes down, up goes our national debt and the chance of repaying it. It is not an easy thing.

Hon E.J. Charlton: Do you agree that the dollar has to go down?

Hon D.J. WORDSWORTH: No doubt about that, but we must realise the consequences at the other end. We can see why the Federal Government likes to keep it up.

To return to the State's economy, I was interested to read the comment by the economics writer, Louis Beckerling, on the State's financial position -

A convenient accounting anomaly has allowed Premier Carmen Lawrence to put a false gloss on the real rise in the State Government's Budget deficit.

A truer picture is that the deficit has almost doubled from \$292 million last year to a forecast \$524 million . . .

The truth is that the Government will have to borrow more than half a billion dollars this year to balance revenue and expenditure.

Here is one person who is certainly aware that the Treasurer's announcement that she is balancing the Budget is not correct.

I shall not keep the House very much longer, but I would like to comment on the memorandum we all found on our tables in Parliament today. It is from the member for

Eyre, Julian Grill, and it talks about a front page story under the headline "Bond deal memo: Grill in hot seat", which the memorandum says -

... is indicative of the sort of dishonest beat up that is currently being carried out in the West in respect to Royal Commission evidence. The headline in the story clearly gives the impression that I somehow acted improperly in executing the memorandum of understanding between the Government, Bond Corp and others on the 28th July 1988.

The article is misleading and dishonest in the following particulars:

I got out my newspaper again to see what he was so worried about. The headline, of course, does say "Grill in hot seat". It says that former Minister, Julian Grill, did not consult SECWA before signing a document which committed it to a risky multi-million dollar project with Bond Corporation. The article goes on to say -

Former SECWA chairman John McKee said he was angry to find that SECWA had been committed to a petrochemical project with Bond Corp that would have been fraught with problems.

His attitude was that it should not be considered. The article says further on -

Mr Grill had signed the document on behalf of SECWA after agreement was reached at a Cabinet meeting on July 28, 1988.

It is that statement about which Mr Grill is so concerned, because he says -

1. The memo did not "commit it" (SECWA) to a "risky multi-million-dollar project with Bond Corporation. Clear evidence has already been given before the Royal Commission that there was no "commitment". The memo was subject to a disclaimer clause which indicated that the memo had no legal effect and created no legal binding obligations on the Government, SECWA or any other party. I can only presume that the paper failed to mention that fact as it would have spoiled their story.

I am not in a position to speak on that, but it is interesting that Mr Grill goes on to say -

2. Not only did the document create no binding legal obligation on SECWA, the ultimate agreement later entered into by Government ensured that financial liabilities under the PICL project were assumed by WA Government Holdings and not SECWA.
3. The article fails to mention that I signed the agreement as an Acting Minister only, because David Parker was overseas at the time.

I wonder why Mr Grill should think that that absolved him from his responsibilities. There is not the slightest doubt that when one accepts an acting ministerial responsibility it is the same as if one is the Minister. *House of Representatives Practice* explicitly states that an acting Minister has the full authority that any Minister would have and, having the authority, he must accept the responsibility. It is rather strange that Mr Grill seems to think he can write to members of Parliament and convince them that because he was the acting Minister it was still the real Minister's responsibility. That is not so at all and he should be well aware of it. Mr Grill's memorandum goes on to say -

4. Despite the fact that I was merely putting expression to a decision of Cabinet, the article gives the clear impression that I was somehow personally liable and responsible. The long established Westminster principle of collective Cabinet responsibility is entirely ignored, presumably for the sake of enhancing the beat up.

However, those who have been in Cabinet and who know anything about it know that the whole thing centres around Cabinet minutes. When a Minister signs something he is signing the Cabinet minute only from his department; so what did Julian Grill sign? He did not sign a collective minute from Cabinet. His department took a minute to Cabinet, through him. It appears the department knew nothing about it, so the minute had to come from Julian Grill, obviously. Perhaps the Cabinet did agree with it, but it was Julian Grill who signed it, of course, because it was his responsibility. Indeed, if he thinks it was something for which the whole of Cabinet was responsible, I am surprised the Premier did not sign it if it was a Treasury-type matter.

Hon Doug Wenn: Hang him high - is that what you are saying?

Hon D.J. WORDSWORTH: No, I am trying to take the load off Hon Joe Berinson, as it happens, because it appears as though Mr Grill is trying to put the pressure on someone else and I am pointing out that he cannot escape. Mr Grill's memorandum continues -

5. The article gives the impression that it was my responsibility to consult with SECWA. If there was such a responsibility, to consult, at that time, then it would rest with the Minister with jurisdiction, namely, David Parker and not myself. The fact that SECWA was not consulted at that stage was a judgement made by David and as no binding obligations were incurred and for other reasons, I believe that decision can be justified.

If the Minister is overseas, how can he be responsible? That is why an acting Minister signs a document to take over full responsibility and authority. It rather interests me, because certain Ministers and members insist on denigrating the Royal Commission, and Mr Grill is one. This memorandum is much the same sort of thing but what it is saying is just rubbish.

Hon Fred McKenzie: He is not talking about the Royal Commission but about the Press.

Hon D.J. WORDSWORTH: He is saying he has had a bad run from *The West Australian* but I think that, indirectly, he is reflecting on the Royal Commission via *The West Australian's* reporting. In any event, having been in the Cabinet for some five years I wished to comment to the House on this memorandum. I support the Bill.

Question put and passed.

Bill read a second time.

Committee and Report

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

Third Reading

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

CRIMINAL LAW AMENDMENT BILL

Returned

Bill returned from the Assembly without amendment.

COAL MINING INDUSTRY LONG SERVICE LEAVE AMENDMENT BILL

Second Reading

Debate resumed from 27 November.

HON W.N. STRETCH (South West) [1.28 am]: The Opposition supports this Bill. We are a little surprised that it has come before us at 1.30 am at this stage of the session because it has been before the Parliament since 30 May, and has been around for a long time before that in various ways. Nevertheless, it is an important piece of legislation because it tidies up some of the grey areas between Federal and State jurisdiction on the coalmining industry long service leave agreements and it is important that that be done. The Bill was dealt with in detail in the Legislative Assembly and I do not intend to cover that ground again. However, the coal industry has a long history of firsts in its field for the care and general award conditions for its workers. This legislation brings that into line with the Federal requirements. I understand that the requirements will ensure that in future the situation stays that way and that there should be no need for such a legislation in the future.

I would like to mention the 14th report of the Standing Committee on Government Agencies. The committee was chaired by Hon Mark Nevill, the Parliamentary Secretary who is in charge of this Bill. The report refers to the commutation of the coal mine workers pensions, an issue what has been a festering sore in Collie for many years. That goes back to the 1985 amendments when the whole superannuation system was changed and moved towards more of a superannuation fund than a pension fund. That disadvantaged a small number of people who had worked on the coalfields. Certainly many of those people are advanced in years

now, but for those who have survived it appears that the time is right to make available a payment for which they feel they are entitled and which they have never received. It was interesting that the Standing Committee on Government Agencies came to the same conclusion. The Liberal Party has discussed this matter and considers that an ex gratia payment should be made. It will be our intention, in Government, to look at this issue and to make an ex gratia payment. Even though we would like to be in Government tomorrow, it is not likely to happen quite so quickly. In the meantime, it would be fitting for the Government to move immediately to make these payments, because these people are considerably advanced in years and the sooner they receive their entitlement the better. We believe it is an entitlement, they believe it is an entitlement, and the Standing Committee on Government Agencies believes the same. It should be possible to make such a payment. I believe that about 13 of those people survive; some people say that the number is as low as four. The amount of money involved is in the vicinity of \$100 000 to \$150 000, not a large amount. Considering the hardship suffered by these people, the Government should meet its obligations in that regard.

The Opposition supports the Bill.

HON MURRAY MONTGOMERY (South West) [1.32 am]: I support the Bill, and I endorse the remarks made by Hon Bill Stretch. His remarks were to the point and reflect the thoughts of the people of Collie on this issue. The National Party has also discussed some of the problems relating to the history of the coal mining industry trust fund, and so on, and the recommendations of the Standing Committee on Government Agencies.

It would not be fitting for me to make a long recitation on the Bill. The debate in the other place, and the remarks by Hon Bill Stretch, are more than sufficient. Suffice it to say that the National Party supports the Bill.

HON MARK NEVILL (Mining and Pastoral - Parliamentary Secretary) [1.34 am]: I thank the Opposition parties for their support of this measure to tidy up some of the problems associated with the Coal Mining Industry Long Service Leave Act.

Another matter unrelated to this Bill is directly related to the industry. I refer to the commutation of the pensions in 1985 which had a detrimental effect on some of the members of the pension fund. The Standing Committee on Government Agencies examined that matter in detail in 1985 and was critical of the tribunal. The committee made a recommendation that the Government examine the most equitable way to compensate the pensioners who had suffered a financial loss as a result of the commutation of the pension.

I spoke to the Minister for Mines, Hon Gordon Hill, earlier tonight. He agreed to look at this matter again. I have also photocopied part 5 of the Standing Committee on Government Agencies report which deals with the commutation of the coal mine workers pensions. The committee set out in detail many of the criticisms about the way that was undertaken. I have received an assurance from the Minister that he will look at the matter and make a determination. The committee never envisaged that full compensation would be paid to the pensioners. They are mainly affected by the introduction of the assets test, where they lost their pensions, and the pension fund in their calculations deemed that they were receiving a Commonwealth pension. Many of those people suffered a severe financial loss. That was not the intention of the Act. The intention was that a person would receive a full coal miners' pension minus any of those endorsements. We did not suggest that compensation would be in full. We thought that there was a need for some lesser payment because of the harsh treatment of some of those pensioners. I am confident that the Minister will look at the issue sympathetically, and I await his decision.

I thank the Opposition again for its support of the Bill.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chairman of Committees (Hon Garry Kelly) in the Chair; Hon Mark Nevill (Parliamentary Secretary) in charge of the Bill.

Clauses 1 to 4 put and passed.

Clause 5: Validation -

Hon W.N. STRETCH: I seek an assurance that validation of any payment made or said to be made does not preclude any later payments, such as to the people we have been considering.

Hon MARK NEVILL: That is correct; this relates to long service leave.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon Mark Nevill (Parliamentary Secretary), and passed.

UNITING CHURCH IN AUSTRALIA AMENDMENT BILL*Second Reading*

Debate resumed from 7 November.

HON P.H. LOCKYER (Mining and Pastoral) [1.40 am]: I have been approached by representatives of the Uniting Church within my town, and they indicated the importance of this legislation. I am pleased that the Leader of the House has seen fit, even at this late hour, to bring this matter on. It has sat on the Notice Paper for a considerable time, and these people have been waiting for the legislation. I commend the Bill, and it should be passed even at this hour of the morning.

HON DERRICK TOMLINSON (East Metropolitan) [1.42 am]: I affirm the comments of my colleague, Hon Phil Lockyer, regarding the considerable time this Bill has been around. For nine years requests have been made for the legislation. The Uniting Church in Australia made its request through its lawyers, Muir, Williams and Nicholson, in November 1982. Therefore, the legislation has had a long period of consideration. The draft of the Bill was before the Uniting Church's lawyers some 12 months ago.

Hon P.G. Pental: Rome was not built in a day.

Hon DERRICK TOMLINSON: No, and neither was the Uniting Church.

Hon E.J. Charlton: The Uniting Church has nothing to do with Rome.

Hon DERRICK TOMLINSON: The Uniting Church has a great deal to do with Rome but we will not deal with the relationships between the Wesleyans and the Romans because that would lead us into a debate which would take us past breakfast, and I believe no arrangements have been made in that regard.

The PRESIDENT: Order! I point out also that the member is the second speaker on the Bill and no-one has yet mentioned its content.

Hon DERRICK TOMLINSON: The purpose of the Bill is to correct an anomaly in the Uniting Church in Australia Act 1976. That anomaly is depriving the church of the capacity to sell church trust land without reference to a special Act of Parliament to remove the trust. This was something which the Uniting Church had enjoyed until 1982 but, on the advice of Crown Law Department in 1981, that privilege was withdrawn. It is important to look at the history of the anomaly which has emerged, as I intend to do.

The history of this matter goes back to the drafting of the Methodist model deed in South Australia in 1887, and to the subsequent application to the Wesleyan Methodist Church lands by the Western Australia Wesleyan Methodists Act of 1895, and the subsequent reaffirmation of that model deed in the Methodist Church Property Trust Act of 1912. I do not wish to dwell on that, other than to demonstrate that the model deed, which, if the Leader of the House is interested, I can read to him -

Hon J.M. Berinson: You should move to incorporate it in *Hansard*!

Hon DERRICK TOMLINSON: I do not believe *Hansard* is large enough!

Section 30 of the model deed provides that the trustees of the Wesleyan Methodist Church

lands are empowered to sell church trust properties. However, under section 31 of the deed, income from the sale of church trust property must be directed to the purposes of the church. As a result of that requirement, a procedure has emerged whereby the Governor was empowered or practised a removal of the trust simply by dealing with it in Council. The alternative was to refer the removal of the trust to a special Act of Parliament. Therefore, given the delays which occur with Acts of Parliament, because we tend to deliberate on them long and hard, sometimes considerable delays occurred. To expedite these matters, the procedure was adopted that these things should be dealt with by the Governor in Council. That procedure continued until 1982 when the under secretary of lands advised the church that the governing Act did not provide for the disposal of lands granted in trust by the Crown.

Here is the historical accident which makes this Bill necessary: The original Methodist model deed to which I referred provided for the disposal of church lands, but made no provision specifically for the Governor's consent for the disposal of church land. The Governor's consent was merely a convention which emerged in respect of the model deed requirement that the income from the sale of the church land be directed back to the purposes of the church. While the Methodist model deed made no provision for the Governor's consent, the Anglican Church of Australia Land Act of 1914 did so; I refer members to sections 3 and 5 of that Act. Likewise, the Roman Catholic Property Amendment Act of 1916, in sections 4(2)(b) and (c) and section 4(5), made provision for the Governor's consent. Even though the Methodist model deed did not make that provision - the Anglican Act made the provision, as did the Roman Catholic Act - the convention was that the procedure was for reference to the Governor in Council, rather than through a specific Act of Parliament. It also applied to the Congregational Church. That inadequacy in the Methodist Act was rectified by the Methodist Church (W.A.) Property Trust Incorporation Act of 1969.

Provision was made in section 18B for the Governor's consent. Having corrected the anomaly in 1969, there occurred a second accident. When the Methodist Church combined with the Presbyterian and Congregational Churches in the Uniting Church in Australia Act 1976 that provision which had applied by convention since 1912 and which was established at law in 1969 was excluded - overlooked perhaps - in the drafting of the Uniting Church in Australia Act 1976. I am advised, incidentally, that the Act was drafted by Ronald Wilson. I have not been able to confirm that but, if it is so, it serves to demonstrate that, while Popes may be infallible, Methodist moderators are not. Until 1969 the convention applied, but in 1969 the anomaly was rectified. In 1976 the Uniting Church in Australia Act overlooked the legal provisions for the Governor's consent. Even so, between 1976 and 1981 the convention was observed. In 1981 the Crown Law Department advised the Uniting Church that because there was no legal provision for the Governor's consent in the Uniting Church in Australia Act 1976 that convention could no longer apply. From 1981 - and the first case was the sale of a church in Denmark - the removal of the trust required a special Act of Parliament. Hence began a long and protracted negotiation between the Methodist Church through its lawyers, in particular R.D. Nicholson and the Government. I could entertain the House with long references to the negotiations and the letters that were exchanged between the Uniting Church's lawyers and the Government, but to cut short that long story, in 1988 finally some agreement was reached between the Uniting Church's lawyers and the Government. Because the convention had applied to the Uniting Church and the Congregational Church it was agreed that a procedure may not have been necessary to change the Act. But then it was discovered that the convention had never applied and neither had there been a legal provision in the Presbyterian Church Act for Governor's consent. Since there was now a trust of the Uniting Church which had subsumed the Presbyterian Church trust land, and since there were decisions that the Uniting Church wanted to make about those former Presbyterian Church properties, the convention for the legal consent of the Governor which had been included in 1969 amendment could not apply under any circumstances to the former Presbyterian Church lands. It became necessary for the Bill now before us to be drafted. As I said at the beginning of this brief recitation, the draft was finally available and presented to the Uniting Church for its comments in 1990. Now, almost two years later, we have the Bill which I am very happy to commend to the House.

Question put and passed.

Bill read a second time.

Committee and Report

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

Third Reading

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

House adjourned at 1 58 am (Thursday)

QUESTIONS ON NOTICE

PERMANENT BUILDING SOCIETY - VALUATION OF ASSETS DISCREPANCY *Costs - Depositors' Repayments*

1048. Hon GEORGE CASH to the Attorney General:

- (1) Can the Attorney General explain how the significant discrepancy between the valuation of assets contained in the Permanent Building Society's audited accounts as at 30 April 1991, and those of the administrator, and in particular the following assets -
 - (a) the proposed Padbury shopping centre extension;
 - (b) the Denmark property at Williams Bay;
 - (c) the old Vickers-Hadwa site at Bassendean;
 - (d) contracts for the management of several terminating building societies;
 - (e) the society's investment in Bankbridge Ltd;
 - (f) the management contract acquired from PBS Management Limited in October 1990;
 - (g) plant and equipment; and
 - (h) receivable from Capital Hill Limited?
- (2) What is the total cost of the administration to date?
- (3) When can depositors expect a repayment?

Hon J.M. BERINSON replied:

- (1) The honourable member is referred to the administrator's report tabled recently in the House.
- (2) As at 27 November 1991, the total cost of the administration of Permanent Building Society, including legal and other professional costs, stood at \$762 911.58.
- (3) The administrator has advised that he should be able to make an announcement by mid-December 1991 as to when and how depositors will be repaid.

EVENTSCORP - EVENTS FUNDING

1186. Hon MAX EVANS to the Minister for Police representing the Minister for Tourism:

- (1) Could the Minister advise what events were funded by EventsCorp during the year ended 30 June 1991?
- (2) What was the cost of each event?
- (3) What future events, if any, are to be funded by EventsCorp?
- (4) What is the estimated cost?
- (5) What guarantees have been given by the Western Australian Government on behalf of EventsCorp?
- (6) How much is each guarantee and what date were they signed?

Hon GRAHAM EDWARDS replied:

The Minister for Tourism has provided the following reply -

(1)-(2)

The following events were provided with funds by EventsCorp during the year ended 30 June 1991 -

	\$
Margaret River Masters Surfing	88 777
6th Asian Volleyball Championships	330 000
PacRim Conference	1 012 857
Commonwealth Bank Rally Australia	1 092 702
Grand Prix Athletics	11 867

(3)-(4)

Margaret River Masters Surfing	90 000
International Ladies Professional Golf Tournament	209 500
Commonwealth Bank Rally Australia and New Zealand Police Games	850 000
Whitbread Round the World Yacht Race: Fremantle Stopover	5 000
Motocross des Nations, World Teams Championship	500 000
Abilympics (World Skills Olympics for the Disabled)	50 000
Asian Ten Pin Bowling Championships	1 300 000
World Junior Cycling	50 000
	339 000

(5)-(6)

The Western Australian Government has guarantees in the form of funding commitments in place on behalf of EventsCorp, as follows -

The Whitbread Round the World Yacht Race: Fremantle Stopover - \$500 000, January 1990.

The Abilympics - \$1 300 000, August 1991.

The Western Australian Tourism Commission has also underwritten the Hopman Cup in an agreement with Paul McNamee Enterprises for the staging of the tournament.

The amounts referred to in the above answers are the level of Government funding for the events. The costs of the events are considerably greater and are offset by private sector sponsorship and other revenues.

FIRE BRIGADE - ROCKINGHAM *Permanent Fire Station*

1231. Hon GEORGE CASH to the Minister for Police:

- (1) Was the Minister correctly reported by the *Sound Telegraph* on Wednesday, 23 October 1991, as saying he "would be happy to support a permanent fire station in Rockingham - if that was the wish of the Rockingham City Council and its ratepayers"?
- (2) Is the Minister aware of the various resolutions passed at the special meeting of electors held at Flinders Hall, Rockingham on Tuesday, 15 October 1991, in which the meeting requested the State Government and the Western Australian Fire Brigade to make available funds for the establishment of a permanent fire rescue station in Rockingham as recommended by the KIEM report, and other supporting resolutions?
- (3) Is the Minister aware that the City of Rockingham has endorsed the resolutions passed at the special meeting of electors on 15 October 1991?
- (4) In view of the Minister's comments, when will a permanent fire rescue station be constructed in the Rockingham area?

Hon GRAHAM EDWARDS replied:

- (1) My statement was that I "would be happy to support the establishment of a

permanent fire station in Rockingham if that is the wish of both the Rockingham City Council and its ratepayers".

- (2) Yes. I am also aware that the resolutions passed at the meeting were directed to the Rockingham City Councillors, who will no doubt consider the resolutions before deciding how they wish to proceed.
- (3) No correspondence has been received from Rockingham City Council following the public meeting.
- (4) If the Rockingham City Councillors advise me that they are in favour of a permanent fire station it will be referred to the Fire Brigades Board, which will hold discussions with the council as required by the Fire Brigade Act. If the outcome of these negotiations is that a fire station is required, it will be considered in the Fire Brigade's 1992-93 budget.

FIREARMS - CURIO FIREARMS

Western Australian Arms and Armour Society Requests

1232. Hon GEORGE CASH to the Minister for Police:

- (1) Is the Minister aware of a request from the Western Australian Arms and Armour Society to permit licensed holders of curio firearms to carry these curio firearms to club meetings without the need to obtain a permit for each meeting?
- (2) Is the Minister further aware of the society's request that the Firearms Act be amended to enable an appropriate licence to be issued to persons who wish to collect small arms ammunition?

Hon GRAHAM EDWARDS replied:

- (1)-(2) Yes.

RURAL ADJUSTMENT AND FINANCE CORPORATION ACT - SCHEME FUNDS

1245. Hon GEORGE CASH to the Attorney General representing the Minister for Agriculture:

Will the Minister advise what funds are available for the various schemes under the Rural Adjustment and Finance Corporation Act 1971 showing a breakdown of the funds available for each section of the Act and the eligibility required to receive the funds?

Hon J.M. BERINSON replied:

There are two schemes of assistance currently operating: The rural adjustment scheme and the farm water supply loan scheme. All schemes are administered under the Rural Adjustment and Finance Corporation Act 1971. The funds available for the rural adjustment scheme (section 5D of the Act) are held in the rural adjustment 1985 trust fund, the balance of which was \$14.27 million at 31 October 1991. The allocation to Western Australia from the Commonwealth for 1991-92 is \$13.87 million excluding part C, Diagnostics and Administration. There is no limit on part C funds available to the State and the Commonwealth provides such funds equal to the demand for them. The breakdown of the Commonwealth contribution for 1991-92 is -

Part A	\$9.49 million
DRIS	\$2.01 million (Debt reconstruction interest subsidy)
Part B	\$2.37 million
Total	\$13.87 million

The funds held in the trust account can be used for any of the purposes specified in the rural adjustment scheme agreement. A further contribution of up to \$1.18 million is due from the State for its contribution to part B.

The funds available for the farm water supply loan scheme (section 7A of the Act) are held in the farm water supply 1989 trust account, the balance of

which was \$270 000 at 31 October 1991. These funds can be used to provide either grants, interest subsidies on commercial loans or meet the interest differential cost where the corporation advances a loan to a farmer and borrows these funds from the Western Australian Treasury Corporation. To be eligible for assistance under part A and part B of the rural adjustment scheme the applicant must -

be a bona fide farmer within Western Australia;

suffer or likely to suffer financial difficulties from circumstances outside their own control;

show prospects of long term commercial operation with assistance made under the scheme;

become independent of financial assistance after a reasonable time.

To be eligible for assistance from part C of the rural adjustment scheme the applicant must -

be a bona fide farmer within Western Australia;

operate a farm enterprise that is judged to be without commercial prospects under part A of the scheme after all realistic options have been examined.

Re-establishment assistance is means tested in relation to assets. Assistance under the farm water supply scheme is provided under the following eligibility criteria -

be a bona fide farmer within Western Australia;

the property must be held under freehold, pastoral leasehold or conditional purchase lease;

Department of Agriculture report must show the farm needs improved water supply;

the farm has the profitability to afford the expenditure incurred.

RAILWAYS - WARWICK, WHITFORD, JOONDALUP RAIL STATIONS

Design Changes

1246. Hon GEORGE CASH to the Minister for Police representing the Minister for Transport:

- (1) Has the design for the Warwick, Whitford, Joondalup rail stations been changed from that originally proposed in the master plan dated November 1989?
- (2) If so, will the Minister table a copy of the proposed design?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

- (1) The present designs for Warwick and Whitford stations are functionally the same as the master plan designs of November 1989, with only minor changes which occurred during the detailed design process. The present design for Joondalup station is functionally the same as the master plan design of November 1989 but is substantially different in respect of the arrangement of the bus station and pedestrian accessways to the station.
- (2) Copies of the site plan for the present design of Joondalup station showing the arrangement of bus station and accessways are attached.

TRANSPORT - YALGOO

Freight Subsidy

1248. Hon N.F. MOORE to the Minister for Police representing the Minister for Transport:

- (1) Is it correct that the town of Yalgoo receives a freight subsidy?

- (2) If yes, how is the subsidy calculated?
- (3) Is it intended to terminate the subsidy?
- (4) If yes, when and why?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

- (1) Yes. Following the closure of the Mullewa-Meekatharra railway line in 1978, the State Government agreed to financially underwrite a road transport service between Geraldton and Yalgoo.
- (2) The subsidy is the difference between the cost of operating the service and revenue earned from users. Transport users have only been required to pay an assumed rail rate. The nexus with rail was designed to ensure that users were not disadvantaged by a higher cost of road transport. At the time rail services were withdrawn, road freight rates were higher than rail rates.

The cost of operating the service and users' freight rates are set by the Department of Transport.

- (3) Yes.
- (4) The Government has decided to withdraw the subsidy on the basis that competitive road freight rates are now lower than assumed rail rates. In effect, the principle of the subsidy has been overturned.

A number of service options available to Yalgoo have been identified by the Department of Transport, and these may well derive cost and service benefits to users. The Department of Transport is consulting with the shire and users with a view to determining future transport arrangements. The outcome of these consultations will have a bearing on when the subsidy is withdrawn.

COMPANIES - MEMBERS OF PARLIAMENT *Right to Search*

1256. Hon PETER FOSS to the Attorney General:

- (1) What action has been taken to restore to members of the Western Australian Parliament the right to search companies that they had prior to the implementation of the Australian Securities Commission?
- (2) When may we expect to have that right?

Hon J.M. BERINSON replied:

(1)-(2)

The Cairns agreement regarding State access to ASC information systems provides that "State members of Parliament are to be granted access to ASCOT and documents held on DOCIMAGE, microfiche or hard copy records relating to companies in their State, on a no less preferential basis than applicable to Commonwealth members of Parliament." Under the agreement the ASC has provided a facility at the State business names office where ASCOT access to members and Ministers is at no cost.

TRAFFIC LIGHTS - CALEDONIAN AVENUE-RAILWAY PARADE-WHATLEY CRESCENT, MAYLANDS *Installation Reason*

1261. Hon PETER FOSS to the Minister for Police representing the Minister for Transport:

- (1) What was the reason for installing traffic lights on the intersections of Caledonian Avenue with Railway Parade and Whatley Crescent in Maylands?
- (2) Which particular traffic movements were causing problems prior to such installation?
- (3) Have those problems been resolved?

- (4) Have any other problems been created by the installation?
- (5) What is the sequence and duration of sequence of the lights?
- (6) What is the theoretical basis for selecting this sequence?
- (7) Was it intended to limit the flow of traffic in Railway Parade?
- (8) Was it intended to dissuade traffic from turning right out Railway Parade into Caledonian Avenue?
- (9) Should a driver turning right out of Railway Parade into Caledonian Avenue be able to clear the intersection of Caledonian Avenue and Whatley Crescent without having to stop at the second set of lights?
- (10) Are any changes being considered for these lights?
- (11) Has any survey been made of -
 - (a) public attitudes to the lights; and
 - (b) traffic patterns before or after the installation of the lights?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

- (1) High level of accidents.
- (2) Caledonian Avenue approaches to Whatley Crescent.
- (3) Yes, there has been a reduction in right angle accidents.
- (4) Increased delay mainly on Railway Parade.
- (5) Both the sequence and duration depend on the traffic demand.
- (6) The first priority is to allow road traffic to clear the crossing safely before the passage of a train. The second priority is to minimise road traffic delay in response to demand.
- (7) No.
- (8) No. A right turn arrow has been provided to assist this movement.
- (9) Yes, unless the right turn is made late in the phase in which case the driver may have to stop at the signals of Whatley Crescent.
- (10) Not at this stage.
- (11) Yes. A traffic survey was carried out before the changes were made, and following the commissioning, adjustments have been made to optimise the traffic flow within the safety parameters. Agreement was reached with the council prior to installation.

SWAN BREWERY SITE - THEATRE COMPLEX AND MUSEUM PLANS

1278. Hon MAX EVANS to the Attorney General representing the Premier:

- (1) Would the Premier confirm that a 400 seat theatre complex and museum is being planned for the old Swan Brewery site?
- (2) If not -
 - (a) what is being planned for the site; and
 - (b) what are the all up holding costs, per month, currently being incurred for the site?

Hon J.M. BERINSON replied:

The Premier has provided the following reply -

- (1) Government plans for the Swan Brewery site are on hold pending a report from the Heritage Council of Western Australia to the Minister for Heritage.
- (2) (a) See (1).
- (b) The current holding cost per month approximates at \$10 500.

EDUCATION MINISTRY - REDUNDANCY PACKAGES
Memorandum Detailing Conditions and Applicant Restrictions

1282. Hon DERRICK TOMLINSON to the Attorney General representing the Premier:

Did a memorandum circulated to Ministers and Chief Executive Officers detailing the conditions of the Public Service voluntary redundancy package scheme restrict the positions which might qualify to those which were to be abolished, or those where another position at an equivalent level was to be abolished?

Hon J.M. BERINSON replied:

The Premier has provided the following reply -

Memorandums and advice to Ministers and chief executive officers detailing the conditions of the special voluntary severance scheme restricted applicants who qualify to -

- (a) an employee whose position was abolished.
- (b) an employee where a position of more than one position with equivalent cost savings was abolished.
- (c) an employee who was replaced by a redeployee.

EDUCATION MINISTRY - REDUNDANCY PACKAGES
Applicant Approval Condition

1283. Hon DERRICK TOMLINSON to the Attorney General representing the Premier:

With reference to the answer given by the Minister for Education, Hon Kay Hallahan MLC, to my question without notice 746 on Tuesday, 26 November 1991, was it a condition of the Public Service voluntary redundancy scheme that applications would be approved only when the position occupied or another of an equivalent level was to be abolished?

Hon J.M. BERINSON replied:

The Premier has provided the following reply -

No. Approval could also be given where -

- (a) more than one position at a lower level was abolished with a cost saving equivalent to the higher level position;
- (b) an applicant was replaced by a redeployee.

LAND - MIDDLE SWAN PRIMARY SCHOOL SITE
Sale Tender

1284. Hon DERRICK TOMLINSON to the Attorney General representing the Treasurer:

The former Middle Swan Primary School site was advertised for sale by public tender which closed at noon on Friday, 25 October 1991 -

- (1) Was an acceptable tender received by the closing date?
- (2) Was that tenderer advised that the tender was acceptable and that a decision on it would be provided on 15 November?
- (3) Has that tenderer now been advised that the decision will be delayed until the end of December?
- (4) What is the reason for the delay?

Hon J.M. BERINSON replied:

The Treasurer has provided the following reply -

- (1) The tender has not been considered for acceptance pending an investigation of a proposal for alternative use of the site. This proposal was not put forward until after tenders had been called, and is worthy of consideration.

- (2) No.
- (3) Yes.
- (4) Refer question (1).

QUESTIONS WITHOUT NOTICE

MOTOR CYCLES - HEADLIGHTS REGULATIONS

802. Hon GEORGE CASH to the Minister for Police:

- (1) Does the Government intend to introduce a regulation requiring compulsory day time use of headlights on motor cycles?
- (2) If so, when will the regulation be introduced?

Hon GRAHAM EDWARDS replied:

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

MOTOR CYCLES - HEADLIGHTS REGULATIONS

803. Hon GEORGE CASH to the Minister for Police:

How does the Government intend to give effect to its previously stated intention to require motor cycles to have their running lights on while operating?

Hon GRAHAM EDWARDS replied:

As has been explained on a number of occasions, the Australian Design Rule will be changed by the Federal Government. As a consequence the State Government has no role to play in that legislation, or any related regulations. The police have indicated to me that they will police this matter by way of work orders. If a new bike or one that has been purchased after the implementation of the ADR change is affected by the rule, that will be addressed by way of work order. If a motor cycle under the impact of the new ADR has a light that is not working the police will issue a work order to have work done to ensure that the light is fixed.

BUSES - SCHOOL BUS INSPECTIONS

Transfer Position

804. Hon E.J. CHARLTON to the Minister for Education:

With concern growing by the day in regard to changes in school bus inspection procedures, can the Minister advise the House of the latest position?

Hon KAY HALLAHAN replied:

I am happy to contact the member next week about this matter. Considerable negotiations have taken place between the two departments involved. Hon Graham Edwards and I are expecting final briefings and to be able to look into the matter thoroughly to decide the best way of handling this inspection process.

EDUCATION MINISTRY - GOVERNMENT VEHICLES, KIMBERLEY

Boat Towing, Kununurra-Broome

805. Hon P.H. LOCKYER to the Minister for Education:

I refer the Minister to an answer to a question on notice last week in which she admitted that a Government vehicle was being used to tow private boats from Kununurra to Broome.

- (1) Does the Minister condone that action?
- (2) Will it become common practice for people in the Ministry of

Education who have Government vehicles in the Kimberley to tow trailers and boats with those vehicles?

- (3) If not, will she be issuing instructions to the department about that matter?
- (4) Will she give consideration to investigating the operation of the district office of education in the Kimberley?

Hon KAY HALLAHAN replied:

(1)-(4)

Vehicles are provided to officers under certain conditions. I know from the question asked by the honourable member previously that he holds concerns about a particular location and about one senior officer. The member has written to me. In discussions with him I gave an undertaking to give the matter fullest examination. Clearly, anyone allocated a vehicle gains that allocation either with or without permission to use the vehicle for private purposes. That allocation would have been negotiated in line with the position held. If people are allocated a vehicle but private use is not permitted then it must not be used for private purposes. After a thorough examination the situation will become clear and will be dealt with appropriately.

EDUCATION MINISTRY - REDUNDANCY PACKAGES

Six District Superintendents - Redeployees Replacement

806. Hon DERRICK TOMLINSON to the Minister for Education:

I draw the Minister's attention to question on notice 1282 in which the Premier provided a response through the Attorney General which indicated that the special voluntary severance scheme was restricted to applicants who qualified. The answer then listed the three types of employee who qualified. In the light of the Minister's previous indication that the six district superintendents of education will be replaced, and in the light of the memorandum, will those six district superintendents who have been granted voluntary redundancy be replaced by redeployees?

Hon KAY HALLAHAN replied:

This matter should be handled by the Attorney General because question 1282 was directed to him representing the Premier. The question related to the whole issue of redeployment. I indicated previously that I was not the Minister responsible for redeployment as such. The reply the Premier supplied to question 1283 was -

No. Approval could also be given where -

Hon Derrick Tomlinson: I draw the Minister's attention to question 1282 to which I was referring.

Hon KAY HALLAHAN: And I draw the member's attention to the answer to question 1283. The Ministry of Education will act in line with policies laid down by the Premier.

EDUCATION MINISTRY - REDUNDANCY PACKAGES

Six District Superintendents - Redeployees Replacement

807. Hon DERRICK TOMLINSON to the Minister for Education:

Does the Minister's answer to my previous question mean that the superintendents will be replaced by redeployees as stated in part (c) of the answer to question 1282?

Hon KAY HALLAHAN replied:

Why would it mean that?

Hon Derrick Tomlinson: That is what I am asking the Minister.

Hon KAY HALLAHAN: The reply to question 1282 was -

The Premier has provided the following response -

Memorandums and advice to Ministers and Chief Executive Officers detailing the conditions of the Special Voluntary Severance Scheme restricted applicants who qualify to -

- (a) an employee whose position was abolished;
- (b) an employee where a position or more than one position with equivalent cost savings was abolished;
- (c) an employee who was replaced by a redeployee.

Those people fit into (b).

EDUCATION MINISTRY - REDUNDANCY PACKAGES
Six District Superintendents - Redeployees Replacement

808. Hon DERRICK TOMLINSON to the Minister for Education:

- (1) Can the Minister indicate which equivalent positions in the ministry are to be filled?
- (2) Does it represent, as I asked previously, a reorganisation of the administrative structure of the Ministry of Education?

Hon KAY HALLAHAN replied:

(1)-(2)

I do not know what Hon Derrick Tomlinson's problem is. A few district superintendents have chosen to retire, and many people in the community would like to do that. I said earlier that we will continue to have 29 district superintendents. There will not be a reorganisation of the Ministry of Education. It simply means that six people are leaving on voluntary severances. If the member wants to know the equivalent posts which make up those positions he would need to put that question on notice because, believe it or not, I do not carry that sort of detail around in my head. Neither do I generally need to deal with that detail. That is what administrators are for.

BREATH TESTING MACHINES - DEMONSTRATION

809. Hon T.G. BUTLER to the Minister for Police:

- (1) Has the Minister been able to obtain the alcometer referred to in a question asked in this House yesterday?
- (2) If he has, is he able to demonstrate it to the House today?

Hon GRAHAM EDWARDS replied:

(1)-(2)

Obviously Hon Tom Butler was paying attention to the question asked yesterday. The question yesterday took me by surprise; I think Hon George Cash had some good intelligence. I see that the story was in one of the local city newspapers, which is a little disappointing because this item will be launched on Friday. An interesting new technology is being introduced these days and it is something which I see being used to assist the police in their efforts to fight drink driving.

This machine will speed the process of random breath testing. It will more quickly identify those people who have been drinking and permit those who have not been drinking to go on their way. It is a very simple device. A button is pushed here. I am sorry that Hansard can merely report my comments. The driver is asked to blow into the top of the machine, and very quickly the reading is given which shows whether the person has been consuming alcohol. If he has been consuming alcohol, a mouthpiece is inserted into the machine, the person is asked to blow into it and a reading is given. This is not an evidential machine, so the driver would need to be tested on the appropriate machine for evidence to be recorded.

Hon J.M. Berinson: Why are they all holding their breaths over there?

Hon GRAHAM EDWARDS: I have tested this machine on myself, and the reading

was passive. I wanted to show the machine to members as a result of the question asked by the Leader of the Opposition yesterday. It is a locally made machine, and I hope it will be as successful as the trials have indicated it will be. The police presently have 50 of these machines and hope to have more. They will launch their pre-Christmas road safety campaign at the end of this week; I hope it will be a successful one and receives the support of the community, making this Christmas a far safer and happier one for everyone. I extend an invitation to any member who wants to have a close look at the machine to see me; I shall be happy to demonstrate it more clearly.

Hon Max Evans: After dinner tonight.

Hon GRAHAM EDWARDS: It costs just over \$1 000. I will be happy to demonstrate how easy it is to operate at members' convenience.

PERMANENT BUILDING SOCIETY - WITHDRAWABLE SHAREHOLDERS
Legal Advice

810. Hon MAX EVANS to the Attorney General:

Will the Attorney inform the House of the advice he received, if any, from Mr Metaxas regarding the legal status of depositors who were incorrectly classified as withdrawable shareholders in the Permanent Building Society?

Hon J.M. BERINSON replied:

The Registrar of Building Societies has given some indication of his position, and it is very much in line with the view I expressed yesterday in relation to this question and other suggestions made about the scheme of arrangement. It is really not open to the registrar to act in that capacity in any helpful way. The current position is that the administrator is continuing to secure legal advice on the extent, if any, to which he can assist at least some of the withdrawable shareholders. The position should be clearer within the next week or two, I hope. The administrator also indicates that he is continuing his efforts to pursue the possibility of sale, and that he expects to meet his timetable for an original payment, irrespective of whether the sale can be achieved or not, by about mid-January.

PERMANENT BUILDING SOCIETY - WITHDRAWABLE SHAREHOLDERS
Registrar of Building Societies Referral

811. Hon MAX EVANS to the Attorney General:

If his ministerial office and his electoral office are referring shareholders to Hon Peter Foss, Hon Reg Davies or me, would he instead have them referred in future to the Registrar of Building Societies, Mr Metaxas, as he is the paid public servant to protect depositors?

Hon J.M. BERINSON replied:

My office has had a considerable number of inquiries, and most of those have come since the rejection of the Building Societies Amendment Bill in the House.

Hon E.J. Charlton: And your misleading comments.

Hon J.M. BERINSON: Many of the inquirers ask what further action can be taken on their behalf by the Government. I do not think it is at all out of the ordinary that they should have been advised that further action is now with the administrator, and that the Government does not see any practical point in attempting to reintroduce the Bill, as some have suggested. I see nothing wrong in indicating that if they wish to explore further action they should approach the Opposition. I should think that Mr Evans and Mr Foss, as spokesmen on this issue, would be just as happy to represent their point of view to the people who oppose it as to those who support it.

WESTERN AUSTRALIAN MUNICIPAL ASSOCIATION - DEFEAT OF BILL

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

(1) Is the Attorney General aware of the position of the Western Australian

Municipal Association in writing to Opposition members on 2 December 1991, in which the president of WAMA states, "On behalf of member councils we appreciate your support in opposing the above Bill"?

- (2) Is he aware of the view taken by the WAMA president "that the defeat of the Bill preserves benefits for 15 councils on behalf of their ratepayers and electors"?
- (3) If he is aware of that, does he have a view on it?

Hon J.M. BERINSON replied:

(1)-(3)

I cannot remember whether I have been provided with a copy of that letter to the Opposition; I may very well have been. However, there is no surprise in anything Mr Pendal has referred to since I met with the association twice and had a very clear understanding of its position. Of course, it was looking to preserve its own interests as far as it could, and that is perfectly understandable. I hope the association understood in turn the reasons which I put to it for indicating that I was unable to support that point of view.

CUSTOMISED TRAINING AGENCY - OPERATIONS

Customised Training College Gazettal

813. Hon DERRICK TOMLINSON to the Minister for Education:

Yesterday I asked the Minister question 799 regarding whether the customised training agency had been operating prior to the gazettal of the customised training college, such gazettal being necessary under the State Trading Concerns Act. The Minister replied that she would have the matter looked at thoroughly, and that she would give the answer today. Is the Minister now able to give an answer?

Hon KAY HALLAHAN replied:

In the time available, I have not been able to have a thorough look at the matter; indeed, I have not been able to discuss the member's concerns with him. As a result of advice from the Office of the Crown Solicitor, it was deemed to be more appropriate to administer the customised training agency through the establishment of a separate college under the Colleges Act; and it is on that advice that I have acted to have the customised training college established. I suspect that answers the member's concerns.

CUSTOMISED TRAINING AGENCY - OPERATIONS

Crown Solicitor Advice

814. Hon DERRICK TOMLINSON to the Minister for Education:

Did the advice from the Crown Solicitor indicate that the regulations setting up the financial arrangements for the agency were ultra vires the Education Act and inconsistent with the Financial Administration and Audit Act?

Hon KAY HALLAHAN replied:

I have indicated that I have not had a lot of time; I have had a number of appointments this morning. However, it may be that the Office of the Crown Solicitor gave advice on that basis. I have certainly acted on that advice. I do not have that letter with me today.

POLICE - LEAVE REPLACEMENTS

815. Hon E.J. CHARLTON to the Minister for Police:

Has there been any change to the placement of police officers in country police stations when resident officers are on leave? There has been a problem in the past about replacement officers. Will the situation change as a result of an intake of new officers?

Hon GRAHAM EDWARDS replied:

I thank the member for the question. The position depends on the

circumstances; I cannot give a blanket answer. However, if the member has a particular concern he should let me know and I will ask for the information. The member would be aware that the most recent graduation of police officers occurred in the last couple of weeks.

CROWN LAW DEPARTMENT - ADVICE IN WRITING

816. Hon PETER FOSS to the Attorney General:

Is it the practice of the Crown Law Department, when oral advice is given to the Government, to confirm that advice in writing subsequently?

Hon J.M. BERINSON replied:

I do not know.

RANDOM BREATH TESTS - NEW BREATH TESTING MACHINE *Stopping Procedure*

817. Hon W.N. STRETCH to the Minister for Police:

I refer to random breath testing. When driving my car, I have been stopped on a couple of occasions and asked whether I had been drinking. When I answer no, I am thanked and I carry on. Will the introduction of the new system mean that every motorist who is stopped will be asked to blow into the machine; or will the police still work on the honour system? If not, the Government has spent \$50 000 in place of asking a person for an honest answer.

Hon GRAHAM EDWARDS replied:

Members may recall that during the various debates on random breath testing there has been a lot of criticism; indeed, the criticism has been raised in this House from time to time - although the major criticism seems to be in the academic assessment of random breath testing; that is, one of the weaknesses has been that not every motorist who has been stopped has actually been tested.

Hon W.N. Stretch: Is that the criticism?

Hon GRAHAM EDWARDS: Yes. The individual police officer talking to the motorist makes an assessment as to whether the motorist has been drinking. If in the view of the officer the motorist has been drinking, the motorist is asked to undergo a test. The situation varies; for instance, the police have gone into an area and blocked off a section of the road, and pulled people into, say, a parking area and tested every motorist as they go through. This practice will take the judgment out of the situation and make the system perhaps a little more accurate and sophisticated. I do not consider it at all as being a waste of money; it was considered by the Police Department and the Traffic Board, and an assessment was made. It was decided it would be of assistance to the police when conducting random breath testing; it would also assist in getting the drivers who have not been drinking, on their way more quickly.

Hon W.N. Stretch: It cannot be quicker than being asked whether they have been drinking.

Hon GRAHAM EDWARDS: The criticism that has been expressed is that sometimes people who have been drinking are more able to conceal the fact than others - although I would assume that on the two occasions that Hon Bill Stretch was pulled over he had not been drinking.

BLOOD ALCOHOL LEVELS - 0.05 LEGISLATION

818. Hon GEORGE CASH to the Minister for Police:

In view of the Minister's comments today, and on other occasions, about the need to recognise road safety in Western Australia, why has the Government not proceeded with its 0.05 legislation?

Hon GRAHAM EDWARDS replied:

Given the fact that the Opposition so vigorously opposed the 0.05 legislation, the Leader of the Opposition might well ask why we are still banging our heads against a brick wall. At this stage, I am not aware of what has transpired in the other place; I will find out in due course. However, I would simply ask the Leader of the Opposition whether he has reassessed his position on 0.05, whether the Liberal Party has reassessed its position on 0.05, and whether, if the legislation is pursued, he would support it.

Hon GEORGE CASH: In response to the Minister's question, my answer is that I have reassessed my position and it remains the same, as indicated to the House earlier this year.

Several members interjected.

The PRESIDENT: Order! If the Minister for Police has no more questions!

CROWN LAW DEPARTMENT - ADVICE IN WRITING

819. Hon PETER FOSS to the Attorney General:

Is the Attorney General not concerned that the Crown Law Department may be giving oral advice to the Government without confirming it in writing? Will the Attorney General make inquiries to see that this state of affairs does occur?

Hon J.M. BERINSON replied:

I have had no reason to be concerned on that matter either way. The question has not come to my attention before. I would be very confident that in its dealings with the various departments the Crown Solicitor's Office would be acting in a thoroughly professional way. It always has, and I am sure it always will.

BUSES - SCHOOL BUS INSPECTIONS

Transfer Savings

820. Hon W.N. STRETCH to the Minister for Education:

- (1) What savings have been made as a result of the activities of the Functional Review Committee that looked at the change in the inspections of school buses?
- (2) Why was the department so convinced that a real monetary saving could be achieved through this action?

Hon KAY HALLAHAN replied:

(1)-(2)

The Ministry of Education has a billion dollar allocation. I do not have the figures of the various breakdowns of areas at present. I think there are five or seven people in the bus inspection unit; it is a relatively small unit, considering the size of the ministry. As I understand it, a functional review was carried out in the mid 1980s. The Government is attempting to consolidate functions with the appropriate agency; it is generally a sound principle. It would work on two scores: Firstly, because an agency has the expertise and the infrastructure to carry out that function and, secondly, because maybe there are savings to be made. The whole question was looked at given the earlier functional review that made recommendations along those lines. That was what triggered off the discussion about whether this function should be transferred to the police licensing branch.

Hon W.N. Stretch: Is the Minister aware that the qualifications are quite different from those applying to the police vehicle inspectors?

Hon KAY HALLAHAN: I would have thought that the safety of all road vehicles was of paramount importance. It is very important where children are being transported; but I believe that the road worthiness of any vehicle is of top priority.

Hon W.N. Stretch: The Minister is downgrading the level of the qualification of inspectors.

Hon KAY HALLAHAN: I do not accept that there is a downgrading.

Hon W.N. Stretch: They have different qualifications.

Hon KAY HALLAHAN: As I have said, the matter is still being considered and the Minister for Police and I will be discussing the matter. We will be in a position to give the member our final determination within the next week or two. It is matter that has been thoroughly looked at and that is a very sensible approach to the matter.
