Legislative Council

Thursday, 19 November 1987

THE PRESIDENT (Hon Clive Griffiths) took the Chair at 11.00 am, and read prayers.

BILLS (4): ASSENT

Message from the Governor received and read notifying assent to the following Bills --

1. Iron Ore (Hamersley Range) Agreement Amendment Bill (No 2).
2. Iron Ore (Channar Joint Venture) Agreement Bill.
3. Government Employees' Housing Amendment Bill.
4. Taxi-car Control Amendment Bill.

JOINT STANDING COMMITTEE ON DELEGATED LEGISLATION

Appointment

On motion without notice by Hon J.M.Berinson (Leader of the House), resolved --

> That the Honourables Robert Hetherington, H.W. Gayfer, Margaret McAleer and Tom Helm be appointed as members of the Delegated Legislation Committee and that the Legislative Assembly be invited to appoint a like number in accordance with the rules adopted by both Houses.

TRUSTEES AMENDMENT BILL

Second Reading

Debate resumed from 13 October.

HON JOHN WILLIAMS (Metropolitan) [11.08 am]: This Bill is an important piece of legislation and one which has been a long time in the making. Originally Hon I.G. Medcalf was approached by a number of trustees who requested that the Act be reviewed to enable trustees to take full advantage of the changing fiduciary position in the community. In other words, they could maximise with their trustee funds their investments for the benefit of the people they represented.

The Law Reform Commission was asked by the Attorney General in 1981 to look at the problem and come up with recommendations, which it did. This Government then requested a committee, chaired by Mr Les McCarrey, the then Director General of Economic Development, to look at the problem and advise the Attorney General further. The committee adopted the commission's recommendations and the Bill now before the House includes, with some minor modifications, the recommendations of both those bodies.

The Attorney General has not hidden the fact at all that this Bill is what can be described as an important step forward, but that it is not yet complete. There are good reasons for its not yet being complete. For instance, the Bill deals with the critical area of building societies and credit unions. The Bill attends to this area for a pro tem period by adopting the method of prescribing it by regulation to advise trustees, through the Governor, whether the position of a certain society allows it to be invested in by trustees.

The Bill is technically, in many respects, something I would like to draw attention to and support. I hope that the Attorney General will at a later stage tell us when he perceives this specialist trustee investments review committee being set up. My guess is that once this legislation has passed and its little wrinkles have been ironed out, the review committee could be established. It will be a very worthwhile committee in so far as several trustees look for help and guidance. When something is continually under review, the efficiency of the trustees themselves improves, and the beneficiaries profit. When one is made a trustee, it is always necessary to ensure that the funds are kept intact and the beneficiaries benefit from the trustees as a result of the trustees' business acumen.

With those few remarks I must say that the rest of the Bill is contained in the amendments on the Notice Paper, which we have looked at. There are areas of agreement in the amendments

I have put on the Notice Paper, so we will leave that to the Committee stage, and in some areas I shall not be moving my amendments

We support the Bill.

HON D.J. WORDSWORTH (South) [11.12 am]: I feel that the subject of trustee investments is a very important one. I do not set myself up as an expert to question the advice which has been given on this subject by fairly eminent people. It is interesting that the matter has taken so long to come to fruition, and indeed it is not yet complete. A lot of people have suddenly been made aware of the whole matter of trustee investments in the short period since the introduction of the Bill.

In the first place I would like to refer to local government. I realise that local government authorities are allowed to put their money into certain trustee investments which are not covered by this Act but by the Local Government Act. A large number of shires have had their investments in Rothwells Bank. When it was not possible for some investors to withdraw their money when they wanted to, they came to realise that when one makes an investment one is not looking only at the return in the form of interest, but the matter of the safety of the capital invested must also be considered. Some people do not understand this balance. They think that looking for interest from an investment is like buying a packet of cornflakes from the supermarket. Having got the interest off the shelf, they think all investments are the same. In actual fact, capital risks are very often attached to investments paying a high return. It is not merely the more intelligent banker or businessman who can return a higher interest with the same level of safety. That is what trustee investment is all about.

Here we have the situation of a person being made a trustee and he must invest funds on behalf of a person or an organisation which feels unable to make its own decisions. That trustee must decide how high an interest rate he can go for, and measure it against the risk. That is what this Bill is all about. A decision must be made by the trustee as to what is considered a safe investment. It is a difficult decision to make these days, and I do not envy him the task.

We seem to have forgotten what a trustee investment is all about. Everyone goes for the top of the market to see how high an interest rate can be obtained, and then looks shocked when something goes wrong at the other end of the scale and he looks like losing his capital, or perhaps waiting for the capital to be returned. This is often more noticeable in an investment in real estate. An investment may yield a high rate of return, but in actual fact the capital may be reducing fairly rapidly. I am referring to, for instance, a shop which is reaching the stage where it must be demolished. What we were referring to in the money market is not very much different.

I will not oppose this Bill, but it is an opportune time for this Parliament to look at the whole question of trustee investments.

HON MAX EVANS (Metropolitan) [11.16 am]: At first glimpse this appears to be fairly simple legislation, easily considered and easily passed. They have been looking at it for quite a long period, and we find it is not quite as simple as it appears. Many people have been trying to make improvements to the Act. If we read the report of the Superannuation Board, we find the board is limited by the powers of the Trustees Act as to how it can invest. Those powers have been broadened in regard to what the trustees can do.

It comes back to the integrity of the organisation; whether the trustee or the Superannuation Board is able to use those powers. Broader powers of investment are provided, and care must be taken to alter the powers to invest in unit trusts. That does not mean that every unit trust will be an investment for the trustee to go into. It is the same with property, shares or anything else.

What worries me is that because the Superannuation Board did not have the power to invest in newly-formed companies, it used SB Investment Trust as a vehicle to do that, investing in a property trust or a public property trust, and that investment trust could make investments in many companies in which the board could not have made investments. It is wrong that people have flouted the trustee law or the investment trust law to achieve their own ends. I hope that by broadening the base now they will comply with those rules and not use devious means of creating other investments for what might appear at the time to be a quick capital

growth, whereas in the long term it could be a big risk. Laws stipulate what where trustees may make investments.

Hon David Wordsworth dealt with the matter of what is a trustee investment. I ask the Minister if a list of all the trustee investments in respect of building societies and limited liability companies is available. If so, who keeps this list and approves of the investments? The Act seems to specify that if these criteria are complied with, the investment is a trustee investment in which people can invest. I hope that the Attorney will be able to provide this list because I would like to see it.

I understand that a number of companies in that classification continue to pay dividends, even though they are making losses, in order to maintain their status. I do not know which those companies are, but they should be on record in this Parliament. Those companies should have to rectify the problem with respect to the dividend paid to comply with the definition of seven per cent or 10 per cent to show them to be truly profitable. Those dividends could not be paid for long unless the company was generating profits. Companies have continued to pay dividends out of accumulated profits, even though they have made losses, in order to maintain their status.

I would like the Attorney General to tell me what the control has been in the past. We know what the control will be in the future, and I believe it is a good idea that the Government, through the committee, can take away trustee investment status. As Hon David Wordsworth said, local government bodies can put their moneys into an authorised trustee investment and sleep well at night because it is an authorised trustee investment, so they do not have to worry about their money. However, if that authorised trustee investment collapses, could those bodies sue the Government? I would think that lawyers could bring a case against the Government for bringing in legislation which does not control that authorised trustee investment in the way in which it should have been controlled, because that trustee investment has been approved under the Act and therefore people are entitled to think it is a safe investment.

A company can gain trustee investment status because it has certain capital structures and certain dividend structures, and it has been listed over a number of years. That structure, which gave it legitimacy, was okay, but the company may divorce that structure and take over new capital, new shareholders, yet still have that air of honesty about it, even though the business and the directors of that company are different.

Under the taxation Act, people who take over a tax-loss company to use up tax losses by some other company, cannot have the benefit of those tax losses if they change the nature of the business, the shareholdings or the directors; in other words, the losses do not carry through to the new owner. Under the taxation law, one is not allowed to engage in creative accounting to create exchange of tax losses. One is not allowed to transfer tax losses from one company to another if the nature of the business, the shareholders or the directors have been changed. This should be looked at in this legislation if what has been done in the past is not continued with new shareholders. I believe that the Government should have a closer look at the continuity of authorised trustee status for investments. Why should the status of authorised trustee investments carry through to a new owner, to new shareholders, with a new type of business?

If someone wanted a trustee investment, they could pay a spotter's commission to a person to look around Australia to find a company which would be suitable. They would not need a large amount of capital; they would only need a couple of million dollars of capital. The company would have to have paid dividends for 15 years, I think it is; and it must be a listed public company. This company can be gradually taken over, because one can afford quite a lot of money because as soon as one has an authorised trustee investment, everybody feels they can invest in that company.

Robert Martin, Alex Clark and Len Brush got together and said, "We need an authorised trustee investment. We could do a lot of things with that because the State Superannuation Board can invest in such an investment because it is legitimate; it has an air of respectability about it. The Teachers Credit Society can put money into this authorised trustee investment." They looked around and found Lockes Ltd, a furniture shop in Fremantle, which comprised all of the requirements of an authorised trustee investment. For a while it was not a listed company. They went around and told the business community that this

would be an authorised trustee investment; as soon as they could get new capital, the company would be relisted on the Stock Exchange and it would come under that classification. The State Superannuation Board and the Teachers Credit Society each invested $4 million in shares in that company, but inquiries into the Len Brush affair earlier this year revealed that the proposed developments of that company were never undertaken. The company did buy a plumbing business, and it was going to buy El Caballo Blanco, but I understand it went no further and that the $8 million was kept in deposit, and I gather it may have been taken back by the R & I Bank, as the company's affairs are unscrambled.

What I am saying is that people have been using these authorised trustee investments for the wrong reason. Brockley Investments did exactly that, and I would expect that those things would be stopped under this new legislation. I hope this will be considered during the Committee stage and that the trustee investment status will not be continued through with new owners, new shareholders, new directors and a new type of business. If a company obtained that status initially under one type, that should not carry through to the new company.

Authorised trustee investment status is just like giving a company a birth certificate and saying it is legitimate, but what is important is how that company carries on through its life. I hope during the Committee stage we will look at a way of controlling the operations of such companies and the type of business which they do, because such a company can gear up; there are no prudential requirements as to the gearing of loans or the type of loans. Banks have trustee investment status, and so they should because they have the Reserve Bank looking over their shoulder, and they have prudential requirements with which they must comply.

I estimate that at one stage local government bodies may have had up to $100 million invested in authorised trustee investments. I know of one finance company which lost its authorised trustee investment status because its business was transferred to its holding company, an insurance company, and that company had about $100 million of local government body money invested with it. That local authorities invested the money because of these magical words, "authorised trustee investment". The local authorities withdrew their funds immediately when that company's business was transferred because it lost its authorised trustee investment status. Thank goodness that status has never been given to credit unions. I believe that status should never be given to them because of the cooperative nature of the business they are conducting, otherwise the moneys invested could be misused and abused.

It is necessary to ensure that there are ongoing controls. It is not enough to just ensure that a dividend is paid out; that is just concerned with profitability, and that profitability may come at a very high risk factor. A lot of money can be poured into a company because of its status, and the company can gear up, as we saw with the Teachers Credit Society.

The PRESIDENT: Order! The level of audible conversation in this Chamber is at a stage where it is almost impossible to know what is supposed to be happening. I fail to comprehend why members who believe in participating in the affairs of this place ignore the rules.

Hon MAX EVANS: I was saying that when people perceive something as a secure investment, such as they did with the Teachers Credit Society, where $500 million was poured in in four years, they believe they can sleep easily at night, but there are risks involved.

The Government has a responsibility in this legislation to control authorised trustee investments. The old Act has been in operation for a long time, and virtually anybody could be an authorised trustee investment by the simple formula under that Act. The Act was changed many years ago, but the main changes to that Act were more concerned with the power to invest with a trustee, which did need to be broadened, because the operations of the financial money markets have changed a lot. The trustee investment seems to be an adjunct to that.

I support the legislation, but I warn the Government that authorised trustee investments need more consideration. We are in the age of creative accounting and management to make as much money as possible on funds. The days of the 1970s, when companies were more

conservatively managed and had big reserves, are gone. Those were the days of easy money and easy borrowing.

Companies these days can be exploited, as we have seen recently with Rothwells Ltd. That bank had a share capital of $16 million, with total reserves of about $64 million and loans out of about $640 million. That is a very high gearing for a so-called authorised trustee investment. Most finance companies issue debentures which are secured with an outside trustee checking the ratio every three months, when they review the accounts, to make sure they are complying with their prudential standards under debenture deed. Other companies with unsecured loans do not have this requirement. Investors, particularly local governments, are happy to put in $1 million here, and $1 million there. Local governments have a lot of money outstanding at this time of the year with rates being paid 12 months in advance, and they have another nine months to invest that money at the best rate.

Hon H.W. Gayfer: Some of them are being paid quarterly in advance.

Hon MAX EVANS: This matter comes under the control and responsibility of the Government. This legislation changes the existing situation, and the Government has a responsibility to the investing public with respect to trustee investment. I am quite happy with the wider powers that are given to trustees, and I support the legislation.

HON J.M. BERINSON (North Central Metropolitan -- Attorney General) [11.33 am]: As Hon John Williams reminds us, this Bill has had a very long gestation period. It started something like seven years ago with a reference to the Law Reform Commission. Since then the commission has produced a working paper, and then its recommendations. Then there were the supplementary recommendations of the McCarrey committee. Following that there were substantial submissions from the private sector, which have been taken into account by the Government.

One only has to listen to the debate that has taken place during the last 10 or 15 minutes to understand why all that time has passed. Even at the end of the debate, members are saying, and I am prepared to agree with them, that the new legislation, while certainly applying a marked improvement to the Act now in place, does not solve all the problems. I do not think I am giving any news to Hon Max Evans if I tell him that no Bill will solve all the problems. The reason is that at the end of the day somebody has to take care and responsibility.

I think it was Hon David Wordsworth who stressed the special duties of trustees to take care of the security as well as the return on investments. Of course he is right. That is reflected in the Bill, with the specific provision in clause 6(3) which reminds trustees that they cannot simply rely on a list of statutory criteria. At the end of the day they must still perform the equitable duties which rest on the trustee.

That is the answer to a lot of what has been said. There is no way, with the whole range of developments that can occur with the various authorised investments, that one can guarantee security in advance by a list of so-called authorised trustee investments. At every stage it is important to stress that the corporate responsibility of a trustee has to be exercised. That means the trustee must take adequate care and make adequate enquiries about the security of the investments being entered into.

Hon John Williams asked when the review committee is to be established. We would allow approximately 12 months for this Act to be bedded down so we can see what suggestions emerge. The decisions now being implemented are the result of a very long process, and I personally doubt whether anything significant could be achieved by further consideration before 12 months. That is a rough timetable that I have in mind.

Hon Max Evans asked whether there is a list available of all approved trustee investments. There is no such list, and I do not believe it would be practical to prepare such a list. Indeed, companies could very well be falling in and out of such a list on almost a daily basis. In any event, there is the overriding consideration, which I have already stressed, concerning the particular responsibilities of the trustees themselves. The list of authorised trustee investments sets minimum criteria. No trustee should rely on the list alone without further inquiry as to the current status of the authorised trustee investment, and without developing a well-based confidence in that trustee investment.

Hon Max Evans raised an interesting point about the attraction of the term "authorised trustee". Consideration has been given, both in this and other States, to preventing building

societies, companies, and others in this category, from advertising themselves as an authorised trustee. Consideration was also given to allowing them to continue to advertise themselves as authorised trustees, but with an additional comment indicating the limits on the reliance that should be placed on that fact alone. In the end the whole question was put aside. No suitable form of words can overcome the basic proposition that if one is an authorised trustee, there should be no reason why one cannot say so. It hardly made sense to pursue that further. I can assure members, however, that the matter was given a lot of consideration when preparing this Bill. I am also aware, from discussions I have had with Attorneys in other States, that they also considered it as they made moves for new Trustee Acts in their jurisdiction.

Hon Max Evans: What about the change of ownership and the change of type of business to maintain that status?

Hon J.M. BERINSON: I repeat myself if I say, in response to that, that the changed ownership, in fact, reinforces the importance of the trustee performing his proper duties of enquiry.

Hon Max Evans: It is not trustees investing in various trustee companies -- local government investing in authorised trustee investments. They are not trustees controlled by the Trustee Act. They are people seeing security in that type of investment. That is a difference.

Hon J.M. BERINSON: I do not think it is different at all. If there are statutory regulations which are limited to authorised trustee investments, that is a clear indication that those investments are expected to be subject to a special degree of care and a special requirement for the security of investment. It is true they are not trustees in the formal sense of the term, but the requirement that they restrict themselves to the same list of authorised investments as trustees do is a very clear indication of the need for them to also engage in the extra element of caution which I have already stressed.

Hon Max Evans: In the public mind there is a great difference between investments in which trustees can invest and authorised trustee investments.

Hon J.M. BERINSON: If Hon Max Evans is saying that that is in some individual's mind I am prepared to accept that as a possibility, but on the spur of the moment I do not grasp the legal difference, and I suspect there is none.

I welcome the support which has been indicated for this Bill. It is technical in many respects, but it is also true that it impinges on the interests of a great many organisations and people, and to the extent that we can improve the situation it is well worth moving forward. That is not to deny that further improvements should not be possible in the future, and the arrangements that we will make in terms of continuing the review should ensure that this is not a matter which, as on this occasion, will take seven years after the first idea to actually produce a result.

Question put and passed.

Bill read a second time.

In Committee

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

Clause 1: Short title --

Hon D.J. WORDSWORTH: I appreciate the sentiments expressed by the Attorney General as regards the seriousness of the task of trustees. I suggest that he at least put out a Press release, and preferably some sort of booklet, on the subject because I think there is a certain amount of confusion. There certainly is in my district.

I referred earlier to the Rothwells Ltd affair. Local governments in my area had encouraged ratepayers to pay their rates early so that the councils could get in a large amount of money. They gave the ratepayers something like a 12 per cent discount to encourage them to pay rates quickly. Local government thought this was great and they put all the money into Rothwells and got about 25 per cent interest in return. They thought this was an easy way to make money. They got an awful shock when they read in the paper that some people could not get their money back, and quite a lot of money was then pulled out.

Since then, and I think it has been reported in the newspaper, a senior Cabinet Minister has been ringing up various shire councils imploring them to put their money back into Rothwells. This has caused very great concern and considerable debate within shire councils. Indeed, following these conversations, some councillors were ringing up and suggesting the money should be reinvested in Rothwells before the next council meeting.

I think trustees have to be made more aware of their responsibilities, and if we are changing the Act there is a great need for the Attorney to put out a Press release. I would like to see a pamphlet or something like that which could be given to local government and other trustees so they have a better appreciation of their responsibilities.

Hon MAX EVANS: I want to clarify two things. The Bill says what investments trustees can make; that is, a person who has been appointed as a trustee of a will, for example, has certain powers and he must exercise due caution. He just does not get an open cheque.

[Quorum formed.]

Hon MAX EVANS: There are well over 400 listed companies in Australia. We are talking about two different things in which a trustee may invest, and when he may invest. This defines the type of company a trustee may invest in. Clause 7 of the Bill says that a company must have a shareholder's equity of not less than $5 million, and it must have paid a dividend in each of the preceding five years. That differs from the old Act, and it gives a definition of the company.

The Minister has been saying that trustees must take care in going into these sorts of things. That is true, but a lot of other people are lending money to these companies. I am not talking about taking up shares, but they are investments which come into the classification of an authorised trustee investment. That is why they put the money into Rothwells; it came under the old definition contained in the Act. The same applied to Brockley Investments Ltd. Is the status given to this company because of its size, etc? In some cases the companies were in the hands of old owners, and the status is transferred to the new owners who run a different type of business. Forget about Rothwells; there are many other finance companies around which are dealing in the same way. They have been using these words "authorised trustee investment". Authorised by whom? The Attorney has told me there is not even a list of them. Someone could probably use the words "authorised trustee investment" and no-one would challenge them. There is not even a master list one can go back to.

Hon J.M. Berinson: You challenge them on the criteria.

Hon MAX EVANS: Yes, but they get this approval under the criteria and people might use it. Who is checking on whether someone using that wording complies with the criteria? It can be abused. The main point is that once this authority is given to somebody there are more than just trustees investing in that sort of thing. They see it as a good sound investment for their money.

There is more involved than just local government investing in Rothwells. They put in the money because the interest rate is high and the advertising says it is an authorised trustee investment, so it seems to be a good thing. I am just trying to clarify the difference between investments made by trustees per se and the definition of a company as an authorised trustee investment.

Hon J.M. Berinson: What are you proposing should be done about it?

Hon MAX EVANS: I believe there should be some limitation on the status given to new owners or operators of a company. This has happened a few times -- Brockley Investments would have been one instance. It would have taken over the status that belonged to a corporate body because a corporation is a separate legal entity. It had the status on a particular date, and the shareholders and directors and the entire business changed, but it still had that respectability because it was there before and the corporate body owned it.Twelve months is a long time to wait to set up a committee.

Hon J.M. Berinson: The last committee considered these and associated questions for 18 months so it is not as though this is a flash in the pan.

Hon MAX EVANS: We are in different times and people are using their money differently. That is my view based on my practical experience in this area and it needs looking at.

Hon J.M. BERINSON: I am happy to take up the suggestion of Hon David Wordsworth that a Press release at the time of enactment of this Bill should emphasise the limitations in respect of the reliance which should be placed on authorised trustee investments. I will also have some consideration given to the preparation of a pamphlet, although it will depend in the last resort on people taking the interest to go looking for that pamphlet. That is of a different order.

Hon D.J. Wordsworth: I was making the point about the responsibility of trustees.

Hon J.M. BERINSON: I will be happy to take up both suggestions and I undertake now to implement the first of them. I do not believe there is a solution to Hon Max Evans' problem about the possibility of changes to the directorship or line of business of an authorised company. However, I will refer all aspects of this debate to the review committee and if that committee can come up with some way of accommodating this perceived problem, something useful will arise from the comments as well.

Hon MAX EVANS: I would be pleased to speak to members of the committee. My comments are based on my commercial experience and the dealings I have had with a lot of finance companies who have had this status, and my knowledge that with debenture companies it is necessary to check on these unsecured loans. By the grace of God Rothwells is still in business but the Government would have had problems on its hands, if it had come within the Government's definition and had crashed, with the people who had invested in this comfort situation.

Hon D.J. WORDSWORTH: It rather shocks me that it is possible for a company to be an authorised trustee investment on the basis that it has paid a dividend for a given time.

Hon J.M. Berinson: That is not the only criterion, there is also the question of its capital base.

Hon D.J. WORDSWORTH: I could understand the situation involving a normal firm, such as Myers, which may have paid a dividend for a long time and wishes to borrow money to build another store. If it has paid a dividend and has so much capital the Bill proposes that it will be a suitable trustee company. However, if Myers changed its business from being a company with stores and real estate and decided to become a banker and lend money, it would have a completely different structure. The fact that the company taken over may have paid dividends for 10 years is of no consequence whatsoever; it is a different business.

Hon J.M. BERINSON: I am sorry that Hon David Wordsworth is shocked by this revelation; the revelation should have occurred to him at least as long ago as 1968. It is not as though this Bill is expanding the range of trustees to include companies that may or may not change in the way suggested. The only effect of this Bill is to make the criteria somewhat more restrictive. This is not a new problem and I have already said I do not regard it as a problem that is capable of a statutory solution, even though I am happy to refer it to the review committee, as I have indicated.

In the last resort if a company changes from one line of activity to another, that is something the trustee or the intending investor wanting to rely on authorised trustee status should make himself aware of and take into consideration before the investment is made. I do not see a way of meeting that problem without excluding investments in public companies altogether.

Hon D.J. WORDSWORTH: I agree that I should have started worrying about this earlier. Something happened last month which caused me and many other people to worry about this problem.

Hon J.M. Berinson: It is not the first time it has occurred. It happens every time a company goes bad that has had a fairly substantial record.

Hon D.J. WORDSWORTH: It happened in the 1930s. We are all looking at these matters very carefully now and it is perhaps fortuitous that this Bill is before us at this time. Because of that the public will be more reliant on such legislation and will think it is up to date with the occurrences of last month.

Clause put and passed.

Clauses 2 to 4 put and passed.

Clause 5: Section 6 amended --

Hon J.M. BERINSON: I move an amendment --

Page 3, line 6 -- To delete "and" and insert the following paragraph --

(d) in the definition of "trustee corporation", by deleting "the State" and substituting the following --

"a State; and".

The present definition of trustee corporation is confined to trustee corporations authorised under Western Australian legislation. The proposed amendment will include within that definition trustee corporations authorised by legislation in other States to administer the estates of deceased persons and other trust estates. The effect of this amendment is that it will, when read in conjunction with proposed section 16(1)(i), include within the range of trustee investments common trust funds operated by trustee corporations under legislation in other States equivalent to the Western Australian Trustee Companies Bill 1987.

There is a move throughout Australia to tighten up the provisions relating to trustee companies and we are satisfied the stringent provisions that we are applying to our own are mirrored in the other jurisdictions. The other point to be made on this amendment is that it is part of a reciprocal exercise in which we would expect similar authority to be given to trustees in other States to make deposits with trustee companies established under our own legislation.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 6 put and passed.

Clause 7: Section 16 repealed and sections substituted --

Hon J.M. BERINSON: I move an amendment --

Page 5, lines 3 and 4 -- To delete paragraph (i) and substitute the following --

(i) in an Investment Common Trust Fund of a trustee company established and conducted under the *Trustee Companies Act 1987* or in any common trust fund established and conducted by a trustee corporation under the corresponding law of another State;

Hon JOHN WILLIAMS: I take it this is consequential to the amendment the Attorney moved earlier?

Hon J.M. Berinson: That is correct.

Amendment put and passed.

Hon J.M. BERINSON: I move an amendment --

Page 6, line 29 -- To delete "5" and substitute the following --

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This amendment is another example of applying greater caution than at first considered appropriate. The five year period was recommended by the McCarrey committee, and the Bill was drafted on the basis of that advice. It has since been suggested to us that greater caution might be in order, and that is reflected in the proposed requirement that the record of the companies in question should be established for seven rather than five years.

Hon JOHN WILLIAMS: We were going to move an amendment here, but we will not proceed to do so because our amendment was only to safeguard that period as we thought five years was too short. The Attorney has arrived at a safeguard by way of a different formula by adding two years while ours was worked on the operating profit. My leader has agreed that we should not proceed with our amendment.

Amendment put and passed.

Hon J.M. BERINSON: I move an amendment --

Page 7, line 21 -- To delete "security" and substitute the following --

debentures or debenture stock

This is a technical amendment for the purpose of clarifying the terminology.

Amendment put and passed.

Hon J.M. BERINSON: I move an amendment --

Page 8, line 23 -- To insert after "servant" the following --

of the trustee

This amendment is directly in line with the amendment listed by Hon John Williams, and is again in the nature of a drafting clarification.

Hon John Williams: Thank you.

Hon MAX EVANS: Is there a definition of debentures or debenture stocks?

Hon J.M. BERINSON: So far as I can see there is no definition of either in the Act or the Bill.

Hon MAX EVANS: Should there be a definition, when we are including new words in legislation? Or is this covered by the Interpretation Act?

Hon J.M. BERINSON: These are not new terms, but terms which have historically been in the Act.

Amendment put and passed.

Hon J.M. BERINSON: I move an amendment --

Page 8, line 27 -- To delete "shares of the investments" and substitute the following --

interests

Again, this is a drafting clarification.

Amendment put and passed.

Hon J.M. BERINSON: I move an amendment --

Page 8, after line 32 -- To insert the following subsection --

(2) Subject to subsection (4), a trustee may invest in a fund managed by a trustee company to which fund Division 6 of Part IV of the *Companies (Western Australia) Code* applies and in relation to which an exemption from the requirements for an approvement deed has been given by the National Companies and Securities Commission under that Code.

This amendment will enable a trustee to invest in a trust fund operated by a trustee company in accordance with the Companies Code requirements and where certain exemptions have been given from the approved deed requirements. In such cases a trustee company is required to comply with other protective conditions imposed by the National Companies and Securities Commission.

Amendment put and passed.

Hon J.M. BERINSON: I move an amendment --

Page 8, line 37 -- To insert after "dollars" the following --

or such other amount as the Governor may by regulation prescribe

This amendment is to give some added flexibility to the provision and to allow the equity to be increased in line with inflation and other considerations as the need arises and without coming back with a Bill. The amendment is also necessary to match the provision of section 16B(5)(a).

Amendment put and passed.

Hon J.M. BERINSON: I move an amendment --

Page 8, line 41 -- To delete "5" and substitute the following --

7

This change is identical to our earlier change to the longer period.

Amendment put and passed.

Hon JOHN WILLIAMS: I move an amendment --

Page 9, line 16 -- To insert after "State" the following --

or in the leasehold of land in the State

The clause states that subject to sections 2 to 4 the trustee may invest any trust funds in the purchase of land in fee simple in the State, and my amendment seeks to add the words "or in the leasehold of land in the State". I am seeking to expand the area because there are reasonable leasehold properties that come up for investment purposes and it is felt the amendment will provide a wider scope for people wanting to invest

Hon J.M. BERINSON: I oppose the amendment. I urge Hon John Williams and other members not to pursue this idea at this stage, but to add it to the group of matters to be considered by the review committee. The question of the investment of land was addressed specifically and at length by both the Law Reform Committee and the McCarrey committee. Both of those committees were of the view that investment in land should be limited to land held in fee simple. I agree with Hon John Williams that there are substantial leasehold properties which could lend themselves to investment or loan. The Government building on the north west corner of Forrest Place, if I recall correctly, involved a leasehold arrangement with the Perth City Council of either 49 or 99 years. That is leasehold land of a particular order. However, there is other leasehold land which is of much shorter duration, and I would think less security than that. For example, I would think that the lease of a single property in a strip shopping centre for five years could well come within this description and not lend itself to providing the sort of security for which we are looking.

I do not wish to be too absolute in my opposition to this matter, but again remind the Committee of the extent of the earlier consideration and advise that that has gone into the current list. I think that there is a case for not only urging trustees to be cautious but also for acting cautiously ourselves before going beyond the advice that we have had from expert committees that have had a great deal of time to consider associated issues. On those grounds, and without cutting out the possibility forever, I urge the Committee not to support this amendment but to leave it to the review process that has been signalled.

Hon JOHN WILLIAMS: In view of that explanation, I will not take the matter to the barrier. However, we have the assurance of the Attorney General in relation to that type of investment. I have read the McCarrey report, which contains a comment on leasehold. If that type of investment is to be referred to the review committee, I am happy to not proceed with the amendment.

Amendment, by leave, withdrawn.

Hon JOHN WILLIAMS: I move an amendment --

Page 9, line 23 -- To insert before "report" the following --

recent

This amendment involves a question of English. There is reference to the fact that when making a purchase the trustee was acting upon a report as to the value of the land and I seek to change that to a "recent" report, because, for instance, one could have a report on the value of land some five or six years old. I know that the Attorney General will later put an amendment mentioning a period of not more than three months before the offer was made. That appears a bit clumsy to me. The definition of "recent" is "not current, but recent -- within a term". I think that this is better wording and would lead to less confusion in the Bill.

Hon J.M. BERINSON: The discussion on this Bill has been so amenable on all sides that I am sorry I have to take issue with Hon John Williams. Although I have no problem with what he seeks to achieve, I believe the aim is better met by my proposed amendment (J). What does "recent" mean? It is worth avoiding creating room for doubt as to how "recent" something has to be. This will be met by my proposed amendment (J), which will provide a fixed period. If the period is less than three months before the purchase, that is acceptable; and if it is more than three months, that is not acceptable. It will give clear guidance and remove any scope for doubt or dispute. It is also thought by advisers that three months is a reasonable period for obtaining such valuations. It is the sort of period during which it can be reasonably said the value of the sort of property about which we talking would be stable.

Amendment put and negatived.

Hon J.M. BERINSON: I move an amendment --

Page 9, line 31 -- To delete "in writing" and substitute the following --

made in writing not more than 3 months before the offer to purchase was made

Amendment put and passed.

Hon D.J. WORDSWORTH: I take this opportunity to speak to the clause in general. We are talking about authorised investments in land and the purchase price not exceeding the value of the land. We currently have fashionable investments in rural land trusts -- and I am using the small "r" and not referring to a particular company. I understand those trusts have the habit of purchasing land and then putting it on their books at 10 per cent above the price for which they purchased it. In other words, it is really exactly the opposite of what we are looking at here. The people who sold the land then take out its value in shares in that company. This is very common now. I draw it to the attention of the Chamber because although it is not directly covered by this clause, this probably is the most appropriate time to point it out.

It does seem completely wrong that an investment -- and I am sure these rural land trusts are an authorised trust investment -- can actually put up the value on the property 10 per cent and, having purchased it from the farmer at, say, $1 million, then put it on the books at $1.1 million.

Hon J.M. BERINSON: I think Mr Wordsworth himself acknowledged that whatever problem there may be in that process, it is not directly related to this clause. In fact I doubt that it is related to the Bill. The point is that what a company does for the purposes of its internal valuations is not really a matter which affects a person in the position of a trustee who perhaps is looking to purchase the property that has been upvalued. The trustee in that position -- that is, acting according to the provisions of this section -- would need to go to an independent valuer. He certainly would not be meeting his obligations simply by relying on the book value of the vendor firm, whether or not the vendor was a trust-type investment.

Clause, as amended, put and passed.

Clause 8: Section 17 amended --

The clause was amended, on motion by Hon J.M. Berinson (Attorney General), as follows --

Page 10, after line 25 -- To insert the following paragraph --

(b) in subsection (2) by inserting after "land made" in paragraph (a) the following --

in writing not more than 3 months before the offer to purchase was made.

Clause, as amended, put and passed.

Clause 9 put and passed.

Clause 10: Section 19 repealed and a section substituted --

The clause was amended, on motion by Hon J.M. Berinson (Attorney General), as follows --

Page 11, line 18 -- To delete "(g)" and substitute the following --

(f)

Clause, as amended, put and passed.

Clause 11 put and passed.

Clause 12: Section 25 amended --

Hon JOHN WILLIAMS: I move an amendment --

Page 12, line 30 -- To delete "and malicious damage" and substitute the following --

malicious damage and such other risks as the trustee may nominate

The reason for this amendment is to give the trustee a greater form of protection. I know the

clause refers to insurance to replacement value against damage by fire, storm and tempest, and so on -- the usual insurance provision -- but there are other things the trustee would have to nominate anyway before he did anything about it.

Hon J.M. BERINSON: Again, I have no problem in principle with what Hon John Williams is saying, but the point is that the end that he is trying to achieve is already embodied in the present Act. I refer to the preamble to section 25(2) of the Act. It reads as follows --

> (2) The terms upon which a loan mentioned in subsection (1) of this section is made shall, in addition to such other provisions as the trustee may think proper, include provisions giving effect to the following, namely, that --

We then go on to the proposed new paragraph (b) which has to do with fire damage and so on. What is being said here is that proposed new section 25(2)(b) provides the minimum list of risks which a lender must secure on the property, but in addition to that he may require such other provisions as the trustee may think proper. The only difference there is in the difference between the words "the trustee may think proper" and Mr Williams' words "as the trustee may nominate". They amount to precisely the same thing and I submit that the aim of the exercise is covered.

Hon JOHN WILLIAMS: I take the point, Mr Chairman. My amendment, if passed, would mean there is a form of duplication, and that is unnecessary.

Amendment, by leave, withdrawn.

Clause put and passed.

Clauses 13 to 16 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 J.M. Berinson (Attorney General), and transmitted to the Assembly.

BETTING CONTROL AMENDMENT BILL (No 2)

Second Reading

Debate resumed from 18 November.

HON BARRY HOUSE (South West) [12.31 pm]: It is with great pleasure that I stand here today to support this Bill on behalf of the Opposition. Last week in this Chamber I said that the south west is an area from which many good ideas come; the south west is not short of good ideas and the Bunbury Golden Classic footrace is an example of that.

The Bunbury Golden Classic was conducted earlier this year on the Anzac Day long weekend at Hands Oval after the Easter weekend to fit in with the Stawell Gift. Approximately 3 000 spectators turned up over two days, so that the event was successful from that point of view. There were 40 contestants from the Eastern States, Malaysia and Ireland -- in fact an Irish man was the eventual winner -- and about 15 to 20 local contestants. It was not a huge financial success but it was very successful from the point of view of the contestants, the organisers and the spectators. It gained a lot of national publicity and it put Bunbury on the map as far as sporting and social events were concerned.

The idea emanated from the Bunbury Chamber of Commerce and the instigator was Rob McCormick --

Hon Tom Stephens: Not Doug Wenn?

Hon BARRY HOUSE: It was Rob McCormick before Doug Wenn was thought of. The idea was taken up by the Bunbury Chamber of Commerce President, Rolf Stene. He and Rob McCormick got together a committee involving people such as Laurie Fitzgerald, representing small business, Greg Fitzpatrick, from the Tourism Commission, Rod Downes from the banking fraternity and Peter Wray, who is a lawyer. This has now been expanded

to a committee of 10, headed by Laurie Fitzgerald. The on-course bookmakers' betting facilities added to the atmosphere and provided a large measure of the success the event achieved. Five bookies took the field and they entered into the spirit of the day and offered some very good odds because it was an inaugural event. I believe they called odds and took bets up until the last 100 metres of the races which were conducted over a longer distance. They were new at the game, too, and I think they learnt by the experience. I think they were stung by some of the Eastern Staters and consequently they might even have lost money, but they are keen to come back next year. That is a measure of the success of the event.

The estimated turnover was about $30 000, which represents about $10 per head. The crowd was largely composed of families and even if only one person in three was betting, that is a reasonable result. The preparation was very thorough for this event earlier this year. The Bunbury Chamber of Commerce recognised that regional areas need a continuing calendar of events and this fits in very well with tourism as the leading industry in country areas, particularly in the south west. There has been professional running in Western Australia before and although nobody organises and runs such events now, the chamber of commerce research showed that foot racing was viable if on-course betting was allowed. The chamber of commerce spent two and a half years getting the on-course betting facilities, which were granted last year with a sunset clause. The event is second now only to the Stawell Gift in terms of the prize money available. It received backing from the Victorian Athletics League, which assisted in the running of the event; a steward's report was prepared by the league after the event and was glowing in its content. Normally hiccups are experienced with new clubs and ventures but apparently there were very few faults that could be found, and the event was rated a huge success.

This year the committee is keen to operate it on its own and has formed its own West Coast Athletic League, headed by Laurie Fitzgerald. This is run by a group of 10 people in Bunbury and they want to run a country circuit where they can conduct a series culminating in a final. No professional running club exists in Western Australia and this body will take that role, operating the sport until it is up and running properly. They want to extend career opportunities for professional foot runners in Australia because such opportunities are very limited at the moment, except for the Olympics, and they want to provide the opportunity for these professional runners to develop.

They are looking at developing a league circuit in country towns involving more than just Bunbury. This could follow along the lines of the Griffin 500, which is conducted through the country towns and has become very popular over the last few years. They have been encouraged in the last 12 months particularly by the concept of the West Coast Eagles and the Perth Wildcats, which has given them the incentive to go ahead and develop foot racing. They are looking to develop the sport from the Little Athletics right up through the ranks. Little Athletics in Western Australia attracts approximately 10 000 participants and this figure dwindles to about 500 in the senior ranks. This is a fairly high attrition rate and we want to encourage participation for all sorts of reasons; we want to encourage a healthy environment, and athletics is another sport which can do that.

They also aim to provide an event that can cater for not only professional foot runners but amateurs as well. They are organising events that can cater for the fun runners, social runners and professional runners and they deserve encouragement. They have appointed a professional trainer and coach named Matt Barber, who was the coach of last year's winner of the Bunbury Golden Classic. Apparently there has already been a lot of interest this year from local amateur runners who are very keen to take part; more so than last year, when they were a little overawed by the Eastern States' professional runners who lined up for the event. Consequently only a few came forward, but this year a lot more interest has already been shown. They are also looking at the possibility of handicapping so that gender does not become an issue in future races. They are also looking at a celebrity race and yesterday when I was talking to somebody involved, I was invited to participate. I will take on Hon Doug Wenn in that.

Hon Graham Edwards: How much start do you want?

Hon BARRY HOUSE: Keen interest has already been shown by the Victorians who are involved in the Stawell Gift, because they see the Bunbury event as a logical extension of that race. If it can be developed through other Western Australian country towns besides

Bunbury, it can play a big part in our sporting and social calendar. The initiative displayed by the Bunbury Chamber of Commerce and the committee deserved success and the acknowledgement of everybody. The on-course betting facilities were an important part of that success, and I think it is an extremely good idea to give some permanency to the event so that the committee can plan for the future.

Races have been planned for Fremantle, Kalgoorlie, Geraldton, and perhaps Northam and the Pilbara. Kalgoorlie is another place that I know much about because I lived there for a year. It is an extremely sports-conscious town and its people are not averse to having a bet. Footracing in Kalgoorlie would be nothing new. In fact, footracing in Kalgoorlie has been very successful. I have evidence here of an event held on 5 December 1906 which attracted a crowd estimated at between 15 000 and 20 000 people. I am not sure whether on-course betting was allowed legally, but I am sure betting went on.

As I said, I believe this Bill gives some sort of permanency to the West Coast Athletics League to plan for the future, and the Bill deserves support.

HON FRED McKENZIE (North East Metropolitan) [12.42 pm]: Hon Doug Wenn has a pair today because he is not able to be here. I know that this is one Bill about which he would have liked to speak. Unfortunately, because the Bill has been brought forward he is not able to participate.

I am very pleased to hear about the bipartisan approach to this matter. I have served with Hon Doug Wenn on the parliamentary racing and gaming committee; in fact, I am the convener. I am fully aware of the great interest Hon Doug Wenn has taken in this matter, not only in recent times, but from the outset. He has been very active in looking after the interests of the City of Bunbury and the surrounding areas in relation to this issue.

I have heard almost the same words of praise used by the new member for the South West Province, Hon Barry House, put to the racing and gaming committee. Even though he is not here, I am sure that Hon Doug Wenn would have supported Hon Barry House in everything he said today. It is good to see two members of opposite parties working so hard for their district.

Hon G.E. Masters: You deserve a medal for this; you are going well.

Hon FRED McKENZIE: I have to explain the position to the House because I granted the pair to Hon Doug Wenn and I was responsible for having this matter moved up on the Notice Paper. I feel somewhat guilty now because Hon Doug Wenn so desperately wanted to speak on this Bill.

The Golden Classic was promoted at great length and with great vigour by Hon Doug Wenn. Even though it was not a financial success, its success otherwise must, to a large degree, be due to his efforts. I am pleased to see the new member for the area working in that vein also.

It is a long time since footraces were conducted in Western Australia on which bookmakers were allowed to operate. It was certainly a common event around the turn of the century. It has not been an easy decision for the Government to make. Much discussion surrounds the introduction of additional methods of gambling in this State. However, the interests of people of the area who were keen to establish such an event were taken into account. As a result of that this Bill was introduced and I have much pleasure in supporting it.

HON H.W. GAYFER (Central) [12.46 pm]: I was content to let this matter pass with only one speaker. However, now that a certain amount of politics has been brought into it, I apologise that the National Party's spokesman on sporting matters is not with us today. He has been called away because of an illness in his family.

Everybody in this House knows about the keen interest that Hon Tom McNeil has in sport and of the numerous speeches he has made on it in this House. He is extremely supportive of this Bill and intended to speak on it. He supports bookmakers being permitted to accept bets on future footraces in Bunbury and elsewhere, subject to the approval of the Minister, and that is important. No approval for footraces was given in the early part of the century, but ministerial approval is required today. It is necessary because, in my home town, we now hold a tractor-pull competition which is attracting many people to the area. If there were no controls over bookmaking on these events, bookmakers could have a free run. I do not disagree with that; as I said in the debate on the casino legislation, gambling should not be

confined just to casinos because, having agreed to gambling at the casino, we have agreed to gambling in Western Australia.

I have used some of Hon Tom McNeil's speech notes in making my speech. I again apologise that he could not be here and endorse the remarks made by the two previous speakers on this Bill.

HON GRAHAM EDWARDS (North Metropolitan -- Minister for Sport and Recreation) [12.48 pm]: I thank members opposite for their contributions and very strong support for this Bill. Mrs Pam Beggs and I went to Bunbury last year at the invitation of Hon Doug Wenn and had a thoroughly enjoyable day. I was impressed with the enthusiasm of the people involved both in an organisational capacity and in their participation.

It was interesting to hear the glowing comments made about the event by some of the interstate visitors and also some of the glowing comments made about Bunbury. I guess that is the value of holding such an attractive event.

I also recognise the contribution made by everyone who worked extremely hard for the success of this race. It certainly has a great deal of potential and has led to something that will be of far greater benefit to Western Australia -- a circuit of races which will hopefully be established throughout the State. I think that circuit is the key to the eventual success of this type of event.

I also commend Hon Doug Wenn for the amount of work he did in the lead-up to the classic last year and also on the day of the event. Not only was he so heavily involved, but also his two daughters were involved on the day in assisting with the event. I have always held the view that, where members of Parliament are involved and work so hard towards the success of these types of events, their efforts should be recognised. I will do that in the future as I have done it in the past, regardless of which political party they belong to. If we do not recognise the work that members on opposite sides of the political spectrum do, we are selling ourselves short. Politics can go jump in these matters as far as I am concerned.

I again thank members opposite for their contribution to and support of this Bill, and commend it to the House.

Question put and passed.

Bill read a second time.

Sitting suspended from 12.52 to 2.30 pm

In Committee, etc

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

Third Reading

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

HEALTH AMENDMENT BILL

Second Reading

Debate resumed from 12 November.

HON JOHN WILLIAMS (Metropolitan) [2.33 pm]: The Opposition supports this Bill, but some areas require closer inspection. One of the first parts of the Bill deals with something which affects every Act on the Statute book which introduces penalties. The Opposition shares the Government's view that after 70 years some of these penalties should be upgraded in view of the financial climate of the day. Many people are prepared, particularly when local authorities levy fines of $25 for a business which is breaking local health regulations, to pay the fine and blithely go on breaking the law.

In this Bill penalties are prescribed in a schedule with a sliding scale, instead of after every clause or section, which makes it easier to understand. A cost of living index has been suggested, but I do not think that is practical, because nobody would know where the scales

were at a particular time. I comment on the fact that these penalties also take another step in setting minimum and maximum amounts for fines.

The Bill provides for the progress of community and leisure activities. One provision is concerned with swimming pools and other public aquatic facilities. It is essential that swimming pools, especially public swimming pools, be checked regularly to make sure they are disease free. Not so very long ago in this State children were dying of amoebic meningitis. The legislation produced at that time was extremely effective and worked very well. With progress we suddenly have cable tow ski areas which the public use. The control of areas such as these and water slides were not provided for in previous legislation. The public use these facilities, therefore it is essential that the purity of that water be regularly checked.

One disagreement that we have is with the part dealing with public buildings and the number of people who use them. I am sure the Minister can explain why the Health Department should start to issue building licences when this area is already covered by local government. It seems to be a duplication of process. The Health Department refers the matter to the BMA, and the BMA conducts an investigation. The BMA has intimated that it will charge a fee. The current fee is $100. If the BMA cannot work within that figure it has the right to put up the fee. The Health Department will accept the fee and pass it on to the person making the application. The person making the application may have to apply to the health department of the local shire, and therefore the applicant will be up for a double charge. It appears to me that these duplications and excessive bureaucracy which, of necessity, will creep in, are quite unnecessary. I see no reason for this duplication to take place.

The Bill also allows a person to start building without the final plans having been submitted. You, Mr President, would have much more knowledge of the building industry than I, but this is what I believe is called the fast track method of building. In other words, the builder starts with the core of the building which has been approved and passed, and under new technology he will proceed with the wing, although when the core is going up the plans for the wing have not been completed. That is commendable, because methods of construction have changed to such an extent that we have to keep up with times. It is ridiculous to have a building on the drawing boards for three years and then not be allowed to start on that building although additions have already been approved.

The Bill deals also with the pet food industry, which is a very vexed question. People responsible for processing pet food must ensure that that food is unfit for human consumption. One or two smart operators sometimes buy this meat which has been regarded as unfit for human consumption and process it in such a way that they can foist it on to the general public. The way to avoid that is to dye the meat, and this is what the Bill proposes should be done. The recommendations of the 1982 Royal Commission have been taken into account, and the few people who perpetrate this outrage on the population must be brought to heel. The only thing is that when dyeing the meat and stamping the containers, the additional cost is put onto the public who buy the pet foods. Pet foods are not just Kit-Kat, Chum and whatever else; there are many pets around and it is a multi-billion dollar industry in this country.

I am not very happy about the extra charge which is bound to be incurred by the general public because of these provisions. I do not object to the dyeing of pet meat, but I think the stamping of the containers is adding a bit of icing to the cake. A lot of pensioners keep pets, and the cost to them of buying pet food will increase. I do not oppose these provisions, but I believe it is inevitable that the charges for pet food will go up.

The Federal meat inspectors who work in abattoirs and meat processing works lock up at the end of the day the rooms in which they are working, and no-one can get into those rooms until such time as the inspectors appear for work the following day. However, people who go out to shoot for pet meat for commercial purposes sometimes overstep the bounds. So while I object to the extra expense which may be incurred, I do not object to the rules and regulations which will stop tainted or bad meat, which is unfit for human consumption, from coming back into the public area.

This Bill also addresses the sale of therapeutic goods, which has not previously been under control in this State. We welcome that because many times the claims made by those who sell therapeutic pills and potions do not bear any relation to what those products actually do.

A good example was quoted by a member in the other place where someone had analysed a tablet which was guaranteed to reduce weight -- particularly for the female population -- and although these claims were made about the pills and a massive advertising campaign was conducted, it was found when the tablets were analysed that they only contained garlic, covered by a coating. Garlic might be all right for one's cold, but it is not going to drop the kilos away, so the claims made were false and misleading.

It will be necessary under this Bill for the people who sell these goods to justify the claims they make about them, and the make up or prescription of the goods will have to be shown on the labelling of the goods. Further, door-to-door selling of these goods will not be allowed, which I believe is a good thing. A person may be at home, and bored, and someone may knock at that person's door and interest him in the goods which are being offered for sale, and the person may suddenly find himself up for an enormous bill for a useless load of drugs, when perhaps one slice of bread with a bit of margarine on it may have done the job just as well.

This Bill also introduces various provisions relating to pesticides. The Bill goes further than the current problem about the use of pesticides and looks at the disposal of the residual wastes and the containers of the pesticides. People who work in the pesticide industry, and especially those who come around to spray one's house for white ants, or whatever, have been rather careless in their application of pesticides. They might do a good job of disposing of pests within one's home, but it horrifies me to see some of these operators doing this job in a pair of shorts and a shirt -- or sometimes only a singlet -- and thongs, with complete disregard for their personal safety. I am not blaming the owners of the business, because when I inspected the truck of one person who was dressed in this way, I saw all the protective clothing -- rubber gloves, rubber boots and face mask -- and I will admit it was a hot day, but the man told me the protective clothing is more trouble than it is worth. This man may find in later years, if cancer or some other disease occurs, that it might have been worth the trouble to wear that clothing.

It seems to me that the operators have not been taught the proper standards of dress when using these pesticides, and to some extent the management of pesticide companies must bear the blame. I welcome the provision of the Bill which says that operators must be medically examined routinely and regularly, and this may give rise to management insisting that these operators wear protective clothing.

We have heard complaints recently about the use of pesticides by Government bodies in rural areas, such as around SEC poles. At one stage, not many months ago, we appeared to be in a pretty parlous position in respect of our meat exports because of the use of pesticides. Overseas markets are a necessity for us, but we must always appreciate that there are lobby groups within those markets who are protecting their own interests, and sometimes they go overboard. The recent situation which occurred in respect of our meat exports to the United States could have been avoided if more stringent controls had been placed on the processing of meat before it left Australia.

I am sure Hon H.W. Gayfer will be able to tell us how some of these lobby groups work in regard to grain, and other countries in the world have also experienced difficulties with lobby groups within their large export markets. To give an example, members may not know that one of the main exports of Malaysia is palm oil. One of the greatest crops in the United States -- at the behest of former President, Jimmy Carter -- is the soya bean. Lobbyists in America are now saying that palm oil is very injurious to health, and this is because they want cooking oil to be made entirely from soya beans rather than from palm oil.

The definition of pesticides now covers plant growth regulators. The Minister gave an example in the second reading speech of gibberellic acid, which is used to improve berry development in grapevines, and if that is consumed by humans in large quantities, it can lead to problems.

This Bill also addresses the standards for heart valves and dressings, and I am not going to go into that because I do not know enough about the standards. In this day and age when one person in 30 has had to have an operation performed on the heart, it is essential that now the surgeons have sorted out what should be done, there should be standards for heart valves and dressings.

The final matter the Bill addresses is the area of maternity. If members look at the appropriate clause, they will find it inquires into maternal, infant, perinatal, and anaesthetic deaths. Whenever those occur, the committee can meet and inquire into the causes and the reasons for the death of either the infant or the mother. The Bill allows for more inspectors to look after these committees, but much more important is the fact that evidence can now be given to the committee without necessarily being produced anywhere else except at a coronial inquiry. Even then, if some evidence is not required to be given, the witness can merely say that he does not want it given. The upshot of this is that where once people would be reluctant to express an opinion to a committee if they thought the evidence would contaminate either themselves or involve a close friend -- and most of the members of the medical profession are close friends -- this worry can now be removed. This will enable the cause of death to be properly established by the committee. The Opposition welcomes that.

While this is a Bill to which I have only one objection -- that is, the cost overrun in issuing building permits, which is a duplication of effort in my opinion -- I think the Bill itself follows naturally on with what is occurring within our community now. The principal Act needs updating.

The Opposition supports the Bill.

HON H.W. GAYFER (Central) [2.54 pm]: By and large I suppose I support the Bill. However, I am not too fussed about many clauses in it. I sympathise with Hon John Williams, who voiced some of his objections to the Bill, albeit trying to be constructive in his criticism. I will endeavour to be the same, although I think it is about time that many of the people who deal in this area put their feet on the ground and were a bit realistic about legislation. I must admit I am concerned about the clause within the Bill that says certain regulations might be introduced, because one never knows what is around the corner in respect of regulations.

This Bill proposes a number of amendments to the Health Act. The most significant of these amendments is, firstly, the increase in penalties for breaches of the Act. This is a very sensitive area and one which is very hard to control in respect of some of the matters listed under the Health Act. For example, if one considers abattoirs, there could be a problem with the water supply or with a tap dripping at an abattoirs. Under the Act this constitutes an offence and it attracts a caution or a fine. If one looks at what might be termed the conditions under the Health Act, one finds they are all-embracing and cover everything we do. As I said, penalties for breaches of the Act will be increased.

The second significant amendment is the control of aquatic facilities. I agree with Hon John Williams; I thought this province was adequately looked after by shire councils. It appears to me that another set of regulations is being introduced to take autonomy away from the shires. I think introducing another lot of conditions and terms controlling swimming pools -- in relation to how they are constructed and so on -- will tend to create fear in people. It does not matter what is in this Bill or in the principal Act; what matters is what might appear around the corner in the regulations.

The third significant amendment is to allow the actual costs of inspection to be covered by public building developers, by the Building Management Authority, and to allow the construction of public buildings to proceed prior to full approval being given in certain circumstances. That is very interesting. I would like to know what those "certain circumstances" are. It seems to be rather a benevolent clause, and I suppose the Minister should be complimented in that he is not standing in the way of progress. On the other hand, I wonder what the fees will be in order to be able to proceed without waiting unduly and whether what we seek will be given to allow that sort of building to proceed.

The fourth matter deals with the Bill's regulation-making powers, which are extended to place control over the slaughter, processing, and sale of meat which is unfit for human consumption and is intended to be sold as pet food. I will leave that for a moment.

The fifth matter is the new comprehensive control over therapeutic devices, goods, substances, and cosmetics. The sixth matter is the provision relating to the role of the Pesticides Advisory Committee. Unfortunately I do not have at the moment my file dealing with similar legislation introduced in the Federal sphere, so I cannot go into detail but, mark you, if this Bill goes through and contravenes some of the things I have seen in the Federal

legislation, it will be a different matter. This is a very delicate subject. The use of pesticides and chemicals on our farms at present -- in a lot of cases on the advice of, and in association with, Government departments and their practices when using the same chemicals -- has led to farmers being criticised. Farmers are in quite a lot of trouble at present, and I would be very interested to see what comes out of the Pesticides Advisory Committee in the future, dealing with the substances currently in use.

The seventh matter is the provision made for the reporting of, and subsequent investigation into, maternal, infant, perinatal, and anaesthetic deaths. That is a sphere I will not deal with, although I thought Hon John Williams would go to town for a week on it. Indeed I was rather hoping he would do so, so that I did not have to cover it.

I refer to the fourth matter I mentioned, the regulation-making powers which will be extended to place control over the slaughter, processing, and sale of meat which is unfit for human consumption and which is intended to be sold as pet food. In this respect we have two aspects of the definition of "unfit" for human consumption, on the one hand, and on the other hand, meat which is intended to be sold as pet food. Those are the two categories dealt with by the Minister in his second reading speech.

The power to gauge which meat is fit for human consumption and which is fit for pet food will be a further matter for the Health Department. This concerns me greatly. I want to deal with what the Health Department considers is healthy meat, fit for human consumption. Honourable members may know that in the country the favourite place to knock off a sheep is under the bough of a tree. This is considered to be perfectly healthy, and quite natural, by everybody except the Health Department. I can assure this House that there is nothing better, or more juicy, than a piece of sheep that has been cooled under a tree at night.

Hon Kay Hallahan: At night?

Hon H.W. GAYFER: That is when the flies are down a bit.

Hon Kay Hallahan: God, you are not a vegetarian!

Hon H.W. GAYFER: One also hopes that a wind will blow some time during the night which will help set the meat, as we farmers say. One then goes out at 5 o'clock or 6 o'clock in the morning and cuts it down, and it produces the nicest, tastiest meat one can have.

The best and accepted way to kill a bullock, or a steer, or anything else in the bovine line is to shoot it. Nobody has died from these practices.

Hon Kay Hallahan: You cannot make a claim like that.

Hon H.W. GAYFER: Nobody has.

Hon Kay Hallahan: The animals die.

Hon H.W. GAYFER: The animals might, but no humans die. The best way I know of getting that meat, is to go out with a rifle and knock the animal down, then follow up with a front-end loader, take him by the hind legs on the front-end loader and drive him back to the shed; and it takes about half an hour to pull the skin off him, gut him, and effectively cut him down. It is rather a long process, and the flies are a bit of a nuisance --

Hon G.E. Masters: You have driven the President out of the Chair.

Hon H.W. GAYFER: -- but that does not harm the meat. To kill a squealer -- that is a pig -- one grabs him by the ear, cuts his throat, and chucks the body into two lots of hot water and one of cold, and gets some beautiful pork. If the meat was brought down to the Minister's home she would say, "This is beautiful", and grab all she could, because it would be freshly killed, straight from the farm.

If one wants a chook, one gets it by its back legs and lays it over a log -- it always sticks its head out straight -- and with one swipe of the axe the head is off and it is put in boiling water. The innards and gizzard have to be pulled out, and so it goes on.

Rabbits are trapped or shot. One only has to grab the rabbit around the back legs, pull the skin off straight over the head and gut it. It is a simple matter to gut it: Just slit the stomach, bend it over forwards, give it a good shake and all the guts fall out. That is the accepted method of gutting rabbits.

Hon Kay Hallahan: You have missed out kangaroos.

Hon H.W. GAYFER: If the Minister wants a good kangaroo I will tell her what to do. Once it is shot it has to be hung for two days out in the yard before it is eaten. Any game must be hung. One should not worry about a few flies, but if one is a bit fussy about them, just put a pillowcase over the kangaroo. It must be hung for two days, preferably, underneath a tree. That way it benefits from the aroma of the leaves. No, that is not true.

My point is that I know of nobody who has died as a result of these practices. They are still being implemented daily or weekly, in fact, all the time throughout the agricultural areas. When people on stations finish their last run for the night, the rousies go out and knock off a sheep in a matter of minutes, hang it under a tree and the next morning the shearing team is fed on magnificent, succulent chops for breakfast. Chops and two eggs make a breakfast out of this world. For anyone who likes liver, that is usually thrown into water with a couple of handfuls of salt and there is liver, eggs and bacon in the morning. It is the most magnificent food one can ever have. I can make the members' mouths water by telling them of some of the things which can be prepared.

It seems to me that the Health Act is hellbent on destroying the traditional methods that we have for preparing our meat. It also frowns severely on the fact that farmers may kill and, if they have no chilling storage facilities, give half to their neighbour or somebody else down the road. That would not be selling. When the neighbour kills over, he returns that courtesy. I am sure Hon W.N. Stretch, Hon D.J. Wordsworth and Hon Margaret McAleer, who are all from the bush, know of these practices. I am not telling a story, I am telling the truth. This is what happens. Yet the Health Act now says that in the country one must have fly-wired buildings so many feet high, cement floors, running water, chopping blocks and clean basins to wash the knives.

Hon Kay Hallahan: And clean knives.

Hon H.W. GAYFER: There will more than likely be regulations under the Shops and Factories Act which say these things must be provided on all farms because the employees eat the meat which is killed on those farms. If we do not take care with the regulatory powers of the Health Act those are the sort of further regulations which can be expected. It is the regulatory powers which worry me. I am concerned about the intention to make regulations to govern meat which is sold for pet food. The Bill states --

> 212B(1) The Governor may make regulations under section 341 providing for --
>
> (a) the handling and treatment of carcases of source animals from the time of slaughter onward;
>
> (b) the chilling of carcases of source animals;
>
> (c) the capacity, construction, operation and maintenance of the freezers and boxes used by persons shooting animals for pet food;
>
> (d) the mode of transport of carcases of source animals, and the capacity, construction, operation and maintenance of any insulated boxes or refrigerated units or vehicles used for that transport;

That is on page 21 of the Bill, and the provisions carry on practically through the alphabet. I have not counted them but there are 40 or 50 conditions each of which could demand a regulation to be imposed by the Health Department. I will not deal with more than the first four items. There are other members who may deal with other areas.

Nevertheless, I think we should make much of the slaughtering of animals for pet food. The source animal could be buffalo, camel, cattle, donkey, emu, goat, horse, kangaroo, mule, pig, poultry, rabbit, or sheep. What will be the definition for properly killing those animals? What regulations will be imposed to regulate pet food and give it a higher ranking than food slaughtered for human consumption in outback areas? It appears that this Bill will introduce methods of handling meat for preparation as carcase meat which are not already practised for human consumption. I am worried about this Bill and the regulations that will be made under it.

It costs around $40 000 to set oneself up as a kangaroo shooter. After obtaining a licence to shoot kangaroos for pet food, one has to employ a spotter and a driver. Some people do it on their own and are quite capable of picking kangaroos up in their spotlights at night and shooting them through the side window of the vehicle. They hang them on hooks around the

vehicle, gut them, cut them in half -- the hindquarters are the best part -- and towards dawn, take them to a place which is usually under a tree, and place the animals into a freezer. The freezer is usually rented. Once it is full with about a week's killings which, at that time is worth about $1 500, the contents are picked up by another truck and taken to be prepared for pet food. The shooter can eat a bit himself. It is magnificent meat and there is always a nice chop to be cut from the loin. There is nothing better than a fresh bit of roo grilled over a fire alongside a river or some other water catchment area. It is beautiful, and one would not be in Parliament for quids!

I am concerned about what will happen in the first part of the killing process and the storing of those roos in the containers before they get to market. Will that process be subject to the control or regulation recommended by conservationists to ensure that the animal, after death, is treated differently from the way it is at present? Will the Government set itself up as an authority on the way the animal is handled?

The enforcement of these regulations will break some businesses. It will cut back any profit that might flow from the killing of this type of meat, and there is not much of a profit. I said earlier that, if a shooter is lucky, he would get $1 500 for a container of kangaroos. However, members should remember that is a week's work of driving a vehicle around firing shots worth about $1 a time. There is not much in it, and not many people clamouring to do the job. We need those shooters. I know of a station for which a shooting licence was granted for the culling of 5 000 roos in a year. After telling somebody that in the Eastern States -- that place that I do not like very much -- I was told that we were cruel and barbaric. If that person had seen the sheep that were trying to live on the same areas as the roos, or the squatters who were becoming thinner and thinner all the time because the roos were eating their profits, he might not have been so critical. Kangaroos are vermin. I know that many people hate me for referring to them as vermin, but I mean it.

The major objection I have to the Bill is that I do not believe the Government understands the reality of the situation. I sense a terrible amount of pain and trouble being caused to people engaged in the pet food industry and for the many people who have, for years and years, and as their fathers have before them, slaughtered animals for pet food. I am thankful that a committee has been set up to consider the regulations and delegated authorities that will flow from this legislation. If the people who believe they can do good by implementing the health regulations that I imagine will be introduced as a result of this legislation --

Hon Kay Hallahan: You have a very colourful imagination.

Hon H.W. GAYFER: Not any more colourful than the Minister's; I have experience. The Minister might be a master of sociology, but I am a QBE -- qualified by experience. I will put my qualifications before hers any time.

The Bill is extremely dangerous because it allows for so much regulatory power to be introduced. Admittedly, we will have the power to oppose a regulation within 14 days of its being introduced, but how often do they sneak through? How does the poor bloke living on the other side of Meekatharra find out that a regulation has been introduced to stop him from putting a slug up the barrel of a rifle and shooting a beast?

Hon Kay Hallahan: Do you represent the poor person at Meekatharra?

Hon H.W. GAYFER: Of course I do.

Hon Kay Hallahan: Well, in that case you have to do the job on his behalf.

Hon H.W. GAYFER: As long as the Minister does not destroy him with this Bill, we are on the same footing. I am sticking up for him now, and I will ensure that the health regulations receive a fair appraisal in the future. I certainly hope we do not get to the position that we found ourselves in years ago when regulations were introduced to upgrade all country abattoirs. I will never forget it. More tiles were to be put in than would have been in the old public toilets in St George's Terrace. The amount of fly wire, high buildings and runways was tremendous; it was disgraceful that this was imposed on country abattoirs. I have fears about this in relation to this Bill. I have said I will support the Bill, but on the other hand I view it with a certain degree of alarm.

Hon Kay Hallahan: Apprehension?

Hon John Halden: Humility?

Hon H.W. GAYFER: Almost, and embarrassment. City slickers would not know, as they represent areas the size of a postage stamp compared with country members making a living in the outback.

Hon S.M. Piantadosi: That is not true.

Hon H.W. GAYFER: What do you mean? Perhaps, Hon Sam Piantadosi could tell me how the killing process takes place? What sort of killing are AWU members engaged in during off-times? Perhaps he would be prepared to stand by Bills that bring in regulations that could kill an industry; if he did, I would be prepared to believe the man from the plumbers union knows more than the man from the outback.

Hon Kay Hallahan: With a QBE?

Hon H.W. GAYFER: And with a QBE.

HON D.J. WORDSWORTH (South) [3.23 pm]: I have concerns about some of the powers within this Bill. The Health Act has always been a strong one and one which is seldom scrutinised in detail by Parliament, particularly in the areas in which regulations can be made.

Clause 63 relates to pet food and the manner of control. When looking at the areas in which regulations will be made it seems the department intends to control all areas of the industry. One wonders how this can be put into effect when referring to a knackery as an establishment at which source animals are slaughtered and processed. I suppose my farm is a knackery under that description.

Hon Kay Hallahan: Do you kill pet food?

Hon D.J. WORDSWORTH: Yes, if slaughtering kangaroos is doing that.

Hon Kay Hallahan: It depends why you slaughter them.

Hon D.J. WORDSWORTH: The environmentalists think when we shoot kangaroos we are slaughtering them. I do not know how many people pick up a kangaroo and take it to a slaughterhouse.

Hon Kay Hallahan: The purpose is the important thing.

Hon D.J. WORDSWORTH: The purpose is always nowadays to use the meat for pet food, sure. I think this killing would have to go under this description. The day we do not utilise the animals for pet food would be a great pity. As Hon Mick Gayfer has said, a certain amount of slaughtering of animals occurs regardless. When kangaroos are slaughtered and not picked up and utilised, it is wasteful. The position should not be reached where the number of tags issued is such that the animals are wasted. A person with a permit to shoot, does so on the farm and takes the hindquarters, hangs it on the side of a four-wheel drive --

Hon Kay Hallahan: That is more modern than those methods followed by those with a QBE.

Hon D.J. WORDSWORTH: I understand that one may register the cool room that the animals are stored in and that is as early in the process as one could hope to control the situation.

I understand to a degree the concern for controls as pet food is usually bought for a cat or dog and kept in the fridge with the rest of the food. A dear old lady may go and buy a container of cat food, and there is nowhere else to place it except in the fridge so the need exists to ensure that pet food does not contaminate other food in the family fridge.

I have no doubt that a certain amount of pet food is used for human consumption. I am told at times university kids see it as cheap meat. I have also heard stories of pensioners and others eating packaged pet food. The price of pet food staggers me as it seems not so different from the price in the butcher shop, particularly the cheaper cuts.

The Bill expands the description of pesticides and their control. The manner in which the department can ban advertising is rather frightening. The definition has been expanded to cover growth stimulants used in the horticulture industry. As the Minister said, growth regulators, such as gibberellic acid, are used to improve berry development and bunch size in grapes. Members may realise that the EEC is banning growth stimulants in cattle, but strangely enough Western Australian, generally speaking, has not followed suit. We prefer to give the reasons why we should not have to conform. I am not very happy with that

situation but it is something which is being done at the industry level -- that is, the Australian Meat Corporation.

We should aim for the situation where growth stimulants are not used, especially in relation to cattle. I have a feed lot in which I have cattle. I used growth stimulants two years ago; although I have not used them since as I found not much difference in the growth rate. One must remember that when a stimulant is used to produce more meat on an animal, that animal must be fed more to produce that extra meat, so one is not gaining as much as one thinks -- it is not all extra weight and extra profit.

We must be prepared to produce livestock under conditions in which the importing countries want it produced, and we should ban the use of growth stimulants here and handle the whole situation while we are testing carcases and meat for DDT. Perhaps we have to get this matter out of the way, but we will have to move to the next matter soon or our markets will dry up unless we ban the use of these growth stimulants in our livestock. One of the great advantages of Australia must be that, generally speaking, our animal products graze and are not fed all of the stimulants fed to them like animals in Europe. Of course, most of our animals graze on open pasture where it is not possible to mix stimulants with their feed. In no time we will find that overseas countries will be testing our meat for growth stimulants in the same manner as they have tested it recently for DDT. Then we will face the embarrassing situation seen recently when small amounts of pesticide were detected in Australian meat.

The Minister for Agriculture visited Japan, I think a fortnight ago, to sell more of our beef. Just two days before he got there pesticide was detected in a consignment of Australian beef -- I quickly say from Victoria and thought to have been packed before Australia tightened up its inspection services. The question arises as to why, when that meat was tested in Australia, nothing was found until pesticides were found in samples tested in America. There are now 300 Western Australian properties under quarantine. How is it that we did not find those properties before the Americans found pesticide in meat that had been tested in Australia?

Government services in this country have much to answer for. I wonder whether they were saying that they were inspecting the meat, were accepting fees, but were not testing it, or not testing it to the level that it is tested overseas. I gather that they were using the same machines for that testing, and it may have just been a matter of interpretation -- I do not know. There is a rumour that when the Government services found the pesticides in the meat they did not report it because they did not want to shake the ship.

Obviously, the whole method of testing meat has been intensified. Overseas importers of our meat are being very careful about the way in which they inspect it. One must remember that there is a large lobby in relation to the American meat market of beef producers who do not want Australian meat imported. The same applies to Japanese cattle producers, who do not want to see our meat in Japan. That creates a greater necessity for stricter controls in this area.

My remarks all relate to regulations. One is shadow-boxing a bit when one starts to look at the places where regulations are made -- it is when one sees those regulations that it counts.

HON G.E. MASTERS (West -- Leader of the Opposition) [3.34 pm]: Hon Mick Gayfer and Hon David Wordsworth raised a matter of great importance, particularly in recent times, because a few days ago we discussed a Bill dealing with child-care centres and the Minister was good enough at that time to give members of my party and me a copy of the draft regulations. I raise the matter of regulations as a perfect example of a difficulty experienced in the parliamentary system that has become worse -- it was bad in our time, but has become worse. The Bill introduced the other day was a relatively small one, but when the regulations were added it became a lengthy and complex document. We are talking of the same thing here. All members have been able to speak to a limited degree about the legislation before the House, but what they have said has largely been guesswork.

Hon David Wordsworth and Hon Mick Gayfer said that their remarks depended on what the regulations say. I wonder how much further down the road we are going with this method of dealing with legislation and the laws of the land. I would have thought that the tendency ought to be to put as much as we reasonably can into legislation and to not take on the whole

burden by way of regulation. Members know that when legislation comes through the Parliament it passes both Houses and the Ministers, shadow Ministers, and members can examine that legislation. We know that, if regulations are tabled in the House -- whether a large or small number -- more often than not those regulations pass without debate. I know that a committee has been set up to examine regulations as they pass through the Parliament, and as you are one of the people examining them, Mr Deputy President (Hon Robert Hetherington), I have no doubt that they will receive careful scrutiny, and it is important that that is done.

I suggest to the Government, and to the Minister particularly, that we ought where possible be setting up draft regulations that are made available to interested members from both sides of the House to scrutinise so that they can make an input before final draft regulations are tabled in the House. Such action would allow members more time to study them and to have a far better understanding of what will happen.

All too often regulations are introduced imposing burdens and problems on the community. Regulations are usually drawn up by the bureaucracy, in many cases for its own benefit, but it is the consumer or the public who are affected. I ask the Minister in charge of the Bill in this place to request that the Minister for Health, who is responsible for this legislation, make available to those members who have expressed an interest today -- Hon Mick Gayfer, Hon David Wordsworth, and others -- the draft regulations so that they can make some input, if necessary.

All of the matters raised, and especially those raised by the Hon Mick Gayfer about the effect of this legislation on country areas, should be considered. The Minister set a good example for other Ministers by making the regulations available, and I am sure that she will continue as far as is reasonable with that method of operation, and I commend her for that. I ask that she pass my request to the Minister for Health as a sincere one and as something that will help members of this Parliament, and help particularly members of the committee which has just been set up and which will commence operation in the near future.

HON W.N. STRETCH (Lower Central) [3.39 pm]: There is a need for ongoing research and assessment of this important health Bill. I hold some concerns about this legislation. Of course, pesticides are of very great concern to me and other members in the south west because the pesticides problem has brought many of the beef growers in that area to a standstill. I will speak more about that later. I want first to refer to the opening paragraph of the Minister's second reading speech wherein she made reference to the Perinatal and Infant Mortality Committee and the Pesticides Advisory Committee.

There is very great concern in agricultural areas about just what the effect and interplay are of pesticides on infant mortality and general health, and how they are affecting the community. It is a matter of very deep concern. If members were to drive down certain roads in our eastern wheat-belt areas I could show them three or four people who have suffered from cancer from a very early age. No-one can say that pesticides caused it; nor can anyone say they did not.

Turning now to page 30 of the Bill, I refer to proposed new section 246C(1)(q). As Hon Mick Gayfer has said, we are getting very far down the alphabet to find superlatives to describe the regulations. The paragraph reads --

> (q) enabling the Executive Director, Public Health, to require persons using pesticides to submit themselves to medical examinations or tests for the purposes of ascertaining the effect on their health of exposure to pesticides;

I wonder whether this clause applies only to licensed operators or whether it applies also to home gardeners and the fellow who gets Louie the Fly with an insecticide spray. To whom does it apply, and does the department plan to run -- I hesitate to use the word "random" -- health checks throughout the community and in areas where pesticides are used very broadly, in order to ascertain their effects?

I believe this field is wide open for study. Somebody could do a PhD or a postgraduate medical study into the effects of pesticides on these people. I know the problem concerns many people, and perhaps research projects are already being conducted in this very field; I hope they are. It is a field ripe for research, there is a real need for it, and I urge the Minister to pass these comments on to the Minister in charge of the department to ascertain whether

some of the funds spent on regulating people should perhaps be syphoned off into study grants so that the matter can be fully examined.

The problem will not go away. We are in the middle of a very serious pesticide scare now and its effects are being felt widely throughout the community. This problem will be solved, but there will always be other problems cropping up in its wake because we are moving into far more technological times in farming, and in agriculture and horticulture generally. Pesticides will present an ongoing problem.

I welcome the proposed amendments affecting the Pesticides Advisory Committee. This committee has been set up to help assess the effect of chemicals, their safety and general efficacy in the marketplace. We believe the committee has done a reasonable job. However, it is quite evident that over the past 20 years some highly virulent chemicals have slipped under our guard and what we thought was safe 20 years ago is no longer considered safe.

I know it is easy to look back and criticise from a position of current wisdom, but we must take steps to ensure that our scrutiny of these chemicals is intensified as much as is reasonably possible, because we do not want this sort of thing to happen again. Members will know that when the current chemicals scare in the south west cattle industry hit us, the Liberal Party put forward a policy, which was submitted to the Minister, calling for an upgrading of the scrutiny of these chemicals.

Sitting suspended from 3.45 to 4.00 pm

[Questions taken.]

Hon W.N. STRETCH: Before the afternoon tea suspension I was discussing the effects of pesticides in some agricultural areas, not so much on crops and animals, but on the people using them. I suggest to the Minister there is an opening here for some postgraduate study and research work. A strong educative role is needed among users of chemicals. I know it is a user-beware situation -- for which there is a very good Latin term which escapes me -- but it is important that the Health Department should take into account the concern in the community and do something about making people more aware of the inherent dangers of chemicals.

It is all very well to say people should read the container and they will be all right. We have had examples in the south west of people reading the containers and using the chemicals more or less in accordance with the directions for 20 years, and we have a major build-up of chemicals which, as Hon David Wordsworth said, is having severe repercussions not only on individual farmers, but also on Australia's export earning.

Some months ago the TAFE people at Wagin ran a very good day course on chemicals. It was given the usual attractive title, but a large number of people turned up to listen to a panel discuss the usage and the precautions which should be taken, and the possible side-effects if people did not take precautions. The number of wives who turned up was significant. There is a very important role for wives and families in this debate because, I regret to say, some of my colleagues on the land take a somewhat macho, Rambo-type attitude to chemicals.

Hon Kay Hallahan: And to wives!

Hon W.N. STRETCH: Do they? I always thought they were much more careful.

I am afraid males tend to take this attitude to chemicals, and I have been on farms and seen a farmer stirring chemicals in a tank with his bare arm. While it went far beyond my role as a member of Parliament to correct him, I made him aware of the dangers of what he was doing and pointed to case studies in other parts of my electorate where such practices had led to severe illness and probably premature death.

Many people using these chemicals are not aware of the dangers despite the instructions on the cans and the warnings, and there is a need for an extended educational programme throughout the State. That applies not only to farmers but also to the metropolitan area. These chemicals are insidious in their effect on the human body, and we need to know a lot more about them and be aware of the dangers.

The topic of pet food was eloquently and adequately covered by Mr Gayfer with all the suitable embellishments. I want to raise a question on behalf of Aborigines who tend to be overlooked in these sorts of matters. We are very good at concentrating on the more emotive macro issues of Aboriginal affairs but overlook simple things like food. Many Aboriginal

people who come from country areas and settle in the metropolitan area or on its fringes for varying lengths of time like to be able to buy kangaroo meat. It is a traditional food for some of them, and a very fine food, too. Naturally they have difficulty in obtaining that meat legally. I understand it is impossible to obtain legally, so naturally they turn to pet food which is the only way they can get the meat.

I took the matter up some years ago with a former Labor Party Minister for Health, and he understood the problem immediately. His response was a bit surprising. He said, "I can see no difficulty there at all; all you have to do is deliver the kangaroos live to an abattoir." I know you, Mr Deputy President (Hon Robert Hetherington), see the point of that remark. If members can imagine the difficulty of herding kangaroos into a truck and delivering them live to an abattoir, they can see the absurdity of the Minister's response.

Hon Kay Hallahan: Much better to hang them up under a tree.

Hon W.N. STRETCH: I agree that that was an interesting interjection; I, too, have seen the way in which people in certain parts of the State are supplied with fresh or not so fresh meat.

I draw to the attention of the House the matter of providing traditional food to Aboriginal people. There is room for a little imagination on this subject. I have been with kangaroo shooters who operate humanely and cleanly. The gentleman who was shooting on my property was most impressive. He admitted that he missed his target on the first two occasions but after he had steadied his nerves he shot every kangaroo through the throat. The animals were dead before they hit the ground. On cold winter nights it is possible to transport properly cleaned and dressed kangaroo carcases. They can be tested for salmonella or worms. A method should be devised to allow not only Aboriginal people, but also other people to obtain kangaroo meat.

I know of a learned judge in Melbourne who came from a village and his favourite meal was kangaroo tail. Kangaroo tail soup is somewhat of a delicacy and if the carcases are to be stained a certain colour it will dissuade people from eating a very good food. Recent research has revealed that kangaroo meat is one of the more healthy red meats to eat. It has a good protein content and does not contain cholesterol or any of the other nasties. I am sure that it will be a much more widely used meat in the future. We should not cut off all our options now and the Minister should give this matter some consideration.

I refer now to the question of pesticide residue and how it affects the south west and, in particular, my electorate. We have reached the stage where some of the properties in my electorate which have been quarantined because of the effects of pesticide have not had pesticides applied to them for in excess of 18 years. I have heard that it has been up to 22 years in some cases. I will outline the scope of the problem and how the conventional wisdom of yesteryear proved to be a little optimistic. It has certainly proved to be inadequate.

The difficulties with the chemicals is that they bind to the soil molecules and cannot be washed out by leaching, by spraying with water or other conventional methods. It is possible that they could be ploughed out by turning the soil over and burying the top strata of soil and hoping that the soil that is ploughed up is unaffected. At present this is more of a hope than a promise because a lot of the sour soil will be turned up and will affect the fertility of the soil for many years.

Pesticides have been applied to tobacco, vegetable and potato crops and those farmers are facing a dreadful problem. It is a problem that has the potential to force the farmers off their farms or, at the very least, cause a complete change in their farming practice and lifestyle. The Department of Agriculture is doing about as much as is humanly possible as fast as is reasonably possible at this stage. However, because the -- I hesitate to call it hysteria -- deep concern has tapered off it does not indicate that the problem has gone away. It is far from it. We are discovering more properties which have been affected by pesticide residue and it will be a long lasting and difficult problem.

I referred earlier to the policy document the Liberal Party released at the time of the discovery of the pesticide residue problem. The document was drawn to the attention of the Minister for Agriculture and outlined the scope of the problem and what the party envisaged as some of the answers.

The people whose properties are 100 per cent affected by pesticides have no alternative but

to find other grazing for their stock on clean pastures. This will be an expensive and difficult operation. The industry has tried to adjust by suggesting a land swap of pesticide affected areas for clean areas so that farmers can use their dry stock or non-sale stock on the pesticide affected areas and move their sale stock to clean pastures. It is an altruistic scheme and one which I greatly support, but unfortunately it is not very practical. It seems that it will not be a way out of the problem, but with the goodwill in the farming areas I am sure that it will work in certain cases.

I hope that we will be able to take advantage of some of the areas of grazing under pine tree plantings. It would be sensible for people whose properties are 80 or 90 per cent affected by pesticides to be given priority to graze their stock on land which will be tendered out by the Department of Conservation and Land Management. Unfortunately, the suggestion was made a little late in the season and most of the contracts have been let. It is something the Government should consider. If the Government has areas of land that are resumed for any purpose and are not affected by pesticides, it would be an act of common sense or humanity to make them available to people who require them because they are in desperate straits.

A great deal of expanded research is required into this area and I know that the department is doing all that it can. We do not know what is the effect of heat on soil and whether the chemicals can be sterilised out of the topsoil, even if it is only the top inch. It could be done with the use of a good hot stubble fire or some other heat induced method. As I have said, leaching by water does not seem to be effective because the chemicals, once they bond to the soil molecules, are difficult to eliminate.

Digging up the paddock, removing the chemical affected soil, carting it away and replacing it with other soil might work in a small area, but it is not practical. We need the same sort of imaginative approach to solving this problem that I mentioned in this House the other night when we debated the Water Resources Council; that is, conventional wisdom will not be enough to overcome this problem. We require every conceivable ounce of brain matter to solve the problem. It does not matter how way out a proposed solution may be, it might work. A solution might be to use flamethrowers to clear a small area. If only a small potato patch were involved, that may very well work. I do not know and I do not have the wisdom or the experience to solve the problem, but that does not matter. The fact is that we need to collect all the information we can gather on this problem.

To relate this back to the Bill, pesticide residue is a matter which comes peripherally under the Health Act because it covers control of pesticides. Far more could be said about the pesticide issue, but at this stage suffice to say that we definitely need to maintain public awareness of this problem at a fairly high pitch. It is no use apportioning blame to various people for the problem; it happened a long time ago. Some people were careless, some people were ignorant and some were plain unlucky. This is not just the farmers' problem, it is a community problem. It goes through the food chain and, as a community problem, Government has a role to play. Unfortunately this role is probably financial as much as anything else. The last things farmers want are undeserved subsidies in the farming area, but this will be the only way out in the short term for farmers with large areas of affected land.

With those remarks I indicate my support of the Bill.

HON KAY HALLAHAN (South East Metropolitan -- Minister for Community Services) [4.21 pm]: I am very pleased that a Bill with such important amendments meets with the approval of members right across the House, although I acknowledge that there were some expressions of concern. However, the Bill seeks in many and miscellaneous ways to safeguard our health and safety and for that reason there is no serious discord in this area.

Having said that I will briefly answer some of the specific concerns raised. The debate on this Bill has been rather long, if not uninteresting, and patches of it have been colourful and entertaining. Hon John Williams was concerned about duplication in local government authorities. Another member was concerned about reducing the autonomy of local authorities. That is not part of the function of this Bill. Under section 174 of the principal Act the Health Department has the power to inspect public buildings; therefore, we are continuing something which is long-established, the Bill does not create something new. When people are erecting public buildings -- we are not referring to domestic or private dwellings -- they lodge the plans with their local council to get planning approval. However, the Health Department has a much larger role to play. I hope that answers the query raised.

I refer briefly to the question of the cost of pet foods; some members were concerned that we are imposing more controls and will reduce individuality by the provision relating to dyeing the meat. It must be conceded that there is real concern about separating pet food from the human food chain. We all have a vested interest in looking after our well-being. The industry has been involved in the drawing up of this legislation and the Minister questioned members of the industry about cost increases. They indicated that there should be no significant increase in costs. Although costs could increase to some extent, it is not likely to be exorbitant in any way or of major concern to us today. Obviously, if the industry is required to do something additional, it must be expected that additional costs will be passed on but they will not be significant.

The Roo Shooters Association and pet food manufacturers have been involved in consultations about the regulations. They are very much behind the Government's introduction of these measures and consideration has been given to how the requirements will be carried out in less populous centres. In view of that support from the industry, its members will generally find ways to make the implementation of such measures easier. Pet foods are not a by-line these days; it is a big industry and people investing in that industry want it to continue to safeguard their livelihoods.

Reference was made to the Aboriginal people and their access to traditional food. I am advised that nothing under consideration affects this issue. Hon Mick Gayfer so colourfully brought to our attention the practice of killing animals for private consumption. Certainly there are safeguards for certain species of kangaroos but CALM gives exemption to Aboriginal people in certain areas so that they have access to kangaroo meat. Members could also be concerned about the level of hydatids evident in kangaroo meat; that factor is not addressed in the legislation but we need to be aware of it.

Hon W.N. Stretch: That is why I thought it was important to suggest that under the Health Act rather than leave people going to the forests and shooting roos which could be diseased.

Hon KAY HALLAHAN: A couple of members made suggestions that the regulations should be realistic. I think they are; there is no way we shall stop people shooting a roo, or killing a chook or a sheep if they so desire. The reality has been addressed.

Hon W.N. Stretch: That is not what I meant -- people need to be able to get ready prepared slaughtered kangaroo meat cleanly and hygienically killed.

Hon KAY HALLAHAN: I agree with Hon W.N. Stretch, but it will be a long time before there is a complete switch to the cleanly and hygienically killed meat in every instance. However, there is greater appreciation of the need for people in our community to be aware of the health hazards involved. I take the member's point.

I do not wish to offend any member but either Hon John Williams or Hon Mick Gayfer raised a query with regard to the granting of approvals to proceed before the full approval process is in place. Many fast-track mechanisms are in place so that foundations can be started and, in fact, that was one of the methods used in the building of the casino. A body such as that could be expected to pick up the cost of additional fees. If it were a building for a church or a benevolent society, that group would be exempt from the additional fees. However, any commercial, profit making operation could incorporate any increase in its cost structure. I hasten to add that there will be no increase in the direct base fees as such because they are determined on the meterage of the area of the building. In these cases the fee will not be increased simply because of a two or three phase approval process.

I was very pleased to be informed about QBE. I do not know whether I have heard it before and it has just passed over my head, but one would not want to go through life without knowing what it meant. I appreciate Hon Mick Gayfer's bringing to the attention of the House what a valuable degree it is.

As a general observation, this Bill presented a dilemma for those of us who see a problem and think that there may be a need for regulation or legislation to deal with it. There are those of us who think there should be no controls. The matter was highlighted very well in this debate. Suggestions were made that we should not have further controls or limitations, particularly on pesticides. Two speakers made a good case for greater caution in the use of pesticides. That is the dilemma we are constantly faced with; and when we say we do not want further controls or restrictions, we should be aware that they are usually brought in for a good reason.

Hon W.N. Stretch pointed to the need for greater research into the relationship between pesticides and infant mortality. I will draw that to the attention of the Minister. Members will notice committees are being set up and that is a start in recognising the problem and collecting data. Indeed I will draw to the Minister's attention all other comments during debate.

Another query was made with regard to operators in the pesticides area, and comment was also made about whether we would not apply the random breath-test syndrome to those who used pesticides. This is meant to apply to licensed pesticide operators as they will be required to undergo a test, including a blood test to show any residues. Nowadays, we would all support that. I will bring all these matters to the attention of the Minister and of his staff.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Hon Mark Nevill) in the Chair; Hon Kay Hallahan (Minister for Community Services) in charge of the Bill.

Clauses 1 to 28 put and passed.

Clause 29: Section 133 amended --

Hon D.J. WORDSWORTH: This clause deletes certain words and substitutes "commits an offence". When I looked up the section in the Act I saw it is all about a person keeping a corpse in his house, and the previous fine was $4 a day which does not seem to be a very big fine.

Hon N.F. Moore: We have to eat dinner soon.

Hon D.J. WORDSWORTH: Sorry. Can the insertion of the words "commit an offence" be applied to other laws? Normally penalties are indicated and updated, rather than inserting the words "commits an offence". Can this provision be related to burglary and leave it to someone else to put in the charges and fines?

Hon KAY HALLAHAN: This clause is an editing job on the Act by the Crown Law Department. Previously the penalty was stated but the section did not state a person had committed an offence; if we are to have a penalty imposed, an offence must have been committed. The penalties are part of the schedule. In relation to other amendments, in going through the Bill, Crown Law sees the need for standardisation where the words have not appeared before.

Clause put and passed.

Clauses 30 to 62 put and passed.

Clause 63: Division 3A inserted in Part VIIA --

Hon N.F. MOORE: This clause deals with the question of pet meat. It is important that regulations are drawn up in a sensible and sensitive fashion, particularly in relation to the kangaroo shooting industry. Most kangaroo meat used for pet food in this State comes from pastoral areas. The point was eloquently put by Hon Mick Gayfer that there is a surplus of kangaroos in this area. The pet meat industry performs two functions: Providing an income for shooters; and providing a mechanism for keeping the number of kangaroos down to a manageable level.

It is strange in this day of deregulation that we have a Bill before us which lists four pages of areas in which regulations can be made for the control of pet meat. One wonders how many pages of regulations will come from the 46 subclauses contained in this Bill in relation to pet meat. We have an extraordinary number of areas about which regulations can be made in one very narrow and minor part of our society.

I have views about the provision of pet meat and the waste of resources most of it is. If we go to this extent in terms of legislation and subordinate legislation to look after the provision of pet meat, I wonder how much legislation is needed for the important things in our society. I ask the Minister to take on board comments made by Hon Gordon Masters and Hon Mick Gayfer about regulations being drawn up. It would be quite ludicrous to draw up regulations so specific and so onerous, covering such a wide spectrum of activity and practices, that the kangaroo shooting industry is put out of business.

That would be quite disastrous from the point of view of the pastoral industry. I am not terribly concerned about the manufacturers of pet food, because they are able to get product from other sources, but the main purpose of the kangaroo shooting industry is not the provision of pet meat but the proper management of kangaroo numbers in pastoral areas. There is a very strong push in some circles to restrict or prohibit the culling of kangaroos, and any use of the regulations which would make it difficult, unproductive or uneconomic for people to shoot kangaroos for pet meat could be used by people whose intentions are to prevent the shooting of kangaroos.

I understand that Hon H.W. Gayfer is to be a member of the committee which will look at subordinate legislation, and I hope that his committee will look at these regulations very carefully to ensure that they are not so onerous that the greenies can achieve their purpose via the regulations made under the Health Amendment Bill.

Hon KAY HALLAHAN: I say by way of reassurance to Hon N.F. Moore that while he may say the concerns of the pastoral industry are more important than those of the pet food industry, we in this Chamber need to have a balanced and fulsome view of things.

Hon N.F. Moore: It is certainly fulsome when you look at four pages of regulations.

Hon KAY HALLAHAN: I assure members that the Roo Shooters Association and the pet food manufacturers have been consulted and support the provision of the legislation which has given rise to the concerns expressed by Hon N.F. Moore.

Hon N.F. Moore: Have they seen the regulations?

Hon KAY HALLAHAN: They have seen the draft regulations.

Hon N.F. Moore: When are we going to see them?

Hon KAY HALLAHAN: When they have been to the Parliamentary Counsel and come back in a form in which the member might want to debate them. The member does not want to debate regulations when they are in draft form because he does not know whether they will be changed afterwards.

I understand that the Minister did provide a briefing on this Bill and has been quite open in consultations on the matter. The member might have concerns, but the people who have expressed an interest in the industry are fully informed and were involved in consultations.

Hon H.W. GAYFER: I could not hear what the Minister was saying, and we do sometimes desire to hear the Minister. Did the Minister say that this matter has been referred to the Kangaroo Shooters Association and that it has had a look at the intent of this particular clause, but it has not seen the regulations, or has it seen the regulations which we have not seen? Who were the kangaroo shooters which the Minister talked to; which areas did they represent; and where were they domiciled? Were they people from the north west?

Hon KAY HALLAHAN: Members will know -- and Hon H.W. Gayfer should know -- that when the Government conducts consultation about legislation, an invitation is extended to all associations which may be involved. In this case, an invitation was extended to the Roo Shooters Association and to pet food manufacturers, and they had the right to send their representatives to negotiate and say how they thought things should be done and how the Minister's proposals would affect their industry.

Hon H.W. Gayfer: Did they accept that invitation?

Hon KAY HALLAHAN: Yes, and I am not saying untruths when I say they have been involved in this process. I believe the reason the member was upset was because he thought those people had seen the draft regulations, which he had not seen, but that came out in the line of negotiations about what the Bill should look like and what should be within the draft regulations.

I have taken the same approach towards the child-care area. The people who are involved in that area are the ones who should be consulted and have their two-bob's worth; and the member could not disagree with that.

Hon W.N. STRETCH: There are a couple of things which members need to be aware of when we are discussing pet food. I agree that there is a need for regulations, within reason, but they should be kept to a minimum and should be cost-effective.

I happened to stay with a person in Perth who has a favourite cat, and I had the opportunity to study the cat food that was bought for that pet. I was interested to note that of the three tins of food, one came from Sydney; one came from Taiwan; and the other came from Djakarta, or up in that area. The most expensive tin of cat food was the one which came from Sydney.

As Hon H.W. Gayfer pointed out, we have kangaroos which are eating pastoralists and farmers out of house and home, yet the dearest pet food on the market is the Australian one. We can bring pet food in from overseas and lob it on the shelves of the Perth housewife at a cheaper price than we can with pet food from the south west, or wherever the Minister happens to have consulted these people. We have to be wary that in setting up these regulations, we do not make the infrastructure so expensive that the manufacturers will not be able to sell their product because it will be undercut by overseas pet food.

I want to mention the subject of human consumption of kangaroo meat, because while we are having these consultations with the kangaroo shooters, I am sure that with the correct questions being asked and with goodwill on both sides a way can be found to deliver kangaroo meat to Perth in a hygienic manner, have it tested for hydatid, and put it into recognised shops where it can be obtained by those people who have a real need and desire for that food. I think it is a damn shame -- in English terminology -- that kangaroos are dying in paddocks, yet there are people in the metropolitan area who want to consume this very good and healthy food but cannot get it because we have not bent our minds sufficiently to the problem of overcoming the transport and health checks necessary for that sort of meat.

Hon KAY HALLAHAN: I wish to say two things in response to the comments made by Hon W.N. Stretch. First, I draw to members' attention the fact that we are talking about the pet meat industry; we are not talking about processed meat. I agree that we do not want regulations which will increase costs; we would all be of the one mind about that. Secondly, the fact is that if there were sufficient demand for kangaroo meat to be on the market for human consumption, people would find a way to bring it to the market in a standard fit for humans. I think we have to go with the market forces to some degree.

Hon D.J. Wordsworth: But the Health Act does not allow that to pass.

Hon KAY HALLAHAN: That is not so.

Clause put and passed.

Clause 64: Section 214 amended --

Hon D.J. WORDSWORTH: I use this occasion to speak to a section of the Health Act, in connection with the dairy industry. Like most members I have visited agricultural shows and have seen Country Women's Association groups and other craft groups which have been exhibiting some very interesting cheeses. When one asks them where one can purchase the cheeses, one is told, "We cannot go into the business of producing these for sale. The Health Act stops us." Australia's debt is going up and up and perhaps we will not be able to import the cheeses that we want to buy, and so we ought to be doing more to encourage the production of cheese in this State. Perhaps the Health Act should be looked at with a view to enabling more cheeses to be manufactured in this State, of the type which are imported at present. It seems ridiculous this country imports millions of dollars' worth of cheese. I appreciate that this is meant to be a skim read of the legislation, but I believe some parts of it should be closely inspected.

Clause put and passed.

Clauses 65 to 69 put and passed.

Clause 70: Section 222 amended --

Hon D.J. WORDSWORTH: Unfortunately, the Health Act has been amended so many times that there are almost half as many amendments as there are Bills. We are a long way behind getting a copy of what is what.

Section 222 in the Health Act refers to frozen meat and stipulates that any shop selling frozen meat must display a notice to that effect. That notice must be displayed all the time that such meat is exhibited or kept for sale. I am not really concerned whether the fine is $5 000 or otherwise but I speak on this clause because of the concern of the red meat industry in being

able to compete with the poultry industry. Red meat is not able to be sold in all the places that poultry can be sold. In other words, one can buy a chook anywhere but one cannot buy red meat. This is setting back the red meat industry quite a lot. I am not certain of the purpose of the fine for not having a sign displayed but there might be some good reason for it. I have never in my life seen a sign saying that there is frozen meat for sale, but I think that perhaps the principal Act ought to be examined to see whether it does not need revising over the sale of red meat. It is almost as if though we are going back to the old days when meat had to be hung up and we did not have the ways available to us now of packing meat. It is stupid that there is not an equal choice between red meat and poultry.

At one stage it was thought that poultry was healthier than red meat but it has since been proved that there is less fat in beef than there is in chicken. These are points which I hope the Minister responsible for the legislation will take on board.

Hon KAY HALLAHAN: I take the point that the member made. I think the legislation dealing with trading hours has some part to play in that. There will be a complete reprint of the Bill next year to overcome the difficulties to which he referred in teasing his way through the Bill and all its various amendments.

The reason that amendment was made, which is the reason we got into this mini debate, was because of the problem of ease of use of the Act. That is why the penalties have been taken out and put in the schedule. If there is a need to change the penalties, only the schedule will need to be changed, instead of having to flip back and change sections throughout the Act, which has been past practice. That is a very messy practice when there are a lot of amendments.

Hon D.J. Wordsworth: Have you ever seen a sign in a shop window saying that the shop sells frozen meat?

Hon KAY HALLAHAN: I do remember seeing a couple, but not many. I agree with the member.

Clause put and passed.

Clauses 71 to 176 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 Kay Hallahan (Minister for Community Services), and passed.

ELECTORAL (PROCEDURES) AMENDMENT BILL

Returned

Bill returned from the Assembly without amendment.

GOLD BANKING CORPORATION BILL

Receipt and First Reading

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

Second Reading

HON GRAHAM EDWARDS (North Metropolitan -- Minister for Sport and Recreation) [5.00 pm]: On behalf of the Leader of the House, I move --

That the Bill be now read a second time.

It is with great pride that I introduce the Gold Banking Corporation Bill. The Bill represents a major Government initiative that aims at securing a long-term future for our State and Australia in the international gold industry. Its overriding purpose is to create wealth and to generate export income by promoting and developing industry and markets for gold. I believe that this Bill, and in particular the role of the proposed Gold Banking Corporation,

will become increasingly relevant in the international economic environment now emerging from the crash on world stock markets during the past two weeks.

Gold has played a central role in the international monetary system and the wealth of nations throughout history. It is widely recognised as a unit and store of value to which investors turn, especially in periods of economic and financial uncertainty. Gold is seen as a hedge against inflation and a form of insurance against economic disaster.

Despite the abolition of the gold standard, gold continues to play a major role as a universal international currency and financial asset. The monetary reserves of all major economies throughout the world have substantial holdings of gold. Gold has played a major role in the development of the Australian banking system and formed the basis of Australia's currency for many years. It still forms an important part of Australia's monetary reserves.

Gold has also paid a major role in the economic development and growth of the Australian States, especially of Western Australia. Since 1886, over 75.5 million ounces, or 2 348 tonnes of gold have been produced in our State. Gold continues to provide a significant base for the growth of our economy. Over the next 12 months, gold production in Western Australia is forecast to be 2.25 million ounces or about 70 metric tonnes, with a market value of about $1 458 million at current prices. Western Australia continues to be Australia's major gold producer, accounting for roundly 70 per cent of production forecast at 100 metric tonnes in the next 12 months.

Successive State Governments have recognised gold as a strategic resource fundamental to the international monetary system and our economic growth. Accordingly, the Government of Western Australia has played a major and active role in promoting the development of the gold industry over the last 90 years. It has performed this role principally through three business undertakings: The Western Australian State Batteries; the Western Australian Mint; and, more recently, GoldCorp Australia. The Department of Mines and the Department of Resources Development have also performed important administrative and regulatory roles in facilitating the development of the gold industry.

The Western Australian State battery system was established by the State Government under the Goldfields Act 1895. The batteries provided ore-crushing and gold-recovery services to small prospectors and goldminers to encourage exploration and the development of new gold provinces. Initially, the service enabled individual prospectors and miners to treat their finds and to provide a cash flow in the development period. Today, the exploration and development of new gold properties is dominated by large companies. Nevertheless, the Government still recognises the importance of small prospectors and their potential to discover new gold properties.

Amendments to the Perth Mint Act in 1986 made provision for the transfer of the State Batteries from the Mines Department to the Western Australian Mint. The State Batteries are now operated by the Kalgoorlie branch of the Mint, under the trading name of Westmill.

Under the commercial management of GoldCorp Australia, the former operations of the State batteries have undergone a commercial rationalisation and regionalisation of services into four operating batteries: Coolgardie, servicing the eastern goldfields region; Marvel Loch, servicing the Yilgarn region; Leonora, servicing the east Murchison-Mt Margaret region; and Boogardie-Mt Magnet -- servicing the Murchison region. Westmill will therefore continue to provide milling and gold-recovery services with a greater regional and commercial focus. In addition, its activities will also continue to include the mining and production of gold from the re-treatment of tailings either by disposal of State batteries tailings to, or in joint venture with, private companies.

The Perth Mint was established as a branch of the Royal Mint in 1899 to refine gold and mint sovereigns from gold produced in the Western Australian goldfields. In 1970, the Perth Mint was transferred from the United Kingdom Government and reconstituted as a statutory authority of the State of Western Australia under the Perth Mint Act 1970. The Mint is one of a select group of refiners internationally accredited with the London gold market, the weights and assays of which are accepted anywhere in the world. The Perth Mint is Australia's leading gold refinery and precious metals mint. It refines over 70 per cent of Australian gold production and mints roundly 99 per cent of Australia's gold coins.

It is important to note that just over a decade ago, all gold in Australia was required to be

sold to the Reserve Bank of Australia. Following the suspension of part IV of the Banking Act in 1976, thereby permitting private individuals to own gold, the Perth Mint commenced trading in gold. It also began related gold banking functions for gold producers, institutions, and private investors. In 1986 the Perth Mint Act was amended to facilitate the commercial redevelopment of the Mint as a major international gold facility under the corporate name Western Australian Mint. The amendments broadened the scope of the Mint's operations to enable the Mint to take advantage of the opportunities being created by GoldCorp Australia in the international gold market.

GoldCorp Australia was established in 1986 as a trading division of the Western Australian Development Corporation to undertake a major international gold programme. The object of the programme is to promote Australia as an international gold producer and to maximise the value added to, and export income derived from, Australian gold and precious metals production. The international gold programme consists of three major parts --

(1) The development and marketing of international bullion products, the first of which is the series of Australian Nugget gold bullion and proof coins as official Australian coinage;

(2) the establishment of bullion banking, trading, and corporate services for gold producers, private investors, international banks, and precious metals dealers;

(3) the commercial management and redevelopment of the Perth Mint including --

  (a) the establishment of a new international gold refinery at Perth International Airport;

  (b) the establishment of a new gold refinery and custom carbon facility in Kalgoorlie;

  (c) the commercial rationalisation of the Western Australian State battery system and its transfer to the Western Australian Mint.

GoldCorp Australia is established with two operating divisions: The bullion banking and trading division and the bullion and numismatic division. The bullion banking and trading division has been established with staff and facilities to provide a full range of international banking services in gold, silver, other precious metals, and foreign currencies. These services are provided to gold producers, private investors, international banks, precious metals dealers, central banks, and monetary authorities.

In establishing and promoting the Australian Nugget gold bullion coin programme, GoldCorp has appointed 20 of the world's leading banks and precious metals distributors to act as international distributors. These include Swiss Bank Corporation, Union Bank of Switzerland, Credit Suisse, Bank Leu, Deutsche Bank, Dresdner Bank, N.M. Rothschild & Sons, Sharps Pixley, Mase Westpac, Hongkong and Shanghai Banking Corporation, Central Trust, Central Trust of China, J. Aron & Company, Republic National Bank of New York, A-Mark Precious Metals, Deak International, Sumitomo Corporation, Marubeni Corporation, Mitsubishi Corporation, Taisei Stamps and Coins, and Macquarie Bank Limited. It is also important to note that GoldCorp Australia has established international banking arrangements that include the following --

(1) A gold facility and gold banking arrangements with the Reserve Bank of Australia and major banks in the international gold market;

(2) an agreement with the Commonwealth Treasurer to make and issue the Australian Nugget gold coins as official coinage and lawful currency of Australia under the Australian Currency Act and regulations for an initial period of 20 years;

(3) purchase arrangements and counter-party agreement with international distributors for the purposes of selling Australian Nugget gold bullion coins;

(4) international banking relationships for the purposes of conducting international banking business including buying, selling, borrowing, lending, and leasing gold, silver, and foreign currencies;

(5) bank accounts in foreign currencies and gold and silver in the United States, Europe, Hong Kong, and Australia;

(6) transportation, insurance, and security services for the movement and the storage of bullion from Australia to depositories in the United States, Europe, and Hong Kong.

The focus of the bullion and numismatic division has been the development and the marketing of bullion and numismatic products, namely the Australian Nugget proof and bullion gold coins. The division has established marketing offices or representation in all major international markets including South East Asia, Japan, Europe, and the United States. GoldCorp is now planning the development of three new products for international markets.

In July the Commonwealth Treasurer announced that GoldCorp would be authorised to make and issue a range of platinum and silver coins as official coinage pursuant to the Currency Act and regulations. This will mean that Australia will be the first major gold-producing country to issue investment coins in the three major precious metals, namely, gold, platinum, and silver.

The third major international investment product involves the securitisation of gold, the first of which is the Australian Gold Note. The note will be a paper instrument denominated in gold. It is proposed to be issued and payable upon demand in the form of Australian Nugget gold bullion coins. This instrument is proposed in the Bill, the details of which will be presented when addressing the relevant clauses.

Both GoldCorp Australia and the Australian Nugget gold bullion coin programme have been widely acclaimed as international successes both in Australia and overseas. In the four months since the Australian Nugget was launched internationally, sales have amounted to more than 500 000 coins or 8.1 tonnes of gold with a market value of roundly $172.5 million. The economic and financial benefits to the State from GoldCorp's activities have been substantial. It has generated export income amounting to over $143 million and returned a profit to the State of roundly $2.3 million after provision for all establishment and operating costs. After only three months of trading GoldCorp Australia was ranked 35th in the list of Australia's top 200 exporting companies in 1986-87. The Gold Banking Corporation Bill has been framed to further enhance the economic and financial benefits to our State from GoldCorp's international gold programme.

I turn now to the major provisions of the Bill. The legislation proposes to consolidate and integrate all the commercial activities of GoldCorp Australia, Western Australian Mint and the Western Australian State Batteries within a single corporate structure, namely Gold Banking Corporation. Gold Banking Corporation will provide international banking and investment services in gold, silver, other precious metals, foreign currencies and so on under the name of the Gold Bank of Australia, as the holding corporation of the group.

Western Australian Mint will be a subsidiary of Gold Bank, the activities of which will include refining, processing and fabrication of gold and other precious metals, as well as custom carbon stripping and the custom crushing and milling operations of the former Western Australian State Batteries. GoldCorp Australia will be a subsidiary of Gold Bank, the activities of which will include developing, marketing and maximising the value added to international products containing gold, other precious metals and precious stones.

Gold Banking Corporation is constituted under clause 4 of the Bill, which also makes provision for the international banking business and the issue of coinage and securities denominated in gold to be undertaken in the name of Gold Bank of Australia.

Clause 5 of the Bill constitutes the board of directors of Gold Bank who are to be appointed by the Governor. The board is to consist of a chairman, not less than two nor more than four other persons, a chief executive officer and deputy chief executive officer and, if the board so resolves, the managing director of the Mint and the managing director of GoldCorp. The board is the governing body of Gold Bank and its subsidiaries, the Mint and GoldCorp. Under clause 6 it is empowered to determine the policy of Gold Bank, the Mint and GoldCorp, to control the affairs of Gold Bank and each of its subsidiaries and to determine the functions and operations to be performed by Gold Bank and each of its subsidiaries. The principles upon which Gold Banking Corporation are established are embodied in the duties imposed on the board, which shall --

> Perform the functions and develop and expand the business of Gold Bank and its subsidiaries for the benefit and to the greatest advantage of the people of Australia;

perform its functions in accordance with prudent commercial principles; and

use its best endeavours to ensure that the revenue of Gold Bank is sufficient to meet its expenditure and to derive a profit by earning a commercial rate of return on its capital.

There is no provision in the Bill for the Minister to direct the board of Gold Bank in relation to its duties and functions. There is, however, a mechanism for consultation between them in relation to any aspect of policy, functions and management of Gold Bank and any of its subsidiaries.

Clause 7 makes provision for the management of Gold Bank by the appointment of a chief executive officer and deputy chief executive officer. The general functions and powers of Gold Bank are expressly provided in clauses 9 and 10 respectively and represent the consolidation and integration of the existing functions and powers performed and exercised by GoldCorp Australia, the Western Australian Mint and the Western Australian State Batteries under their relevant Statutes.

The establishment of a banking corporation to undertake the international banking business of GoldCorp Australia and the Perth Mint is commercially imperative for the following reasons --

(1) The international banking business developed by GoldCorp Australia is substantial. The value of transactions in gold, silver and foreign currencies already amounts to hundreds of millions of dollars and will increase exponentially as the international banking business grows.

(2) The international banking activities should be conducted within the recognised prudential regulation and financial standards applying to banking institutions. The prudential controls applying to banks are essential to safeguard the interests and ensure the confidence of gold producers, private investors, counter-parties and correspondent banks.

(3) The international acceptance and competitiveness of the gold investment products and services depends on the credibility and integrity of the issuing authority. A gold banking corporation wholly owned by a Sovereign Government that is itself a major gold-producing State would provide the greatest competitive advantage in international markets.

(4) The banking services and investment products developed by GoldCorp Australia are fundamentally banking services and products that traditionally are provided by a bank.

Clause 12 of the Bill confers powers on Gold Banking Corporation to conduct banking business for the purposes of performing its functions. These provisions effectively establish Gold Bank as a State bank. It is important to note here that banking business undertaken by a State owned bank within its State boundaries is not subject to the Commonwealth Banking Act 1959 by force of paragraph (XIII) of section 51 of the Australian Constitution. Under this section the Commonwealth's powers to make laws with respect to banking expressly exclude State banking. Gold Banking Corporation therefore does not require a banking authority under the Banking Act 1959. However, the provisions of the Banking Act may apply to the banking business undertaken by a State bank outside its State boundaries.

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

Clause 13 of the Bill makes provision for Gold Bank to act as agent for the Commonwealth or the State. This clause has particular application in relation to the agreements with the Commonwealth Treasurer to mint and issue coins in gold, silver and other precious metals as official coinage and lawful currency under the Currency Act. Clauses 14 to 22 govern the financial provisions of Gold Bank.

Clause 15 establishes Gold Bank with an authorised capital of $100 million divided into 100 million shares of $1 each, which may be divided or otherwise constituted by reference to shares of a different fixed amount, different classes of shares or other securities, or capital stock or other capital instruments. The Treasurer is authorised to subscribe $10 million for 10 million shares in Gold Bank issued at par upon establishment. Shares or other securities in Gold Bank may only be issued to the Treasurer or a statutory authority approved by the Treasurer.

Provision has been made in clause 16 for Gold Bank to issue capital stock or other capital instruments. These provisions may be used to provide opportunities for private investment in Gold Bank by a future Government through an intermediate investment vehicle under arrangements similar to the capital stock issued by the Rural and Industries Bank to the prime assets fund.

The Bill imposes a limit of 15 per cent, or such other percentage as may be prescribed, on the shareholding that may be held by any single entity in the form of shares, securities, capital stock or other capital instruments. This provision is equivalent to the 15 per cent ceiling imposed on shareholdings of private banks under the Banks (Shareholdings) Act.

Clause 19 of the Bill makes provision for the establishment of Gold Bank Reserves and, in particular, a Gold Reserves Account to be derived from the profits of Gold Bank. The capacity of the bank to establish reserves in its formative years will be important to building its capital base for the purposes of its international growth and development. Moreover, the Bill makes provision for the reserves to be held in gold or cash. This provision will enable the State to establish a physical gold reserve through Gold Bank.

Clause 20 requires Gold Bank to pay to the Treasurer an amount equivalent to the income tax for which Gold Bank and its subsidiaries would have been liable in respect of each financial year assuming that Gold Bank was a public company liable to income tax under the Commonwealth Income Tax Assessment Act.

Subclause (4) of clause 20 makes provision for the Treasurer to exclude certain classes of income for the purposes of calculating the payment equivalent to income tax otherwise payable. This provision takes into account situations such as those that will arise after 1988 where Gold Bank will generate substantial revenues in respect of which seigniorage will be payable to the Commonwealth on the international sales of proof coins in the Australian Nugget gold coin programme.

Under clause 22 the liabilities of Gold Bank are guaranteed by the Treasurer. This provision is equivalent to the State guarantee provided in the R & I Bank Bill and similar in effect to guarantees provided by other State Governments to State Banks. Clauses 23 to 34 of the Bill propose to establish a new international gold security to be issued by the bank under the name of the "Australian Gold Note". This concept is based on market research which indicates that there is a market for a gold-denominated security amongst the investment segment of the gold market by those investors who do not wish to take physical delivery of gold. Gold Bank would issue the Australian Gold Note in the form of a security that promises to pay the bearer on demand one ounce of gold in the form of Australian Nugget gold coins at the Perth Mint. It is therefore a paper alternative to the Australian Nugget, designed to enhance the international tradability and liquidity of the Nugget and ultimately, sales and export income. This proposal has been discussed with senior officials of the Australian Treasury and the Reserve Bank of Australia.

Clauses 35 to 47 make provision for the Western Australian Mint to be preserved and continued in existence as a subsidiary of Gold Banking Corporation. The functions and powers of the Mint are expressly provided in clauses 36 and 37 and are similar in scope to those already in operation under the Western Australian Mint Act 1970.

Clauses 48 to 53 constitute and establish GoldCorp Australia as a subsidiary of Gold Banking Corporation. This will ultimately involve the disposition of the assets and business of Western Australian Development Corporation undertaken under the business name, "GoldCorp Australia" to Gold Bank, both of which will be completely separate entities from WADC.

The functions of GoldCorp will be --

(a) to develop, promote and market in Australia and elsewhere things containing or related to gold;

(b) to promote and create opportunities for the establishment and operation of markets for gold coins and other things containing gold or associated with gold;

(c) to maximise the value added to and export income derived from gold production; and

(d) to perform such other functions as the board may determine.

The consolidation of the operations of the Western Australian Mint and GoldCorp within the group structure of Gold Banking Corporation will result in several significant commercial benefits. In summary, consolidation will --

(1) eliminate the duplication and streamline functions between organisations, for example the bullion banking and trading business of GoldCorp Australia and the Mint;

(2) establish common commercial directions, policies and interests;

(3) facilitate a vertically integrated precious metals programme through which to maximise the value added to and export income from bullion products and services.

The accounting, auditing and reporting provisions to apply to Gold Bank and its subsidiaries are detailed in clauses 54 to 66. It is important to point out to members that on the advice of GoldCorp Australia and their auditors, it has been decided to adopt and apply to Gold Bank and its subsidiaries, part VI of the Companies (Western Australia) Code governing the accounts and audit of public companies.

This part of the Bill requires Gold Bank and its subsidiaries to adopt and comply with approved accounting standards applying for the time being under part VI of the code, to prepare group accounts, to make provision for bad and doubtful debts, to prepare a directors' statement about the group accounts, together with a report on the group accounts. In addition, accounts are required to be prepared for subsidiaries together with directors' statements about the accounts of the subsidiaries and a board report on the activities of the subsidiaries.

Clause 65 requires the board to appoint as auditor of Gold Bank and its subsidiaries, a person or firm of registered auditors that would be eligible for appointment as auditors to a public company under division 3 of part VI of the Code.

Clause 66 requires the board, as soon as practicable after 30 July and not later than 30 November in each year, to furnish the Minister with an annual report of the consolidated operations and proceedings of Gold Bank and its subsidiaries, including the group accounts, the auditors' report on those accounts, the directors' statement and directors' report for the financial year ending 30 June preceding. The Minister is required to cause the annual report, including the group accounts, directors' statements, directors' report and auditors' report, to be laid before each House of Parliament as soon as practicable in each year after receiving the annual report.

Clauses 67 to 79 of the Bill make provision for miscellaneous matters, including employment by Gold Bank of staff and consultants, superannuation, duties and liabilities of directors, security and regulations.

The Bill proposes to repeal the Western Australian Mint Act 1970. Schedule 1 to the Bill makes provisions concerning directors and procedures of the board. Schedule 2 contains transitional provisions concerning the Mint.

In conclusion, Gold Banking Corporation will be a unique international institution. To our knowledge, no other gold bank exists in the international gold market. Furthermore, Gold Bank would be the first gold banking institution in Australia. Its activities as a wholesale bank would complement and augment the major Australian trading banks and provide products and services for their retail banking activities. The establishment of Gold Bank will provide long-term benefits to the State in the following ways --

it will facilitate the further development and growth of the Australian gold industry;

it will generate export income through the provision of international banking and

investment services, refining and fabrication of precious metals and the development and marketing of value-added products containing gold and other precious metals;

it will provide the security, international credibility and acceptance of a bank as the issuing authority of the coinage and securities denominated in gold and other precious metals, together with international banking services and other investment products;

it will provide commercial benefits from streamlining operations and eliminating the duplication of facilities between GoldCorp and the Perth Mint; and

it will enhance the development of Perth as an international bullion and financial centre.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Max Evans.

PRISONERS: MICKELBERG BROTHERS

Appeal: Ministerial Statement

HON J.M. BERINSON (North Central Metropolitan -- Attorney General) [5.27 pm] -- by leave: Honourable members will be aware that the appeals by Peter and Raymond Mickelberg against their convictions for the Perth Mint swindle and other offences have been dismissed. The decision of the three judges of the Court of Criminal Appeal -- Mr Justice Wallace, Mr Justice Pidgeon and Mr Justice Olney -- was unanimous. It was given after what is described as the longest and most expensive criminal appeal in this State. The two brothers had full opportunity to place before the court every issue and every piece of evidence they and their legal advisers thought would advance their case.

The nature of the allegations made by, and in support of, the Mickelberg brothers raised serious questions as to the conduct of the police in Western Australia, and the proper weight to be attributed to forensic evidence. Over the years the Mickelbergs, and those who claim to speak on their behalf, have made many allegations of impropriety against police officers. The two most serious of these were that a fingerprint that was found on one of the cheques used in the mint swindle was a forgery, and that a police sketch published in the weekend newspapers four days after the swindle had been traced from a passport photograph of Peter Mickelberg.

In the appeal proceedings none of the experts called by the Mickelbergs was prepared to swear that the fingerprint was a forgery. But the most senior fingerprint expert in the United Kingdom, Mr F.E. Warboys, Chief Fingerprint Officer of New Scotland Yard, the Senior Latent Fingerprint Examiner for the FBI in the United States, Mr Thomas B. Thompson and Mr Brian Norton, recently retired as the most senior fingerprint expert in Australia -- he was head of the Victorian Police Fingerprint Bureau -- all swore that the fingerprint on the cheque was made by Raymond Mickelberg's natural finger.

The allegations concerning the sketch were quite recent. In fact, the passport photograph from which the police artist was alleged to have traced the sketch was at all times in the Commonwealth Government archives and never released to the Western Australian police. This fact was not in the end disputed on appeal.

On the advice available to me, the eventual dismissal of the appeals seemed inevitable. However, in view of the apparent credibility of some of the supporting scientific material supplied by the Mickelbergs, and the serious nature of their allegations, I considered it proper that the Mickelbergs should have every opportunity to demonstrate before the court any defect which might affect their conviction. To this end, the Government provided some financial assistance to Peter Mickelberg so that there should be no barrier to his raising anything which was considered relevant before the court. This was in addition to substantial financial assistance provided to each brother by the Legal Aid Commission.

In view of the widespread and intensive media publicity which the Perth Mint swindle trial and subsequent allegations have attracted over the years, it is important to draw attention to the contrast between the serious allegations that have been made in respect of some matters and the actual evidence advanced in their support in the appeals. Unfortunately, allegations of criminal conduct against police officers and other citizens have been widely reported from

time to time. At the appeal hearing many of these accusations were either not supported by evidence or entirely abandoned.

The actual evidence that was put before the court by the Mickelbergs was not sufficient to make good any of the allegations. Indeed, the evidence having been fully canvassed in open court, all such allegations have been rejected.

One additional matter must be mentioned. Some of the publicity has created the false impression that the Mickelberg brothers are serving terms of 20 years and 14 years for their part in the theft of $650 000 in gold bullion from the Perth Mint on 22 June 1982. This impression is used to base criticism of the sentences imposed by the court. In fact Raymond and Peter Mickelberg are serving terms of six years for their part in the theft of the gold. These sentences have been the subject of appeals which have been rejected.

Raymond Mickelberg is also serving two other terms, each of seven years' imprisonment, for arson -- the burning down of two business premises -- on 7 April 1982 and 13 May 1982. Peter Mickelberg is serving two terms each of four years' imprisonment for his part in these arson offences. In addition, the brothers have also to serve terms of imprisonment for their part in the "Yellow Rose of Texas" gold nugget fraud committed in 1980.

FACTORIES AND SHOPS AMENDMENT BILL

Second Reading

Debate resumed from 18 November.

HON G.E. MASTERS (West -- Leader of the Opposition) [5.32 pm]: The Opposition supports this Bill. On examining the Bill I must say I was a little nonplussed about the fact that this sort of Bill has come before the House. While I recognise the necessity for it, for Parliament to be asked to deal with this sort of legislation is beyond my understanding.

Hon H.W. Gayfer: It is important because it is about tea money.

Hon G.E. MASTERS: That is the point I was going to make. The Bill seeks to amend the Factories and Shops Act to give effect to what is now commonly known as the equal opportunity legislation. The Bill, and it is only a very small Bill, proposes to enable, or allow, women to work a maximum of 60 hours a week instead of 56 hours a week. Apparently male workers for some time now have been permitted under this Act, if they wished and under the right pay and conditions, to work a maximum of 60 hours a week. Now we are going through the rigmarole of bringing this piece of legislation to the Parliament, in our kind way, to allow females the same right.

Hon P.G. Pendal: I bet they will be grateful.

Hon G.E. MASTERS: That is what part of the Bill is about. Also, I understand that if male workers work after 6 o'clock in the evening they are not entitled to a tea break, whereas female workers are. We are putting that right so that male workers who work from 6 o'clock in the evening also will be able to have a tea break.

I do not know whether all this equal opportunity is good or bad. For the life of me, I cannot really see why a piece of legislation like this should take the time of the Parliament. The whole Act should be examined so that in future these changes are made in another way -- by the Industrial Relations Commission or some other body. It seems absurd that Parliament should have to deal with matters like this.

I am always concerned about pieces of legislation dealing with equal opportunity because there is no doubt that in some areas women are not able to do the same jobs and carry out the same tasks as men. By the same token, there are some tasks I think women are better at doing, such as secretarial work, in most cases. That can be disputed, of course, as it would be by Hon Kay Hallahan. But it is my view, and if I were looking for a secretary for my electorate office I should certainly be looking for a female secretary rather than a male. That is my choice.

I do not know where all of this equal opportunity starts and finishes. I wonder whether we are going to say that, where there is a job that a male worker can do quite easily and that a female worker cannot do, things should be levelled out. For example, a male worker can probably lift considerably more weight than can a female worker. Should we amend the law

so that where a certain weight is to be lifted two people must lift it, so that women can be employed in that task as well as men? I do not know how far we should go.

I am sure people in the country areas, especially those from the farming community, would ask the same sort of questions. Some sanity should prevail in these matters. If certain jobs can be done better by one group than by another, that group should do those jobs. I believe more and more difficulties will arise with these pieces of legislation, as they have arisen in many other areas in the community where this question of equality seems to be taking hold.

I will conclude by saying that I have noticed during the period of time I have been in Parliament, and well before I came to Parliament, that there is a great difference between a man and a woman, thank heavens -- in the way they look, and in the way they are physically built. I am sorry to say that it seems that a number of people in our community fail to recognise that as a fact of life.

For all that, we still will be faced with this sort of legislation time and time again and, really and truly, it should not be the work of the Legislature to deal with Bills like this when they could be better dealt with elsewhere.

HON H.W. GAYFER (Central) [5.37 pm]: This Bill is intended to remove the so-called discriminatory provisions in the Factories and Shops Act to ensure compliance with equal opportunity legislation, both Federal and State.

The Bill contains six amendments. I do not think they are worth much comment, but I am interested in the insertion of new section 56A which deals with the tea break. I have the Factories and Shops Act in front of me and I cannot see anywhere in that Act a provision that the occupier shall pay to each employee who is employed after 6 o'clock in the afternoon such sum by way of tea money as may be prescribed. I cannot see that that provision applies to males now. In other words, it is a completely new provision; in other words again, we are now saying to all shop and factory owners that they must provide tea money for employees who work after a certain hour.

Again in other words, we are taking over the role of the Industrial Relations Commission. Usually those things are sorted out as part of an industrial arrangement between the parties involved. I could be entirely wrong and I would not mind being told that, and that tea money is provided for under the present Act. This seems to me to be the wrong place to bring in an item like tea money. Soon it will be bus fares.

Hon D.J. Wordsworth: "Tea money" sounds like you have a 5c job.

Hon H.W. GAYFER: Yes, it does, until we know what the tea is. That is another point I wanted to raise. What is the extent of the "tea money"? What are the parameters? For some of the members whom I have seen taking afternoon tea, it would cost a lot more to feed them at afternoon tea than it would others. But that is all there -- it is provided. The tea money covers it.

From the businesses I am associated with, I do not know what is meant by the words "tea money". What will that clause cost industry? Who will be the arbitrator who determines what is sufficient tea money? If the individual unions are to determine it before arbitration, why do they not determine the fact that tea money should be paid at all and, if so, how much? I am nonplussed to think something as specific as tea money can come before us to be inserted in this Act. If it is in the Act already, so be it, but I cannot find it.

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [5.41 pm]: I thank both speakers in this debate for their support of the legislation, rather qualified and grudging as it was. In respect of the point raised by Hon Mick Gayfer, I refer him to the fact that the provision of tea money is not a new provision; it now appears in section 55, subclause (2) at page 44 of the Act. Section 55(2) is being repealed by an earlier provision in this Bill and the section dealing with tea money is to reinstate the provision already there.

Question put and passed.

Bill read a second time.

In Committee, etc

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

Third Reading

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

ADJOURNMENT OF THE HOUSE: ORDINARY

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [5.43 pm]: I move --

That the House do now adjourn.

Legislative Programme

HON H.W. GAYFER (Central) [5.44 pm]: I rise to speak on the question of legislation and business before this House. So far this year 147 Bills have been introduced, and this House has yet to debate some enormous Bills such as the Gold Banking Corporation Bill. We receive Bills one day, proceed to the second reading the next and then three days pass before we enter into debate. I know Hon Beryl Jones says I talk too much and she would be happy if I did not say anything; however, it is my job to look at legislation.

For 20 years we have had around 110 Bills each year, and yet this year already 147 Bills have been introduced. In fact, one Bill was numbered 161, and I believe the Bills will number 175 before the session finishes.

I wonder whether the Leader of the House could give an indication when this Parliament will rise, because I have made plans to do certain things. Members received a circular earlier this year stating this session would end in late November. Perhaps the Leader of the House could give members a positive indication in this regard as members do have other commitments. Members would like to be taken into the Leader of the House's confidence.

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [5.47 pm]: Hon Des Dans was reminiscing yesterday and told me one year he remembers the House sat until Christmas Eve.

Hon Neil Oliver: Yes.

Hon J.M. BERINSON: Hon Neil Oliver confirms that. I make it clear that there is no prospect of our sitting until Christmas Eve; what comfort that is to Hon Mick Gayfer, I am not sure, so I will speak a little longer.

Members will know the timetable distributed in advance of the session indicates the same sitting weeks for both the Legislative Council and the Legislative Assembly. It has been the practice for some years that the Council sits at least one week longer than the Assembly, and that simply follows from the fact that the majority of Bills are initiated in the other House. On current indications, the Assembly seems likely to sit for at least one week beyond the original timetable, which means this House would be sitting at least two weeks beyond the original timetable. I am hopeful we can conclude this session in three weeks' time but in the last resort that will depend on the Assembly's capacity to get through its load of business.

Question put and passed.

House adjourned at 5.49 pm

QUESTIONS ON NOTICE

GREYHOUND RACING
Owners: Registrations

443. Hon G.E. MASTERS, to the Minister for Sport and Recreation representing the Minister for Racing and Gaming:

(1) How many greyhound owners were registered with The Western Australian Greyhound Association as at --

(a) June 30 1986;

(b) June 30 1987?

(2) How many owner-trainers were registered with The Western Australian Greyhound Association as at --

(a) June 30 1986;

(b) June 30 1987?

(3) How many trainers were registered with The Western Australian Greyhound Association as at --

(a) June 30 1986;

(b) June 30 1987?

(4) What were the administration costs for the Western Australian Greyhound Association as at --

(a) June 30 1986;

(b) June 30 1987?

Hon GRAHAM EDWARDS replied:

The financial year of the WAGRA coincides with the racing year. Therefore the figures shown are for the years ending 31 July 1986 and 31 July 1987.

(1) (a) 854;

(b) 800.

(2) (a) 458;

(b) 417.

(3) (a) 126;

(b) 106.

(4) (a) $444 116;

(b) $473 874.

GRAIN POOL
Bitter Lupins

445. HON A.A. LEWIS, to the Minister for Sport and Recreation representing the Minister for Agriculture:

Is it intended that the Grain Pool will run a pool for bitter lupins?

Hon GRAHAM EDWARDS replied:

No.

GRAINFEEDS LTD
Railway Land: Purchase

447. Hon W.N. STRETCH, to the Minister for Sport and Recreation representing the Minister for Transport:

(1) Has the Minister received a request from Grainfeeds Ltd of Wagin for the opportunity to purchase a portion of railway land for business expansion?

(2) Has the Minister made a decision on this matter?

(3) If not, when can the business expect a decision from the Minister?

Hon GRAHAM EDWARDS replied:

(1) Yes.

(2)-(3)

Yes. A decision was passed on to the Minister for Industry and Technology, who replied directly to the company by letter dated 11 November.

TRANSPORT: RAILWAYS
Land: Release

448. Hon W.N. STRETCH, to the Minister for Sport and Recreation representing the Minister for Transport:

(1) Has the Minister made a decision on the Kojonup Shire's request for the release of railway land in the townsite to facilitate the integrated development of the townsite, or the release of any other railway land within the shire?

(2) If not, when is it expected that the Minister will be able to give the shire his decision?

Hon GRAHAM EDWARDS replied:

(1)-(2)

The Kojonup shire's request was put to me indirectly, and I have requested Westrail to meet with the shire to ascertain its requirements. This will occur shortly.

TECHNICAL AND FURTHER EDUCATION
Functional Review Committee

449. Hon N.F. MOORE, to the Minister for Community Services representing the Minister for Education:

(1) Is it correct that recommendations of the Functional Review Committee into TAFE will be implemented in 1988?

(2) If so, what are these recommendations?

Hon KAY HALLAHAN replied:

(1)-(2)

The Functional Review Committee is part of the internal process of advice to the Government, and information concerning specific reviews is confidential. After considering the committee's report, the Government's position is generally made public in due course.

"ARTSNEWS"
Publication Times

451. Hon P.G. PENDAL, to the Leader of the House representing the Minister for the Arts:

How many times a year is it intended to publish *Artsnews*?

Hon J.M. BERINSON replied:

Three times per year. The size and format may vary from the first issue.

INSTANT LOTTERIES
Distributions

452. Hon P.G. PENDAL, to the Minister for Sport and Recreation:

(1) Can the Minister indicate if a full list of grants allocated in 1986-87 by his department out of the Instant Lottery fund is available?

(2) Is it intended this year to limit to $3 million the amount to be allocated out of this fund for sport?

Hon GRAHAM EDWARDS replied:

(1) Yes. A full list can be provided on request.

(2) The overall allocation to sport by the Burke Government has been far in excess of allocations by previous Governments. However, I am aware through the current sports Instant Lottery review that funding for sport has suffered the pressures of both inflation and growth in demand. The issue is currently being investigated.

QUESTIONS WITHOUT NOTICE

EDUCATION

Eastern Hills High School: Timetabling

438. Hon N.F. MOORE, to the Minister for Community Services representing the Minister for Education:

(1) Is it correct that the Minister was requested by the staff of the Eastern Hills Senior High School to assist with the compilation of the school's timetable for 1988?

(2) Did the Minister agree to this request?

(3) If so, has he provided the personal assistance requested, and what was the result of this assistance?

(4) If the answer to (2) is yes, will the Minister also make his expertise available to all of the other senior high schools in the State which are experiencing similar timetabling difficulties?

(5) If the answer to (3) is no, will the Minister explain why he refused to assist?

Hon KAY HALLAHAN replied:

(1)-(5)

I have not been advised of the information the member has requested, so I suggest he put the question on the Notice Paper and I will seek an answer.

MOPEDS

Licensing Requirements

439. Hon G.E. MASTERS, to the Minister for Sport and Recreation representing the Minister for Police and Emergency Services:

I recognise this is not directly involved with the Minister's portfolio, but I am sure he will follow my reasoning and at least give me an assurance. I remind him that his comments last night during the debate on the Road Traffic Amendment Bill (No 2) dealt with people who are permitted to use mopeds. My understanding is that inquiries today of the Police Department central licensing office in Perth show that the holder of an "A"-class licence is allowed to ride a moped without tuition and without the need for any sort of written or practical test. That is different from the advice he gave to the House last night, although I know he was acting on advice. In the light of that comment and the debate last night, where there seems to be some conflict, will he convey our remarks to the responsible Minister and my concern that there seems to be a difference of opinion? If we are talking about the saving of lives, this is an important aspect of the debate.

Hon GRAHAM EDWARDS replied:

I know it is not the normal thing to do, and I would hate to set a precedent, but in view of the nature of the question and the way it has been asked, I feel I should say I have not been advised contrary to the advice I received last night and conveyed to the House. I will ask the appropriate Minister to have the matter investigated and I will come back with an answer to the House as a whole.