

Legislative Council

Thursday, 22 October 1987

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

LAND: NATIONAL PARK

Shannon: Statement by Leader of the Opposition

HON G.E. MASTERS (West -- Leader of the Opposition) [11.05 am] -- by leave: My statement concerns statements made by the Minister for Conservation and Land Management on the Shannon National Park. I thank the House for allowing me to make it.

I imagine that most members of the Legislative Council heard on the radio the statement I heard by the Minister for Conservation and Land Management to the effect that the Legislative Council Opposition -- that is, the Liberal Party and the National Party -- will reject Government proposals for a Shannon National Park this afternoon. I put it to the House that the statement made by the Minister is quite improper and pre-empts a decision of the Legislative Council. It is, of course, a deliberate Government deception and an attempt by the Government to mislead the people of the south west at a time when a by-election in that area is imminent.

The Opposition has made it abundantly clear that it has an alternative plan which will establish a national park in the Shannon. It has said it believes the Government's plan is irresponsible and is not in the interests of the people of the south west.

Several members interjected.

Hon G.E. MASTERS: We have only just received the report of an expert Government committee. Far from being anti-national park, the members of the Opposition in the Legislative Council have shown great responsibility in this area. No-one has shown more interest in national parks than Hon David Wordsworth and me, because when we were in Government we created the D'Entrecasteaux National Park without even referring it to the Parliament or, indeed, to our leader at the time, Sir Charles Court.

Hon Kay Hallahan: So you overlooked the Parliament.

Hon G.E. MASTERS: Nevertheless the national park has been established. I am pointing out to the House that we are responsible in this area. The Government is guilty of misrepresentation, but that is not surprising in view of Minister Grill's statement and message to this House a couple of days ago. The Minister who made the statements owes this House an apology.

Several members interjected.

The PRESIDENT: Order!

Hon G.E. MASTERS: Let us get the facts right. As far as Opposition members are concerned, we will continue to examine and investigate Government legislation, and if it is bad legislation we will either reject it or change it.

Several members interjected.

The PRESIDENT: Order!

Hon G.E. MASTERS: Let me refer to the important environmental issue of the day --

Several members interjected.

The PRESIDENT: Order! If the Minister interjects again, after I have told him four times to stop interjecting, I will take some action. Interjections are a part of the system of Parliament under which we operate. Certainly, I do not disagree with them because on occasions they are justified and warranted. When the President is endeavouring to maintain order in this place, members must come to order when he calls for order. It saddens me when a Minister, who is supposed to be giving the lead to members, continues to rudely disregard my request. It is not only the Minister to whom I am referring, but also it is other members. I suggest to members that one of the things I have to do in this position is to endeavour to give everybody a fair opportunity to speak.

When we are dealing with a member who has leave to make a statement in regard to a matter, my task is to endeavour to ensure that that is all he does. It is a difficult enough task to try to ensure that he does not deviate from that leave which has been given; and if I cannot hear what the devil he is talking about I am not in a position to do that. If I am concentrating on trying to keep order, then inadvertently I am led to allow the member on his feet to embark on a subject for which the House has not given him leave. If members do not let me have the opportunity to listen to what he is saying, I cannot bring the member to order.

To keep the Leader of the Opposition in the picture, I have a feeling that he is deviating from that leave. I am trying to concentrate on about half a dozen members who are yelling and screaming, and he may well be getting away with something which he would not if I cannot hear what he is saying. I ask honourable members that if they do not like what members are saying that they seek leave to repudiate it. I ask members to at least let me hear what the member is saying because I am the person who has to make the judgments.

Hon G.E. MASTERS: I was making the point that it was quite improper for anyone, let alone a Minister of the Crown, to pre-empt a decision of the Legislative Council for cheap political gain. The real issue to address is that an announcement will be made by the Government allowing mining in national parks in Western Australia. Mr Parker reported this to the ALP the other day, and the members were devastated. He said it was only a matter of time. After the by-election the Government will make a statement to the effect that mining will be permitted in national parks, and it will simply be a matter of keeping it under wraps until that time.

HON KAY HALLAHAN (South East Metropolitan -- Minister for Community Services) [11.11 am] -- by leave: We have just seen an extraordinary response to an item. I can only surmise it is as a result of the radio bulletin this morning, because there is a by-election coming up in the south west. That is why the Leader of the Opposition has made this statement. He is canvassing matters which one would normally expect to be dealt with in a motion which is coming before the House this very day. It is an extraordinary use of the ability of members to make a statement.

I shall canvass that in the item on the Notice Paper dealt with by the Leader of the Opposition. As he ought to have done, I will canvas the issues at that time.

Hon G.E. Masters: What about mining in national parks?

Hon KAY HALLAHAN: It is about the Shannon basin, I presume.

Hon G.E. Masters: That would be one of them.

JUDGES' SALARIES AND PENSIONS AMENDMENT BILL

Introduction and First Reading

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

ELECTORAL (PROCEDURES) AMENDMENT BILL

Report

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [11.16 am]: I move --

That the report be adopted.

It is unusual to speak to this motion, but with your indulgence, Sir, I take the opportunity to provide an answer which I undertook to give in the course of debate last night. I was asked who could take action under clause 74, which creates certain offences. The position is, unless the Act makes some direct provision to the contrary -- which, in the case of proposed section 191A it does not -- any person can lay a complaint.

HON D.J. WORDSWORTH (South) [11.17 am]: It is all very well to give the Leader of the House an opportunity to speak, as long as the Opposition has an opportunity to respond. After all, the manner in which he went about it by speaking on a motion which is really not debatable does not give the opportunity for the Opposition to respond.

Hon J.M. Berinson: My understanding is that the motion is debatable.

The PRESIDENT: Order! The question before the House is that the report be adopted. The Leader of the House has moved it, and in support of the motion to debate the report he made some comments. Any member who wishes to support or oppose the adoption can equally make a comment. Comments must come within the parameters as to why the report should or should not be adopted.

In reply, Hon D.J. Wordsworth is perfectly free to say whatever he likes on this motion, provided it comes within those parameters.

Hon D.J. WORDSWORTH: I believe, to allow the House to respond to the information given, the Bill ought to be recommitted, or some opportunity should be given to speak on it.

Hon J.M. Berinson: It is an inconsequential piece of information.

Hon D.J. WORDSWORTH: The Leader of the House may feel it that way. Others might not agree. I think it is of some consequence. I would almost challenge that what the Minister was doing had nothing to do with whether the report should be adopted. It will be difficult for any member to respond to him.

Points of Order

Hon W.N. STRETCH: I seek your guidance, Sir, or your indulgence, or both, to thank the Leader of the House for his comments. I do not think he answered the question I raised last night. I seek your guidance as to whether we pursue that further by asking the Leader of the House to make a further statement in response, or shall I move during the third reading to have the Bill recommitted to consider clause 74?

The PRESIDENT: Whether the Leader of the House's comments satisfy honourable members on some matter or another is not something over which I am the judge. The point is that the motion now is that the report be adopted. Honourable members have the right on this motion simply to indicate reasons why the report ought to be adopted or ought not to be adopted. The honourable member is certainly within his rights to move on this motion that the Bill be recommitted for the purpose of further considering a clause if he wishes.

Short of holding a seminar on what members can do, at this stage that is about as precise as I can be. The member is free to move that motion now if he wants to, but he cannot talk now, on this motion, about the relative merits of something that has been discussed already in the previous debate.

Hon E.J. CHARLTON: I have a question concerning the motion before the House. I understand that in connection with our making a decision as to whether or not the report be adopted, the Leader of the House answered a query put forward last night. Before we proceed to agree to the adoption of that report, I want to know whether we have the opportunity at a later stage, when the third reading takes place, to make comments and inquiries.

The PRESIDENT: Yes, the member can speak on the third reading without going over previous debates, but at least the member can request during the third reading debate that information be provided, on the basis that if that information is satisfactory I guess the member would support the third reading and if it is unsatisfactory he might not.

In order to ensure that Hon W.N. Stretch, or any other member, has not been misled, I repeat that a member now, on this motion, can move for the recommitment of the Bill for the purpose of discussing any or all of the clauses in the Bill. If a member wants to move that motion on the third reading it can be done only if notice has been given. We have proceeded beyond the point today where notice can be given in that regard, and if a member wanted to do that he would have to seek leave of the House to give notice that on the third reading he would be seeking to recommit the Bill. Do all honourable members understand that?

Debate Resumed

The PRESIDENT: The question is that the motion be agreed to, which is that the report be adopted. I call Hon W.N. Stretch. I take it that on the first occasion he raised it only as an inquiry.

As to Recommitment

Hon W.N. STRETCH: It was a request for your guidance, Sir. I now move --

That the Bill be recommitted for the purpose of further considering clause 74.

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [11.24 am]: I oppose this motion. I really think it is stretching the point very far to suggest that a recommitment on these narrow grounds is justified.

Though I say it myself, I do try to be meticulous about honouring commitments that I give the House. I gave the commitment that I would inquire and provide certain information, and I have done that. Had that information been of some unusual character, one could reasonably say that there is a requirement to go back to clause 74 and reconsider it. The fact is there is nothing at all of that sort here. As I have advised the House --

Hon E.J. Charlton: Just say it again. I did not really hear it.

Hon J.M. BERINSON: What I said was that unless the Act makes some direct provision to the contrary, which in the case of proposed section 191A it does not, any person can lay a complaint. There is nothing unusual about that; it applies to every offence under the Act. Last night I said that the same provisions would apply to this offence as to any other offence; not only that, but even without the opportunity to check on the formalities I indicated that at the very least --

Point of Order

Hon D.J. WORDSWORTH: Mr President, I cannot see that this has anything to do with whether the report should be adopted.

The PRESIDENT: Order! The honourable member is missing the point.

Hon Garry Kelly interjected.

The PRESIDENT: Order! If Hon Garry Kelly wishes to make the rules, I suggest he come up here. The point is that a point of order has been raised and the member is entitled to have his point of order dealt with by the President. I do it better alone.

The question before the Chair now is not whether the report should be adopted but that the report be adopted, to which Hon W.N. Stretch has moved to have it amended by the requirement that the Bill be recommitment for the purpose of further discussing clause 74. So far as I can ascertain, the Leader of the House is simply arguing against that proposal and giving his reasons. I cannot see anything wrong with that.

Debate Resumed

Hon J.M. BERINSON: The point I am making is that the advice I have given today is entirely in line with the advice I gave last night, that whoever can initiate action under any offence under the Act could initiate action under clause 74. I went further last night and said that even without checking the position it seemed clear to me that at the very least the Electoral Commissioner and any candidate could initiate action. I cannot remember if I went further than that, although it was my inclination at the time to give advice precisely in line with what I have just said.

However, even taking the indication I gave last night at its narrowest -- namely that the Electoral Commissioner and any candidate could take action -- it must have been clear to all members that here we had a provision on which a very large number of people could take an initiative if they so wished. In that sense, the information which I undertook to give and which I have given does not change the situation at all, and certainly it does not change the position in respect of the charges which may be made under any offence provided for by the Act.

In these circumstances I put it seriously to the House that absolutely no practical purpose is to be served by further consideration of clause 74, which has already been passed.

HON G.E. MASTERS (West -- Leader of the Opposition) [11.29 am]: I am surprised that the Leader of the House has resisted a move to recommit the Bill for the purpose of discussing clause 74. After all, in his own words, the Bill is a very complex Bill. In fact the Government has got almost all that it wanted in the legislation.

Clause 74 was not debated at great length, and there was great concern expressed by members on this side of the House as to the implications of that clause. I would have thought the Leader of the House would allow further discussion to clear up that matter. After all, it would not threaten the Bill, and we are not suggesting momentous changes should

necessarily be made. If this House is to do its job properly, it should examine the legislation, bearing in mind that it would not threaten Government policy or the Bill itself. Far from it; further discussion may well strengthen the Bill. The Leader of the House ought to be able to accept that it is the function of this House to further examine the clause.

I am concerned about the clause, and I have already said this twice at different stages, because it affects every single member of Parliament in one way or another. We all know that in election campaigns things are done and said which perhaps should not be, and would be better left alone. We have massive media coverage at election time on radio and TV, and in the newspapers, as well as a large number of advertisements in local papers. Some of the things said or done are thought appropriate at the time. This clause leaves it open, to my mind, for challenges to be made and actions to be taken which may not be in the best interests of the community or the candidates seeking election. If that is the case, surely to goodness we can spend another 10 or 15 minutes considering whether it could be improved and if, not, what can be done.

Ministers have said in this House on a number of occasions that there is difficulty in the interpretation of some legislation. I put it to the Leader of the House that there could be difficulties in the interpretation of this clause. The people administering the law usually examine *Hansard* records, particularly the comments of the Minister, to discover what the intention of Parliament is. Bearing that in mind, it would be better to make further comments on the clause and decide exactly what it is supposed to do. I would think that every member of this House would have a different view of how clause 74 could be administered.

Hon J.M. Berinson: Mr Masters, that was not the outstanding question. We went through all of that. There was only one outstanding question, and that was who could bring a charge under this offence.

Hon G.E. MASTERS: Whether that was the outstanding question is not the point. One of my members has suggested that the Bill ought to be recommitted for that purpose and, maybe, other purposes. I suggest that the least we could do is spend 15 minutes reconsidering the Bill and examining the clause, and the Leader of the House would have an opportunity to speak on it. That is all. It is a simple request which will do no more than delay this Bill for 15 minutes at the most.

HON E.J. CHARLTON (Central) [11.33 am]: The point raised by Hon Bill Stretch in moving this motion was quite sound -- to bring out the comment made by the Leader of the House in relation to that specific part of the clause. All of this was debated last night, and further debate will not change the points of view which we all have about that particular clause. The only really valid point to be clarified is in response to what the Leader of the House had to say in his comment this morning.

If there is no further complication in the clause, the only point which can be debated is the Leader's comments regarding who has the authority to lodge a complaint, and whether we want those people to have that authority. I do not know the views of other members of the National Party, because obviously it has not been discussed, but we do not know whether this point raised by the Leader of the House will be beneficial or detrimental. I do not think anyone is in a position to debate that further and reach any specific conclusion, because we are breaking new ground.

The point of the whole exercise relates to the comment of the Leader of the House that an individual now has the opportunity to bring a charge. I believe the opportunity for someone to make that complaint and take further action was there before in the old Act -- indeed, it has been done in the past. The point about this particular clause is that a monetary penalty has been imposed along the way. We expounded all these aspects when we debated the clause before. Some people have told me that the fines are not enough, but I will not go into the pros and cons of that because we have already debated the matter.

The comment made by the Leader of the House, whether we like it or not, has given us a better understanding. I agreed with the question when it was asked last night -- we did need to have it clarified. We have now had it clarified as to who has the authority to bring a charge, and that is the way it is.

Question put and a division taken with the following result --

Ayes (8)

Hon Max Evans
Hon G.E. Masters
Hon Neil Oliver

Hon P.G. Pandal
Hon W.N. Stretch
Hon John Williams

Hon D.J. Wordsworth
Hon Margaret McAleer
(Teller)

Noes (14)

Hon J.M. Berinson
Hon T.G. Butler
Hon E.J. Charlton
Hon Graham Edwards

Hon H.W. Gayfer
Hon John Halden
Hon Kay Hallahan
Hon Tom Helm

Hon B.L. Jones
Hon Garry Kelly
Hon Tom McNeil
Hon Mark Nevill

Hon Doug Wenn
Hon Fred McKenzie
(Teller)

Pairs

Ayes

Hon N.F. Moore
Hon P.H. Lockyer
Hon C.J. Bell
Hon J.N. Caldwell
Hon A.A. Lewis

Noes

Hon. D.K. Dans
Hon Tom Stephens
Hon Robert Hetherington
Hon S.M. Piantadosi
Hon J.M. Brown

Question thus negatived.

Adoption of Report Resumed

Question put and passed.

Report adopted.

STATE FORESTS: REVOCATION OF DEDICATION

Assembly's Resolution: Motion to Concur

Debate resumed from 23 June.

HON H.W. GAYFER (Central) [11.42 am]: I appreciate the opportunity to say a few words about the Shannon River basin and express our party's interest in it, so much so that we have spent considerable time down there investigating the whole of the basin by both road and air. I make this perfectly clear because we were not going to consider a proposition in this place unless we had some first-hand information about it. I have personally been on both of the visits. In the first instance we were accompanied by the Manjimup Shire President and the Shire Clerk, and the Regional Manager and Deputy Regional Manager of the Department of Conservation and Land Management. On the second occasion, which was last Monday, we spent a day down there with the Australian Conservation Foundation people.

We have had a look and we have studied the reports that have emanated from this very vexed question over the years. They date from 1972 when the Forests Department proposed to set aside areas for conservation and recreation. In 1974 the Conservation Through Reserves Committee reported; it was a System 2 study, and it was appointed by the EPA. That proposed the Shannon reservation and amended recommendations to cover part of the Shannon and certain other areas.

In 1975 the report of the Institute of Foresters of Australia proposed a south coast national park, which is to become the D'Entrecasteaux National Park and includes the lower reaches of the Shannon. In 1977 the Forests Department proposed a series of reserves through the region which included and supplemented the CTRC recommendations. In 1982 the EPA report reviewed reserve systems and endorsed the 1977 status with minor modifications which did not affect the Shannon. In 1983 there was a Government directive that the Shannon basin could be managed as a national park. That meant there was no further logging and compensation was to be paid for roadside verges. In 1987 the CALM draft regional management plan proposed to formally reserve the Shannon River basin as a national park.

The National Party in another place was successful in having the whole matter of the Shannon River basin referred to a committee of inquiry. The National Party was of the

opinion that the committee could have contained some person of financial standing and with expertise who would understand the whole impact of any decisions that were made on the financial viability of Manjimup and the industries. Although we were hoping for that, we were nevertheless quite happy with the four people who were eventually selected and appointed to the committee. We have no argument with the composition of the committee -- and I am not making a major point of that.

The committee which was requested on 25 August by the Minister to investigate the Shannon River basin consisted of Dr S.R. Shea, Dr M.J. Mulcahy, Dr P.W.G. Newman, and Mr R.J. Underwood -- all qualified people. The terms of reference were to examine the history of the reserve proposals for the Shannon River basin in the light of current knowledge of southern forest ecosystems; secondly, to consider the merit of the Shannon River basin as a national park in relation to the overall reserve system proposed for the southern forest region in the Department of Conservation and Land Management draft regional forest management plan and timber strategy of April 1987; and thirdly, to consider the impact of the reservation of the Shannon River basin as a national park on the Government's capacity to ensure a sustainable level of timber supply to the timber industry.

The report of that committee was duly sent to the National Party by mail last Friday afternoon. The members of the National Party do not necessarily live within hailing distance of the Perth office and, in fact, none of the members on the committee does. Consequently it was not possible for us to read that report until Tuesday. On Monday we went direct to the Shannon River basin to talk with members of the Australian Conservation Foundation. It takes up a good part of the day just to travel the distance from Perth to Manjimup and back without allowing for the considerable time we spent with members of the foundation. That left us no time at all in which to study the report before Tuesday. The National Party, like other parties, is well and truly tied up with important party business on Tuesdays; in fact, it has been the regular practice in this place since time immemorial for all parties to meet on Tuesdays.

We discovered on Tuesday that the Government would bring forward the Shannon River basin issue in this House -- the proposal now before us. We raised our objections to the Minister, who informed us that it was the Government's wish to bring this matter on before the weekend. I do not know for what purpose, and I will not enter into that argument, but we were virtually told to get to it and to study the report. We have done just that. Time constraints were imposed and we were pushed into a corner by the Government's insisting that debate on the inquiry into the Shannon River basin should be held today. We decided that we should first look at the report prepared by Dr Shea, with whom we had talks on Tuesday night. We considered that certain questions in the report were not fully answered and we certainly did not have time to fully investigate them ourselves. Indeed, we do not have the wherewithal to raise the points of interest.

We thought the best thing to do was to issue a Press release with a statement from the National Party to be given to the Minister to take on board -- from reading that statement he or she would have been able to determine our likely position on this matter -- and to send the same to the Leader of the Opposition, Hon Gordon Masters, and to circulate it generally. A copy was also sent east to Mr Hare. We sent quite a few out as the telephones have not stopped ringing.

I wish to deal with that statement and then to move on from there; and I am afraid members will have to bear with me for some considerable time. After the days I have spent down south, I do not mind how long it takes. The media release from the National Party dated 20 October stated --

Attached is the National Party's outline response to the proposal to grant National Park status to the Shannon River basin. It has been conveyed to the government.

Deputy National Party Leader, Matt Stephens, said that he is confident that the positive response by the National Party to the proposal will bring about a sensible and responsible resolution of this important and complex issue.

"The National Party has visited the area twice to study the proposal and has had extensive discussions with a wide range of interested parties. It was also, of course, the National Party's initiative that established the expert committee chaired by Dr

Shea. We have devoted a considerable amount of time to this issue and the position we have adopted is what we consider to be the most appropriate under the circumstances." Mr Stephens said.

The attached paper is released as a guide to the National Party position on this issue and is intended to assist journalists and other commentators to understand the Party's attitude. The time constraint imposed by the government on consideration of the report of the expert committee chaired by Dr Shea has meant that some of the information contained in the attached outline position has yet to be researched for accuracy and care should be taken in quoting statistical information from it.

I reiterate that we had two days in which to study the report of the committee of inquiry on the Shannon River basin, prepared by Dr Shea and his committee. The Government in turn has had exactly two days in which to study our proposal, so we are on equal footing at this stage. If the Government claims that it has not had time to pick up the message from our submission, we in turn, ipso facto, did not have time to study Dr Shea's report.

Attached to the National Party Press release was its draft management priority proposal on the Shannon River basin. It stated --

- 1 That the two MPA's --

That is, management priority areas --

... be declared 'A' class national parks.

There is no great argument anywhere on that issue. It continued --

- 2 That the area surrounding the Shannon townsite be declared an 'A' class State park.

There is no argument with that either. It continued --

- 3 That the remaining area of the Shannon Basin (other than privately owned land) be declared an 'A' class forest park, subject to certain conditions.

Our comments on the draft NPA proposal were attached to the Press release and I will go through it page by page, paragraph by paragraph. It stated --

- 1 The two MPA's are the lower part of the Shannon karri forest south of Dog Pool (known as Lower Shannon MPA) and part of the Curtin Block (known as Curtin MPA).

The purpose of reservation as a A class national park should include "managed public use".

There is little dispute over this proposal, which is known as the "40 per cent". The paper continues --

- 2 The area around the Shannon townsite that should be an "A"-class State park needs to be defined, but appears to be in the order of 20 ha. The purpose of reservation again should be "managed public use". There are no State parks at present, as it is a new category in the proposed system. The definition of the State park appears to fit this area very well.

"State parks" and "forest parks" are both defined in the April 1987 booklet *Southern Forests Region* on pages 34 and 35, and I will not bother to read them. The paper continues --

- 3 The category "forest park" is another new category. Some in the conservation movement are not very keen on it, as they see it as a means of increasing the areas to be logged.

The draft NPA proposal is that the current management plan for this area should continue but become subject to parliamentary approval of any proposed change. At present a Minister could initiate logging at the stroke of a pen. The Government wants the area to have national parks status so that this cannot happen. In practical terms, dedication as a national park is an irreversible decision, and the NPA feels that there is still insufficient evidence on which to base such a firm decision.

In dedicating the 60 per cent as a forest park, the purpose of reservation should be defined in Parliament and the purpose should not be altered without prior approval of both Houses of

Parliament. This would mean in effect that the decision to log in the Shannon basin would be taken away from the Minister and vested in Parliament.

There are other conditions which we attached to the issue, and these were --

- 1 That the Government underwrite any job loss in the region as a result of the dedication of the Shannon Basin as National/forest park. The Government has already said that there will be no job loss, so we would not be asking for anything other than a guarantee.
We should insist that the underwriting of existing jobs would mean that any job lost has to be replaced in that region, and not by transfer out of the region.
- 2 That intensive research be carried out into --
 - a Current timber utilisation. The Government established a wood utilisation research centre at Harvey in 1984, however, it appears that there is insufficient evidence currently available. The present level of research may be adequate, and it may be a case of simply waiting for results to be published.
 - b Recreational preference survey. Again, this research is current and we are awaiting results.
 - c More detailed information about the species composition and diversity in the Shannon Basin.
 - d A systematic flora survey.
 - e A detailed fauna survey.
 - f Scientific assessment of the effects of logging on the ecology of rivers and streams. By the time the proposed forest park status comes up for review, there could be a period of up to ten years in which no part of the Shannon Basin has been logged. Therefore assessment could also be made of the Shannon River and Broke Inlet as a reliable yardstick against which the effects that logging is having on river and stream ecology elsewhere in the lower South West can be measured.

There has been an educated guess about some of these questions in the report, but from my experience the experts are not necessarily always right.

Hon Kay Hallahan: Do you want an expert committee?

Hon H.W. GAYFER: Does the Minister doubt that?

Hon Kay Hallahan: It is what you wanted, and it is what you got.

Hon H.W. GAYFER: What we want is what we are bringing up now, and if we are going to get that, I will be quite happy, as any normal man always is if he is satisfied with what he gets. The paper continues --

- g Tourist potential. There is considerable dispute over the figures currently quoted.

We admit that Dr Shea and the Government says that the timber industry will retain all the jobs. However, there is no guarantee, and if tourism is going to be of benefit -- as they say it is going to be -- then we want some expert opinion about what is going to take place. The paper continues --

- 3 That extensive research be carried out into more effective exploitation of the marri resource. Marri is currently regarded as a "weed" in terms of saw log production, although it is extensively used for chipping. This research could include the development of a strain of marri which retains the qualities of insect and dieback resistance, but reduces the incidence of "gum veins", thus making a more viable saw log. It appears that marri has the potential to be developed as a variety for use in commercial plantation.
- 4 That the value of pine as a substitute for hardwood be reviewed. It appears that the pine plantation programme may not be an unqualified success.

As an example, one can look at the plantation just out of Bridgetown, and also a few others that I have seen, which are not what one would call an unqualified success. The paper continues --

- 5 That consideration be given to negotiating an appropriate sum for the release of the WACAP from its obligations to research into and, if appropriate, establish a pulping mill in the region. If this option is followed --
 - a the pulping mill proposal should be taken up by WADC
 - b the sum negotiated from WACAP should be directed towards research into better use of and development of marri.

It appears that there may be environmental objections to a conventional pulping mill. It requires a lot of water and also emits pollutants. There also appears to be the recognition that a conventional pulping mill would have to be big to be viable, and that there is not a sufficient export market to sustain it. An option that could be explored is a small scale pulping mill that uses a different (ie a environmentally acceptable) technique and is aimed at servicing the domestic market. This may not be an export earner, but nevertheless would assist the balance of payments problem by reducing the importation of paper.

We understand that elsewhere in the world there are smaller pulping industries operating, which use the term, I believe, "less bleach" than is used by most pulp factories. This proposed section should please the Premier no end because he extols the virtues at all times of export-valued products. It should be something that the WADC would take on board. No doubt if it thought about our ideas and examined them fully, it would not embark upon it. I continue to quote --

- 6
 - a That CALM buys no more private land for afforestation. All future plantings should be on the sharefarming type of arrangement (ie on private land)
 - b That the privately owned land in the Shannon basin (ie about 840 ha) should remain private at least until such time as the properties become available on the market. If CALM then buys them, it should either sell an equivalent amount of land in the Manjimup shire, or come to a satisfactory arrangement with the shire to compensate for the loss of rates.

That is a very important question. To continue --

- 7 That there be a review of the royalty structure to determine if it is the most appropriate for the encouragement of the use of efficient milling techniques and whether it provides an adequate disincentive for the chipping of saw logs. We must ensure that the mills maximise the cut of saw logs from each tree.

We know that certain mills have certain techniques and some mills gain from the logs a greater value than others do. We are well aware of this and believe that there should be a review of the royalty structure. Of course, the Government says it is reviewing this all the time, but the Australian Conservation Foundation says that it is not. This is another example of an argument between the foundation and the Government to the effect that timber resources are not being utilised properly.

Hon W.N. Stretch: The Minister's experts disagree.

Hon H.W. GAYFER: Yes, they would; but this is the point they raised with us on Monday -- that in spite of what the Government says, the foundation says that they are not getting the maximum out of the logs.

Hon Kay Hallahan: Are you an expert on timber production or on conservation?

Hon H.W. GAYFER: The Minister is a full bottle on this, but we are sizing this matter up and looking at all sections of the argument.

Hon Fred McKenzie: What do you really think about that?

Hon H.W. GAYFER: Should I go through it all again?

Hon Fred McKenzie: What do you think about the point of whether they are getting the maximum use from the logs?

Hon H.W. GAYFER: When a person told me that they are burning out of the Nannup Mill 250 tonnes a day of jarrah waste, I would doubt that they are getting the maximum value. Hon Fred McKenzie has put me off the track.

Hon Doug Wenn: I think you have been off the track all along.

Hon H.W. GAYFER: Mr President, am I speaking to the motion or not?

The PRESIDENT: Order! The honourable member is speaking to the motion and he is addressing his comments to the Chair, which means that he should ignore the rude interjections. Given the state of the House, it will not be too long before he is talking to me alone anyway.

Hon H.W. GAYFER: The National Party -- if Hon Fred McKenzie wants it this way -- and I, or I and the National Party, or I personally believe that having all this information in front of it, the Government should have been prepared to lift this motion from the Notice Paper today.

Hon Kay Hallahan: We have been through that before, time and time again.

Hon H.W. GAYFER: If the Government wishes to replace it with another motion which, inter alia, could have attached to it the things that have been said by the National Party, the motion then would have read as it is, but after the word "out" it could have the following words --

after the Government has submitted to the Parliament a guarantee that --

- (a) it will report annually to the Parliament until 1993 the effect that the partial revocation is having on the employment in the timber and associated industries in the Manjimup Shire;
- (b) it will underwrite any job loss that may occur in the Manjimup Shire as a result of the partial revocation;
- (c) CALM will buy no more private land in the Manjimup Shire for afforestation, without prior approval of Parliament;
- (d) it will inform Parliament if the estimates of --
 - (i) the softwood timber resource;
 - (ii) the impact on other areas of State Forest;
 - (iii) the volume of hardwood yield from thinning road and river reserves as outlined in the report of the Shea Committee are not realised.
- (e) that there be no change, unless it has the approval of both Houses of Parliament, to that part of the Southern Forest Region that reserves the Beavis and Giblett blocks from logging for the next 15 years.

In respect of the last matter, I refer members to the comments made on page 24 of the Shea report. The Government should take from the report exactly what we have taken from it. That is exactly what the Government said would happen in that area. The Government should put on the Statute books the positive acknowledgment of the guarantees that the Government claims it previously made and which it says have been made within the committee of inquiry and the Shannon River basin report of Dr Shea and his colleagues. The words I propose would mean no more nor less than the preservation of that guarantee as far as the Shannon River basin is concerned. The Manjimup Shire has had limited time in which to look at this committee of inquiry report on the Shannon River basin. We took a copy down to the Shire on Monday.

Hon Kay Hallahan: So you did have it on Monday; it wasn't just Tuesday?

Hon P.G. Pandal: The Minister got out of the wrong side of the bed this morning.

Hon Kay Hallahan: I was just clarifying what the honourable member is talking about.

Hon H.W. GAYFER: And I might add if the Minister wants to know --

Hon Kay Hallahan: It was Friday!

Hon H.W. GAYFER: -- that Mr Shea gave --

The PRESIDENT: Order! The Minister should cease her interjections.

Withdrawal of Remark

Hon H.W. GAYFER: I ask the Minister to withdraw the comment that I lied.

The PRESIDENT: Order! I did not hear the Minister say that.

Hon Kay Hallahan: Neither did I. That's rubbish!

The PRESIDENT: Order! I did not hear what the Minister said, but if the Minister said the honourable member lied then the Minister must withdraw.

Hon KAY HALLAHAN: I cannot remember saying that he lied. We could check the *Hansard* and see if I did.

The PRESIDENT: Order! I ask *Hansard* to produce for me a copy of the relevant part of the transcript. In the meantime the honourable member can proceed or I will suspend the House.

Hon H.W. GAYFER: I would sooner proceed, Mr President, if I may.

Debate Resumed

Hon H.W. GAYFER: Dealing with the point the Minister has picked up, the report that was given out on Friday was reprinted on Tuesday night and given to us by Dr Shea with pages with different numbers and entirely different things in it. That copy was not received until Wednesday. The Minister can check with Dr Shea on that.

Hon Kay Hallahan: With one page different.

Hon H.W. GAYFER: I am sorry, but the other one was bound in red for a start on the Monday; this one is entirely different.

Hon Kay Hallahan: Binding makes a difference to the content?

Hon H.W. GAYFER: And I might add the references to the pages we made originally have all had to be changed because of this new document, so the Minister should not point to the fact that this document was in my hands on Monday.

Hon Kay Hallahan: It was on Friday.

Hon H.W. GAYFER: No, that document was not in our hands on Friday. Actually it came to us on Wednesday. We had another document given to our office on Friday, which some members got on Monday. Nobody said that I did not get it on Monday. I said that we had no time to look at it on Monday; we had no time to look at it on Tuesday. My party received it on Tuesday.

Hon Kay Hallahan: Could I just ask the member what he does with 24 hours in a day, if it is an important issue to his party?

Hon P.G. Pandal: What a cheek!

Hon Kay Hallahan: It is a reality.

The PRESIDENT: Order! We seem to have got off on the wrong foot this morning; but while I am sure we are now on the right track, it appears members have forgotten all I said earlier -- that is, I am not going to tolerate interjections that cause disruptions to the House. I ask the Minister, and I ask other honourable members who keep getting themselves upset to the extent they cannot stop themselves from making interjections, to stop it or I will further deplete the ranks that are here now.

Hon H.W. GAYFER: In the limited time that the Manjimup Shire Council has had to look at the report it has said that the council has argued that the balance of the Shannon River basin should be set aside as a forest park reserve and possibly managed as a national park. The council wants the Government to adopt a very cautious approach to the massive land use changes. We are attempting to make a more cautious approach.

We have received an apology from the Australian Conservation Foundation following the National Party Press release of 23 October 1987, which reads --

The suggestion by the National Party to declare 60 per cent of the Shannon a "forest park" and not a National Park could easily allow clear felling to take place in the basin.

That is entirely wrong. We have said all along that the matter had to come back to Parliament before any decision could be made in the area; that is all we say. There is nothing here to say that clear-felling can take place. It will be a decision of the Parliament if our wishes are granted in respect of this matter. Nothing could be fairer than that.

With respect to the proposition regarding the erection of a pulp mill, on 16 September in answer to a question put forward by the Deputy Leader of the National Party to the Minister for Industry and Technology, the Minister replied in writing --

Dear Mr Stephens

My colleague the Hon. Barry Hodge, Minister for Conservation and Land Management, has referred to me as Minister responsible for administration of the Wood Chipping Agreement Act 1969, your Parliamentary Question No. 1501 concerning the obligations of the W.A. Chip & Pulp Co. Pty. Ltd., to conduct a feasibility study into the establishment of a pulp mill in Western Australia.

The agreement referred to requires the Company to investigate the feasibility and economic viability of the establishment of a pulp mill and to keep me informed of the results of the investigations.

The Company has previously submitted the results of studies on paper pulping which has satisfied Government that such activity has not been an economically viable proposition.

I recently requested the Company to re-examine the viability of a pulp mill in the light of an increasing demand for hardwood pulp for higher quality paper production, advanced paper pulp making technology, and the improved investment climate enhanced by the depreciation of the Australian dollar. The Company has commissioned independent consultants to commence the study and the results will be closely monitored by the Technology and Industry Development Authority.

With respect to your third question, any new agreement pertaining to continued availability from State resources of woodchip for export will include a requirement for the Company to undertake feasibility studies on paper pulping in Western Australia at regular intervals or as specifically requested from time to time by the Government.

The Company will be obliged to establish a paper pulp mill if the venture is proven to be economically viable. If the Company is unwilling or unable to undertake such production in these circumstances, the agreement will be terminated.

Tabling of Document

Hon KAY HALLAHAN: I ask the honourable member to table the document he has just quoted from.

The PRESIDENT: The honourable member at this stage has to identify the document, and the Minister can ask at the conclusion of his speech for the document to be tabled.

Hon Kay Hallahan: The member has done that.

Hon H.W. GAYFER: I have told the House already who the letter was from, what it was about, and the date of it.

The PRESIDENT: Order! A member can ask, during another member's speech, that a document be identified. At the end of the member's speech the member can then ask for the document to be tabled. The fact that the member had identified the document is beside the point. I did not know he had identified it. If the Minister now wants it laid on the Table of the House, it will be laid on the Table when she requests it at the conclusion of the member's speech.

Hon H.W. GAYFER: I am obliged to you, Mr President, for explaining that to me.

Debate Resumed

Hon H.W. GAYFER: In the "West Business" section of *The West Australian* of 29 October, under the heading "WA Chip takes fresh look at \$750m paper mill in S-W", the following article appeared --

WA Chip and Pulp Company has re-started studies into the viability of a paper pulp mill in WA.

The project, which could lead to the building of a mill costing up to \$750 million, was first looked at several years ago.

Its revision has been kindled by a strong rise in world pulp and paper prices.

WA Chip signalled the fresh studies in a one-paragraph reference in the annual report of its parent company, Bunnings.

The statement said WA Chip, which has been the target of the environmental lobby since it began exporting chips from Bunbury, had enjoyed a good trading result because of the strong upturn in prices for paper-making raw materials.

"As the economic viability of the paper industry has also improved, we are studying the economics of a hardwood paper pulp mill in WA," Bunnings directors said in their report. "This study will also satisfy the requirements of the State and Federal Governments."

WA Chip chief executive John Oldham said a decision on whether a pulp mill in WA could be profitable would be made next year.

WA Chip had earmarked a site for the mill, near Boyanup in the South West, several years ago when studies were first made into the mill.

"For a pulp mill to be viable it has to be of a certain size, Mr Oldham said. "It would consume one million tonnes of local chips a year and be about three-quarters of the size being studied in Tasmania, which is a \$1000m mill.

Major considerations for the pulp mill will include its heavy water demand and the need to obtain additional supplies of chips.

WA Chip currently has a licence to export about 750,000 tonnes of chips. A pulp mill would consume all of that and require about another 250,000 tonnes, a potential environmental hurdle.

However, the State and Federal Governments could look favourably on the proposal -- if it goes ahead -- because the pulp mill would represent a significant upgrading of a product which is currently exported as raw material.

The letter from the Deputy Premier to the Deputy Leader of the National Party stated that if the WA Chip and Pulp Company does not come up with an answer, the Government will take away its licence to build the mill. Immediately after the letter was written that article appeared in *The West Australian* stating that the company was immediately reassessing its position. It had been told that if it does not reassess and get on with the job, it could lose its licence. However, all of that is subject to the potential to supply to the pulp mill about which the Minister for Industry and Technology talks in his letter to Mr Stephens and also is referred to in the newspaper article.

I do not believe that the Government can go ahead blindly with this motion before the House without agreeing to take it away and adding to it the recommendations of the National Party. If it does not want to add anything to the motion the Minister should signify in her remarks today whether the National Party's concerns and the concerns of the Manjimup Shire Council and others will be satisfied.

Hon Kay Hallahan: I thought you were expressing the concerns of the National Party.

Hon H.W. GAYFER: I am expressing those concerns. I have read them out ad nauseam. In fact, I will go one stage further and, realising the implications of my actions, move an amendment to the motion.

As to Amendment to Motion

I therefore move --

To add after "out" the following --

after the Government has submitted to the Parliament a guarantee that --

(a) it will report annually to the Parliament until 1993 the effect that the

- partial revocation is having on employment in the timber and associated industries in the Manjimup Shire;
- (b) it will underwrite any job loss that may occur in the Manjimup Shire as a result of the partial revocation;
 - (c) CALM will buy no more private land in the Manjimup Shire for afforestation without prior approval of Parliament;
 - (d) it will inform Parliament if the estimates of --
 - (i) the softwood timber resource;
 - (ii) the impact on other areas of State forest; and
 - (iii) the volume of hardwood yield from thinning road and river reserves
 as outlined in the report of the Shea committee are not realised;
 - (e) that there be no change, unless it has the approval of both Houses of Parliament, to that part of the southern forest region that reserves the Beavis and Giblett blocks from logging for the next 15 years.

President's Ruling

The PRESIDENT: Hon H.W. Gayfer has moved an amendment to the question before the Chair. I have to advise the honourable member that he has moved to amend the proposal made by the Governor under section 9(2) of the Conservation and Land Management Act 1984. That subsection provides that the Governor may put before each House a proposal that land comprising a State forest shall cease to be a State forest. It further provides that if each House passes a resolution agreeing to that proposal, the Governor may then gazette the order, at which point the land ceases to be a State forest. No provision is made in that section for either House to amend the Governor's proposal. In the absence of statutory authorisation it is beyond the power of either House to amend the proposal; that is, each House must accept or reject the proposal on its merits.

The situation is entirely different from that provided in section 8 of the same Act where express authority is given to either House to disallow an order reserving land for State forest purposes. Section 8 demonstrates the point I have made; namely, if either House has the power to disallow or amend an act of the Executive Government, that power must be conferred by clear words to that effect in an Act of Parliament.

I therefore have no alternative but to rule that the honourable member's motion is out of order and is unacceptable.

Debate Resumed

Hon H.W. GAYFER: I am terribly sorry but I did not realise that that was the case. I know that you, Mr President, always speak with good authority and it would be futile for me to dispute your ruling. *Hansard* will have recorded what has taken place to this point.

That now does not leave me with any alternative. We have gone to a great deal of trouble to caution the Minister with regard to the motion before the House. We are not entirely against the ultimate aim of this motion but the Government has not answered the questions yet, either within the report or by consultation. I doubt whether the Minister for Community Services will be able to answer those questions -- she more than likely has not been to the reserve.

I ask the Minister whether she would consider holding this matter over until next week or the week after when we have had a chance to confer on the points raised. If the Government dismisses these issues out of hand we shall be very annoyed. We have all the time in the world to debate this issue and I do not know why it has to be finalised today. Is something happening that I do not know about?

Sitting suspended from 12.45 to 2.30 pm

Withdrawal of Remark

The PRESIDENT: Order! Prior to the lunch suspension, during the course of the debate Hon H.W. Gayfer asked that the Minister for Community Services withdraw a remark that he

felt she had made. I indicated that I did not hear what the remark was, and the Minister could not remember having made that remark. I asked for the *Hansard* transcript to be made available to me and Hon H.W. Gayfer was happy to proceed with the debate until I received that transcript.

I now have the transcript and for the benefit of members I will read it --

Hon Kay Hallahan: So you did have it on Monday; it wasn't just Tuesday?

Hon P.G. Pendal: The Minister got out of the wrong side of the bed this morning.

Incidentally, this is while Hon H.W. Gayfer is speaking. The transcript continues --

Hon Kay Hallahan: I was just clarifying what the honourable member is talking about.

Hon H.W. GAYFER: And I might add if the Minister wants to know --

Hon Kay Hallahan: It was Friday!

Hon H.W. GAYFER: -- that Mr Shea gave --

The PRESIDENT: Order! The Minister should cease her interjections.

Hon H.W. GAYFER: I ask the Minister to withdraw the comment that I lied.

The PRESIDENT: Order! I did not hear the Minister say that.

Hon Kay Hallahan: Neither did I. That's rubbish!

The PRESIDENT: Order! I did not hear what the Minister said, but if the Minister said the honourable member lied then the Minister must withdraw.

Hon Kay Hallahan: I cannot remember saying that he lied. We could check the *Hansard* and see if I did.

Honourable members, it is quite evident that with the number of interjections going on at the time, in his endeavours to get a word in edgeways Hon H.W. Gayfer has, I suggest, misinterpreted the term. It was the word "Friday" which has a similar sort of ring --

Hon Kay Hallahan: Or "clarifying". That would have been the one.

The PRESIDENT: Order! Whatever it was, it was not that he lied and therefore there is no requirement for the Minister to withdraw.

Hon H.W. GAYFER: While that matter is part of the debate I would like to apologise to the Minister and say that I always knew she was too much of a lady ever to imply or say anything like that, and I hope that she never does.

Debate Resumed

I would like to continue from where I left off before lunch, when I was fast drawing to a close. I was trying to extract from the Minister handling the Bill in this place the position she may take in respect of the National Party's position in this matter. I asked her whether she would consider holding the matter over and taking on board completely the subject matter of the circulated document, of which she had a copy, or withdrawing the Government motion altogether and bringing forward another motion that may incorporate those points that we so strongly make, and with good grounds.

However, I must go on and say that if the Minister is adamant that she will continue with the Government motion she must realise that she will get National Party support for the Government motion only if she agrees now to the points made by us and circulated to this Chamber, and which I endeavoured to move as an amendment. I will repeat them. They are --

after the Government has submitted to the Parliament a guarantee that --

- (a) it will report annually to the Parliament until 1993 the effect that the partial revocation is having on employment in the timber and associated industries in the Manjimup Shire;
- (b) it will underwrite any job loss that may occur in the Manjimup Shire as a result of the partial revocation;

- (c) CALM will buy no more private land in the Manjimup Shire for afforestation without prior approval of Parliament;
- (d) it will inform Parliament if the estimates of --
 - (i) the softwood timber resource;
 - (ii) the impact on other areas of State forest; and
 - (iii) the volume of hardwood yield from thinning road and river reserves
 as outlined in the report of the Shea committee are not realised;
- (e) that there be no change, unless it has the approval of both Houses of Parliament, to that part of the southern forest region that reserves the Beavis and Giblett blocks from logging for the next 15 years.

The National Party will support the Government motion only if, firstly, the Minister agrees to clarify in *Hansard* that these points will be agreed to, and secondly, that that agreement be conveyed in writing to the National Party in a letter from the Minister for Lands.

HON W.N. STRETCH (Lower Central) [2.40 pm]: As it is some months since we started the debate on this motion, I think it only fair that we recap and recall what this motion is all about. It is not all about the Shannon, not exclusively. It also includes part of State forests Nos 4, 14, 22, 27, 38, 40, 41 and 55. I am extremely perturbed by the way in which this motion was presented to the House. It is a mishmash of reserves relatively unimportant in size. Area No 1 is of 4.3 hectares adjoining the Collie townsite, and this is unimportant in itself; but let us look at the purpose of this excision. The purpose is to allow the people living in Forests Department houses in this area to buy their houses and to own their blocks and their houses. To these people this is very important and so I think it is disgraceful that the Government should have put forward this package in such a way that these people have had to wait all this time for this to be settled. Following the excellent address just given by Hon H.W. Gayfer, I do not know how the matter will be settled, and nor do these people waiting down there.

Area No 2 is of 10 hectares adjacent to the Dwellingup townsite, and the same story applies. This is a portion of State forest No 14 and it contains 40 departmental houses, 23 of which are scheduled for disposal once individual freehold titles are prepared. Members will be aware that the titles cannot be prepared until the excision has taken place. To the people waiting down there, this matter is equally important. When I say these areas are unimportant in size I stress that they are very important in what they mean to the people involved.

I move on to areas three and four. One is an area of just 1 686 square metres situated 1.5 kilometres west of the Pickering Brook townsite. This area is not of great importance to this House, but to the people who want access to this small block of land which has been interfering with their operations for many years this is a significant matter. Again, why hold the people involved on a waiting list for so long?

The next area is a bigger piece of land and involves a portion of State forest No 27, having a total area of 102 hectares, being five kilometres south of the Donnybrook townsite. This is an area I know quite well. As the motion explains, this portion of State forest carries a fairly low quality jarrah and marri forest which has been heavily cut over in recent years. It is heavily affected by dieback and is susceptible to further spread of the disease. This area of land is being released so that the department can exchange it for a different piece of land further away. It will help the applicants consolidate their holding and it will help the department consolidate and simplify its boundaries. So this is of some importance to the department, the shire, and the people in the Donnybrook area.

Mr President, you see from all this that a lot of people have an awful lot of their private lives involved in the passing of this motion more so than people who have comments for or against the reservation of the Shannon River basin. I take strong exception to the Government's presenting this package in this way and I think the Minister should be able to understand that. It was a political set-up because the Government was most unsure of itself in the whole Shannon debate. The evidence is by no means empirical either way but I think it is absurd and impertinent to introduce a motion which is such a mixture that it leaves people waiting to know whether they will ever have a chance to own a house. If members put themselves in their situation they will understand their frustration.

The politics of the business was that these people were used as pawns by the Labor Government to force an immediate debate and decision on the Shannon. That is a despicable piece of politics and I see no place in this State for this type of motion.

Hon Kay Hallahan: What is despicable?

Hon W.N. STRETCH: Using the aspirations of these people to own their homes in order to have the motion passed. It seems the Minister does not understand. Some of these excisions are related to Forests Department land on which are located some forestry houses, and the department is now willing to sell the land and houses to the people living in those houses. That cannot be done until these pieces of forest are excised allowing the land to be subdivided so that these people can obtain title to the land. These people are waiting to know whether they can own their own homes.

Hon Kay Hallahan: It is quite a good package dealing with a whole lot of good things.

Hon W.N. STRETCH: It is a great political package which I am sure the Minister can recognise. The proper and honourable course would have been to submit those four or five excisions in a separate motion, because these people are waiting for a decision.

Hon Kay Hallahan: If you knock this back we will have to do that.

Hon W.N. STRETCH: If the Government had had enough sense in the first place to introduce these excisions in a separate package rather than as part of a highly charged political package --

Hon Kay Hallahan: If we win the south west by-election on Saturday we will have it passed next week, anyway.

Hon W.N. STRETCH: The Minister brought up the south west by-election, I did not. I brought up the position of the people in Collie and Dwellingup who are being denied the right to own their homes by several months because of the political shenanigans that this Government has indulged in. The Government should stand condemned by the Parliament for its action. Even now, whatever happens, the Government should be excising these housing reservations; they should be handled as a separate entity no matter what happens to the Shannon debate.

The fact is that the Government was not prepared to debate the Shannon as a package; instead it tacked on this emotional package and it was quite happy to use these people as pawns to support its very dodgy arguments. It has been a disgraceful exercise by the Government and we on this side have woken up to the Government's tactics. The Government is to be condemned. I hope it realises the error of its ways and that its plot has been seen through. I trust that no Government of any political colour will ever again try to bring in this sort of motion when people's livelihoods and aspirations are tacked on for the simple purpose of bringing pressure to bear on the Opposition to pass the motion.

Mr President, you might think this is a figment of my imagination, but I refer you to the *Collie Mail* of 2 July 1987, which was the last time we debated this matter, which is why I have taken the liberty of going through this stage by stage. Members will be aware that we had just deferred the whole of this debate because we on this side were very unhappy about what was happening, and so the Legislative Council rightly deferred the debate and I took the adjournment. With indecent haste, in the 2 July issue of the *Collie Mail* we saw a Press release from the Government headed "Sale of houses put on hold". It reads --

Conservation and Land Management Minister Mr Barry Hodge said yesterday that the Opposition parties' deferral of the State Government's Shannon River National Park proposal had implications for Collie.

When reading that we should bear in mind how the Burke media machine works. The Minister did not talk about the Shannon River basin per se or the people at Dwellingup. The article was directed at the people of Collie.

Hon Kay Hallahan: Didn't you say the article appeared in the *Collie Mail*? The article was addressed to the people of Collie. That is very devious!

Hon W.N. STRETCH: The article ignored the other people. That is targeted media. Mr Burke learnt this from Mr Wran.

Hon Kay Hallahan: If you have not learnt the lesson, you are in dead trouble.

Hon W.N. STRETCH: I do not think I am in trouble. At least we have our principles to fall back on. Sometimes they are not bad.

Hon T.G. Butler: They are not good most of the time, either.

Hon W.N. STRETCH: I will deal with Hon Tom Butler later when his Bill is being dealt with. The article states that the national park proposal had implications for Collie. We should bear in mind that we are talking about 60 000 hectares of the Shannon. It continues --

In State Parliament last week, the Opposition deferred until the spring session, a motion to excise several areas from State forest, including the Shannon River basin.

Mr Hodge said that the department has a number of houses on land in Collie which is State forest.

CALM wishes to dispose of them and after representations from members of parliament, local authorities and the general public, the government agreed to sell the houses and land.

But that first requires the land to be excised from State Forest, he said.

The motion to excise this land was deferred by the Opposition parties because they opposed the part which dealt with the Shannon River National Park.

That is exactly what I am saying. We adjourned the matter because we were unhappy. We were also very unhappy about the people of Collie and Dwellingup, and the land in Donnybrook. However, that was an inevitable result of the Government putting up such a package. It knew what would happen. The whole thing was set up to embarrass the Opposition. However, we do not embarrass easily. We are here to do a job and we will make sure that it is done.

Hon Kay Hallahan: How did we try to embarrass you?

Hon W.N. STRETCH: I will not go through it a third time. I hope the Minister will read my speech. In fact, I may send her a copy of the Press release.

Of course, it was deferred because we were most unhappy about the Shannon. Much has not been said, done or debated yet about the Shannon and we will get to that later. I am attempting to explain why I adjourned it and why I find it despicable that the package was put up in the way it was. Predictably, debate was adjourned and the people whom the Government was quite happy to use have been kept waiting all this time as the Government knew they would.

We approached the Government earlier and asked it why it did not split the matter and prepare two motions, one relating to the Collie and Donnybrook land and the little land at Pickering Brook, which we would pass, and the other relating to the Shannon which would be fully debated. It was not prepared to do that because it wanted to embarrass the Opposition as much as possible.

The article continues --

Therefore the proposal to dispose of up to 28 houses in Collie and Dwellingup is being deliberately held up.

Members should note the careful choice of words. The article continues --

The Government's proposals and the hopes of people interested in the houses have been frustrated by an uncaring State Opposition, Mr Hodge said.

The opposition parties used their numbers in the Legislative Council to defer until the Spring Session, a government proposal to create the park.

Mr Hodge said the Opposition parties had engaged in a political charade --

What hypocrisy that is. The charade initially was putting these matters up as a package in the first place. It continues --

-- by deliberately delaying the matter for no good reason and despite the substantial public support for the Government's proposal.

"I believe it's very likely that they will reject the proposal when it is again raised in State Parliament in September.

"The real reason for deferring the matter was the proximity of the Federal elections.

"They are opposed to the park and are trying to avoid making an embarrassing decision -- an anti-conservation decision -- in the run up to the Federal election," Mr Hodge said.

That underlines how long all of this has taken. The article goes on --

"The Opposition parties are worried, with justification, about the electorate backlash to their ultimate decision to reject the national park and to reopen the Shannon River basin karri forest to logging.

"Their deferral motion is blatantly political and has nothing to do with concern for the environment."

That is the way the well-oiled Burke-Wran media machine operates.

Hon T.G. Butler: Mr Wran is no longer the Premier of New South Wales.

Hon W.N. STRETCH: I am aware of that. I am obliged to Hon Tom Butler for attempting to educate this House. We know what happened to Mr Wran. We also know that when Mr Burke was likely to win the election, he went over to Mr Wran, studied the media machine set up by him, and came back to Western Australia and set the same thing up here, and we have been getting these outpourings ever since. I understand that the media staff employed by the Premier outnumbers the staff at one of the daily newspapers. The end result is that these sorts of Press releases are aimed at extracting maximum political advantage while people are waiting for their houses in the towns of Collie and Dwellingup. The Government is using those people as political pawns and it accuses us of playing charades!

It is clear that the Minister is playing games. I do not believe that the professional officers of his department would put a package together in this way and I would not blame them. This mixture was made up by the Government in the hope that the Opposition parties would swallow it, just as many years ago castor oil was used as a very popular medical remedy.

Hon T.G. Butler: We do not need that here.

Hon W.N. STRETCH: Sometimes I wish Hon Tom Butler would take a good strong dose of it. The accepted method of taking castor oil was to have a little orange juice in a glass, add the castor oil to it, and then add more orange juice and swallow the lot. One could not taste the castor oil at all. The Minister thought he could get away with making us swallow the castor oil with the orange juice. Some of us have been here longer than that. The people have taken exception to that sort of treatment. It is a disgrace and another smart trick. The Government has been found out.

I hope that whatever happens to this motion, the Government will immediately move to put forward small excisions in separate motions. I am confident they will be passed by this House without a dissenting voice because they are sensible excisions.

The last section of the motion is the part that we have all been waiting to debate and relates to the Shannon River area. My friend and colleague, Hon H.W. Gayfer, gave us a lucid rundown on what has happened with the debate on the Shannon River basin. What is so special about that area? I guess that, with the exception of Hon A.A. Lewis, I have spent longer in that forest than anyone in either House of Parliament. I certainly know the south west forest areas very well. I will not imply that the Minister does not know the area because I am aware that she spent a number of years in the forest areas and, therefore, I hope she can view the matter with a lot more sympathy and a little more understanding than her colleague in the other place showed with regard to forestry and smaller settlements in the south west.

In commenting on Hon H.W. Gayfer's contribution to the debate, I congratulate the National Party on the amount of homework it did and the diligence it displayed. The ecology of the south west forest is a very complex matter and our colleagues have made a diligent and earnest attempt to come to grips with the very difficult problem of striking a balanced view in this matter. I venture to say that its view is far more balanced than that taken at the 1982 ALP conference in Perth when all this started.

This is not a new issue that has suddenly burst upon the scene and we must look back at the history and discover why it all started. It is interesting to understand the motives of and the stance taken by some of the ALP members of Parliament when this matter was debated at

that State conference. In August 1982 the *Daily News* carried the headline "Evans warns on timber jobs, S-W wage loss". Those comments were made by Hon Dave Evans, member for Warren, a diligent hardworking member who knows his electorate and does his homework within his electorate very well. I take a great deal of notice of Mr Evans' comments about Manjimup.

Hon Doug Wenn interjected.

Hon W.N. STRETCH: I do not know whether Hon Doug Wenn was at the Labor Party conference in 1982 or whether he was a member of the Labor Party at that time. It does not matter. Mr Evans was reported as follows --

Turning the Shannon River Basin into a national park would cost up to 300 timber jobs, a Labor MLA warned today.

Mr Dave Evans (Warren) added: "This would result in a wage loss of something like \$3 million in the Manjimup region alone. There would be flow-on consequences to business, including transport.

"The reductions would be in addition to those already planned in the Forest Department's working plan of 1982.

The article continued --

Mr Evans (57), walked out of the ALP State conference yesterday after it affirmed its policy to declare a 50,000 hectare Shannon River national park.

Mr Evans is believed to have advised the Leader of the Opposition, Mr Burke, that he would review his position in the party, following the decision.

A member of Mr Evans' standing in the Labor Party does not take such action lightly. He was manoeuvred by the Labor Party conference; that was well acknowledged by commentators of the time and participants in the conference.

Hon Doug Wenn: It was not a stacked vote.

Hon W.N. STRETCH: The member said he was not at the conference.

Hon Doug Wenn: You do not have to be there to know what is going on; we talk to each other.

Hon W.N. STRETCH: On 1 September 1982 an editorial appeared in *The West Australian* headed "Trees and votes". It stated that --

The Labor Party in WA was up the Shannon River without a paddle when its State conference took a decision on Monday to retain a hardline conservationist stand on the river basin. An unqualified commitment to a 500-square-kilometre national park in the area would have been a heavy electoral liability.

Who is playing politics now? Another headline appeared later, "Evans waits on Shannon ruling". That article stated that Mr Evans had discussed the matter with Mr Burke and would have more talks after the ALP conference ended. Another headline read "Evans will stay with Labor team". It was not all clear sailing or a hand-on-the-heart commitment by the Labor Party. It was a takeover on the floor of the conference to force the Labor Party into a position on the Shannon basin. That is part of the background.

Obviously, with all this new-found wisdom and knowledge of the Shannon area, the decision on the floor of the conference came up against a lot of expert opinion. We heard about expert information this morning from Hon Kay Hallahan -- there was an interesting interchange between the Minister and Hon H.W. Gayfer on the value of experts. However, the number of people who afterwards made statements about the Shannon River basin was remarkable. I will not take up the time of the House or use my rapidly declining time going into too much detail. However, people such as the former director of national parks, Dr Francis Smith, warned that --

... unless the forest was properly managed, it would seriously degenerate.

Proper management must include tree felling and regeneration.

Note that he said "tree felling" and not "clear-felling". The report continues --

"While the Shannon River basin is managed for timber production 55 per cent of all the karri is preserved already from timber cutting," he said.

"To exclude the remaining 45 per cent by declaring the whole of the basin a national park would be contrary to silvicultural implications.

Dr Smith was director of the national parks department from 1974 to 1982 and at the time of the Press release in mid 1983, he was acting Chairman of the Forest Industries Advisory Committee. He made a very close study of the karri and I believe his expert opinion had to be listened to and taken regard of. Another statement was made by a retired forester, Mr Meachem, who had spent a lot of time in the area and said --

As one who has lived in and studied the karri forest for many years -- and was responsible for the early development of access, fire protection, logging and regeneration in the Shannon-Walpole areas -- I have strong views on the suggested gazettal of the whole of the forests of the Shannon Basin as a national park.

He went on to say --

I am convinced that:

The setting aside of any big part of our limited forest resource for a single use -- be it tourism, recreation, watershed management, or timber production -- is wrong.

The policy of the Forests Department of planning for multiple use is appropriate for our forest and is in the best interests of the forest owners, the people of the State. Details of this policy are contained in the department's working plans of 1976 and 1982, as tabled and ratified in Parliament.

He later said --

The forests of the Shannon Basin require proper forest management -- even to preserve them as a national park.

We have to admit that the residents of the area have an edge on those who visit the south west and, after a reasonably short exposure to the area, make lofty pronouncements about how the area should be managed. I do not believe people fully understand the ecological management of the area; I do not think all of them understand the role of fire, both as wildfire and protective burning; I do not think they understand its role in the proper management of the forest. I wonder whether they fully understand the role of the timber industry in the preservation and management of forest and I am quite certain that they do not fully understand the role that the professional foresters play in maintaining the balanced production and enjoyment of the forests that are of such benefit both to those who live in the area, those who visit it as tourists, and those who work in the timber industry and in the towns surrounding it.

I am a little biased in my opinion of professional foresters. Many of my wife's relatives and friends spent many years working for the Forests Department and when I had the privilege of being the shadow Minister for Forests, I had a lot to do with those professional people. Also I was a member for the south west area. As members will know, Lower Central Province takes in the predominant portion of the hardwood areas of the State. Naturally we have a lot to do with the foresters and I am continually impressed by their professionalism, their dedication to the job, and their genuine love of the forests, the trees, and the flora and fauna that exist in them. So when they put out a statement in October 1983 on the preservation of the Shannon basin and the maintenance of the reserves for the timber industry I read it with a great deal of interest and close attention, and I believe it is one that is worth reading to this House. As time is running out, I will precis the statement. It reads in part --

The Institute of Foresters of Australia is an association of professional foresters in Australia. It was established in 1935 with the objective of advancing the cause of forestry, and to promote the sound management of Australian forests. It has a membership of over 1500 graduate foresters or graduates of other scientific disciplines working professionally in forestry.

That in itself calls for comment, because it is not only tree people who work in the forests. The work of people such as Dr Christensen in the Kirup fauna reserve is outstanding and of

great interest. Again, we have to understand that the forest is a living ecology. Not only trees but animals, birds, and many other things as well must be looked after, so other scientific disciplines work in that area. The statement also says --

The Institute of Foresters believes that sound management of forests is vital for conservation, for the maintenance of natural processes, the provision of material needs such as timber, for the protection of water supplies, and for recreation. Forestry is a multi-disciplinary science. Foresters have wide practical forest management experience. Therefore, we feel we have a role to play in providing sound professional opinion on forestry issues.

Amongst the institute's various recommendations were that --

Forests should be managed to meet as far as is practicable the various and varying needs of the whole community, not simply those of special interest groups or industry.

Further on it makes a plea for funding of forest management, concluding that --

Many public reserves are inadequately managed. More funds and people are needed to manage existing reserves properly, let alone to manage new reserves which may be created.

It is probably appropriate at this stage to mention the question of land management. Since the Department for Conservation and Land Management was formed it has been consistently strapped for cash, both in terms of conservation and the management of resources and in terms of the execution of forest management. The burning regimes, the vehicle maintenance, and several other vital matters have been neglected and while this has not yet led to major calamities, it has left some of the forest protection services in a fairly risky position. It is no good getting to a fire and finding there is a pump fault or a radio fault. We had these things happen while just touring around with foresters at times.

This never used to happen before CALM was established by the amalgamation of the departments. Maintenance of vehicles was a No 1 priority -- there was nothing more important than maintaining firefighting and supervision vehicles in top condition so they were ready to meet the emergencies in the forests. And those emergencies do happen. Lightning fires can strike at any time in the summertime. Picnickers can drop a cigarette at any time, and the people who man the firefighting vehicles must be ready to answer the call at no notice at all. The telephone rings and they are virtually on their way.

Hon Fred McKenzie, from his work on the Select Committee and the Royal Commission, would have seen the professionalism of the forest managers, and, like Hon Sandy Lewis, I believe our forest managers are second to none in the world.

Hon Fred McKenzie: The best in the world.

Hon W.N. STRETCH: Yes, people come here to study our fire ecology and fire management practices.

I commend that statement by the Institute of Foresters commissioned in 1983, given that it is considering the management practices for the whole of this area, because it is very important that those sorts of opinions be listened to as well. It is not enough to take a direction from an unelected body at a Labor Party conference and let that become the dictator of terms when we are looking at managing an area as important as the forests of the south west.

So far as the professionalism of the department is concerned I think without doubt, although I am open to challenge, that the most authoritative work on it is *Conservation of the Karri Forest* by Jack Bradshaw and Alan Lush from the old Manjimup Forests Department. That book was published in October 1981 and sets out on a purely scientific basis what was required to maintain good karri stands throughout the south west. They went to the trouble of making an especial study of the Shannon area. I commend their book to those who genuinely want to make a study of the Shannon issue.

The tragedy of the Shannon is that it became a rallying point for conservation in Western Australia, in the same way that the Gordon-below-Franklin issue, the Daintree Forest issue and other issues like that became rallying points. But what is the Shannon? It was a particularly attractive piece of karri forest of nearly 60 000 hectares between Manjimup and

Walpole. It is a whole river basin; but let us look at the river. Except for heavy winter rains there is virtually no water at all in the upper reaches of the Shannon. I commented to someone the other day that a diabetic dingo dog on a drizzly day could make a better stream than the Shannon. The only notable body of water in the upper reaches of the Shannon basin is the Shannon Dam which -- surprise, surprise -- was put in by industry to support the Shannon township and the Shannon sawmill. It is not a raging torrent or a canoeing exercise. One body put out a pamphlet at one stage of people canoeing on the Shannon, which of course showed someone paddling around the Shannon Dam in a small canoe.

So it is more of a drainage area than a river basin, but I will not argue scientific terms; I only live down there. However, there is no question that it has had some magnificent stands of karri throughout that area. I refer to the Bradshaw-Lush publication, *Conservation of the Karri Forest*, and quote from page 49 as follows --

It is clear that from a preservation and recreation viewpoint, the Shannon does not provide a suitable alternative to the areas already provided for in the multiple use programme.

Again on page 49 --

A commonly held notion by the public is that the Shannon is a large contiguous belt of pure virgin karri forest. This is not the case --

This is not Bill Stretch saying this, but two professional foresters. To continue --

-- and although 37 per cent of the Shannon basin is karri, only 9 per cent of the total area is pure virgin karri.

The thing to realise is that when we look at the history of logging we find that the logging followed these river basins. Members might not be aware that in the early days the logs were pulled out by bullock teams and later by small steam locomotives, and both these had to follow the river basin in order to find a reasonable haul track. They could not go over the hills but had to stick to the valleys and therefore most of the valley systems were logged. That is why the authors point out that only nine per cent of the total area is pure virgin karri and that all that is in the higher regions where the early loggers could not easily extract the timber.

The other thing that must be realised is that we cannot look at a single system like the Shannon in isolation from the whole of the south west area. As members will understand, if we take one area out of production it immediately places pressure back onto other areas. As Hon Mick Gayfer will understand, it would be like cropping one's best paddock all the time. If one were to do that one would take pressure off part of one's farm only to put more pressure on that country. Managing the forest is the same.

When we get people from outside Western Australia coming over here and making judgments on the local environment, we tend to get distortions in the perceptions they put to the public. We get people talking about all these trees in the south west that were supposed to be seedlings when Jesus was a boy. In the general run of things, that is just not true. The other day I was pleased to attend the dedication of the tuart forest in Ludlow as a national park. I understand these trees include the oldest trees in Western Australia, one of which, much to his embarrassment, the Minister for Conservation and Land Management was asked to kiss for the benefit of the gathered Press.

Hon E.J. Charlton: Is it still alive?

Hon W.N. STRETCH: I do not know whether Hon Eric Charlton realises the significance of his interjection, because in fact the tree is now dead. I hasten to add that it was in a pretty poor state prior to the Minister's kissing it.

Hon Doug Wenn: So would you be if you were 1 500 years old.

Hon W.N. STRETCH: I am not giving away my age. There were a couple of green pieces of regrowth appearing just above where the Minister kissed it, so perhaps he gave it the kiss of life. Actually I was concerned for him because above him on a tree adjacent there was a limb sticking out, about three feet in diameter, which would have killed him had it fallen. Above his head were several limbs sticking out and one could easily see daylight through them. That again underlines some of the dangers of having these stag trees in national parks

and it is something we have to address in the future, whatever our philosophies or interests. Some of these dangerous trees in national parks and forests need to be cut.

[Leave granted for the member's time to be extended.]

Hon D.J. Wordsworth: Of course, every forester wears a hard hat.

Hon W.N. STRETCH: Yes, and that is some protection. If any member were to make a habit of going around kissing trees he should consider wearing a hard hat.

As I was saying earlier, this exclusion of certain areas such as the Shannon does put pressure on other areas. This matter is so complex that it is very difficult to explain to the House, but the general pattern of management of the forest is that the professional foresters go over a map of the area and set aside stream reserves to protect the water resources of an area against erosion. This also preserves water quality. Until we know more about soil salinity we are leaving streams as intact as possible. The foresters then set about identifying fire buffer zones, which are areas in which protective burning can be carried out to protect the forest generally. The aim is to stop a wildfire getting up a head of steam and wiping out huge areas of forest, which happened in the early days before this enlightened and world renowned management system was established and perfected. They then set aside the road reserves. Members will be aware that the South West Highway, which goes through the Shannon, is bounded on both sides by the Sir James Mitchell National Park, which is a fairly narrow belt which retains the scenic value of that highway. That has always been on. Those trees along the roadside are virtually protected from logging; any tree that is causing a hazard to traffic or to passers-by or which gets to a stag situation where it is dropping limbs, is removed.

So we have fire buffer zones, stream reserves and road reserves. These were set aside years ago and have formed the backbone of the older trees in the forest; so we have had escape areas for flora and fauna through those areas in the event of protective burning or, horror of horrors, wildfire. They were managed with cold fire so that habitat could be preserved. The burning was always arranged on a rotational basis so that there was an escape zone whenever needed for anything that hopped, crawled, ran or flew -- all species of wildlife could escape from an area being burnt or logged in an adjacent area. So there is a network and a backbone of conservation areas right through the forest even now. Even through the clear-felled areas the same principles apply. The foresters do not go through and clear-fell thousands of hectares at a time. They carefully break up an area into a small coupe which probably would not exceed at any time 250 000 to 300 000 hectares. This coupe would be surrounded by an area which could be progressively burnt so that the young seedlings of karri and marri, or any voluntary species, were protected from wildfire or hot fire in their first few years. It should be borne in mind that karri particularly, and most other eucalypt species and understorey species, cannot survive in very hot fires in their early regrowth stages.

This does not all happen by accident; it is done by careful planning and by setting aside these burn buffer zones all around. The foresters consider very carefully what areas they can treat in this way. They take into account the flora and fauna, the tourist value of an area and the recreational value of an area they are about to treat. The general standard of forest management in Western Australia is very high, as I have tried to demonstrate. Fine tuning is going on all the time because, like the forest itself, human knowledge keeps on growing as we add to our knowledge from research and practices. I have the utmost confidence in the professionals within the department. I believe they are taking a lot of notice of the views put forward by various groups in the community as well as the foresters. I applaud this because we are getting input all the time and gradually building up better knowledge of the management of our lands.

When we talk about forests we are not only talking of the timber industry. In "Conservation of the Karri Forests" and the Institute of Foresters' statement all these values are taken into account. The Forests Department came up with its plan for multi-use areas throughout the forest which allows the rotational use of those areas. As it becomes older, degraded, or fire damaged, the forest can be harvested or used for the most appropriate purpose. As an area approaches maturity it obviously has the most attractive scenic and tourism values. So it is only proper that good access to those areas be permitted and encouraged.

As I said in my speech on the Estimates a week or so ago, an effort has been made by the Labor Party to paint the conservative side of politics as the destroyer of the environment and

the enemy of conservation and the friends of the foresters and the timber millers. That has been perpetrated for political purposes. The Labor Party has tried to take on board all the support, both financial and numerical, of all the conservation groups it can get its hands on. I guess that is a legitimate political ploy, but it has its dangers. They are that a political party then tries to become all things to all people. That is where the Labor Party has now found that the chickens are coming home to roost.

We saw it with the mining industry the other day. In an address in Kalgoorlie on behalf of Mr Parker, Hon Ian Taylor let the cat out of the bag in no uncertain terms when he said that the Government would have to allow mining in national parks, or words to that effect, because it could not have all those minerals locked away. I do not whether the member for Kalgoorlie was so naive as to think his remarks would not be reported in the city and in South West Province, but it clearly shows the cynicism of the Labor Party when it tries to paint us as the friends of industry and haters of the environment and at the same time Ministers go out of town thinking "out of sight out of mind", and make statements like that.

I understand the Minister for Minerals and Energy, Mr Parker, appeared before the Labor Party's environment committee recently and said mining would be allowed in national parks and the only issue at stake now was how to sell the idea to the electorate. I hope members understand the significance of that because on one hand the Government is trying to bring up this motion in such a way as to embarrass the Opposition parties to the greatest possible extent, and on the other hand it is playing games and making commitments to the people on the other side of the counter and trying to keep it secret.

Hon P.G. Pental: A Mr Mansfield was present with him, and he would be a witness.

Hon T.G. Butler: Why are you attacking him?

Hon P.G. Pental: Because he, like Mr Parker, has sold out your policies.

Hon W.N. STRETCH: Mr Pental was not attacking anybody, and Hon Tom Butler is obviously very touchy about something. He is probably worrying about his ridiculous Bill which we will talk about some weeks hence. I do not know Mr Mansfield; I am not attacking him.

Hon T.G. Butler: I did not say you attacked him.

Hon W.N. STRETCH: The Labor Party has to look a little to its laurels and consider who it is trying to fool. The electorate is getting tired of the Labor Party's projection of itself as the champion of everyone, when in the long run they will find it is the friend of nobody.

As I also mentioned in my address on the Estimates there is the question of the professionalism of the department and its ability to manage the forests for the benefit of all Western Australians. I draw the attention of the House to this publication which was dropped on my desk, the "Western Australian Environmental Review 1986". It was written by Dr Grahame Chittleborough and I understand was not published by the department. It has been published now. I honestly do not know who put it on my desk. There have been rumours about who printed it and some people say the Democrats did it. If so, I congratulate them for bringing this informative and authoritative report to light. I believe the Democrats have a genuine concern and interest in the management of the forest. They obviously read his report and have gone through it.

I am going to run out of time again, but I would like to refer to a couple of points from the report where it discusses forests. On page 24 it talks about the various species. I raise one question with Hon H.W. Gayfer who referred to the marri forest. This forest does indeed need some management and it turns out to be quite a useful timber. Marri, the red gum which grows in the karri area, has to be protected from fire because it develops gum stains and it causes weakness in the timber. However, if it is preserved from fire and well managed marri can be a useful timber. It is being milled and salvage milling companies have the right to pull them off the landing although these trees have been graded as paper wood. I wish I had more time to deal with the paper wood industry because it is important and an acceptable part of the management of the forest.

On page 25 of Dr Chittleborough's report it says --

Also important, both ecologically and aesthetically, are stream and road reserves, which retain forest communities for essential physical stability, for natural retreats

and corridors, as well as for attractive features sought by tourists. Recent actions, however, raise doubts as to the security of these reserves.

The security of the reserves to which Dr Chintleborough refers is threatened by the pressure exerted by the unreasonable reservation of large areas such as the karri basin in toto. In the Liberal Party we agree that some of the Shannon should be reserved, but not all of it, and an integrated management programme over the whole lot can manage that important and attractive area for the benefit of both industry and conservation.

HON G.E. MASTERS (West -- Leader of the Opposition) [3.40 pm]: I will be brief in my remarks. I note that this measure is of considerable interest not only to members of this House, but also to the community generally. Excellent speeches were made by those members who represent the area in which the Shannon basin is located. I refer to Hon Sandy Lewis and to the previous speaker, Hon Bill Stretch. I congratulate Hon Mick Gayfer for his excellent contribution. He obviously did a lot of research and the presentation of his speech in this House was as good as I have heard for some time.

The Government's proposal to create a national park of the size stated in the motion in the Shannon basin is opposed, in part, by the Liberal Party and, I would imagine by the National Party as well; that is, in the form in which it has been presented. No member in this place or in the other place is opposed to a form of national park in the Shannon basin. All the speeches in this Parliament have indicated that all political parties favour some form of national park in the Shannon basin. Surely, the argument is how big the national park should be and in which area it should be located. That is what we are talking about today. We are not talking about whether there should be a national park. We are also debating whether the recommendation contained in the Government's motion is correct.

The Opposition is aware that the Government set up a committee to report to Parliament. The report was presented to the Parliament early this week and Hon Mick Gayfer said that he had the opportunity to examine the report only on either Tuesday or Wednesday. I note that in the President's Gallery today is Dr Maurice Mulcahy who was a member of the committee and I have a great deal of respect for him.

The Opposition has had insufficient time to study the report and it is a pity that the Government sees fit to proceed with the matter and with forcing a vote on it today. It is also a pity that the Government is using the Shannon basin and the setting up of a national park as a political football at a time when an important by-election is to be held in the south west. The Government is trying to score maximum political gain from that by-election without any regard for the proper decision that should be made.

Like most other members I have had the opportunity to study a very small pamphlet titled "Save the Shannon Sensibly". The pamphlet was prepared by Dr Brian O'Brien and I am sure he is no stranger to any member of the Legislative Council regardless of whatever political colour. He was the Chairman of the Environmental Protection Board and head of the then Department of Conservation and Environment and he is a much respected person in the environmental field not only in Western Australia, but also in Australia generally and perhaps in the world.

Dr Brian O'Brien prepared a document for the Manjimup Shire Council which sets out concisely the concerns of the people in that community. It records the history of the arguments put forward about the Shannon basin and a need for a national park. The pamphlet states --

The most majestic and strikingly beautiful features in these forests are the karri trees.

Further on it states --

It is no wonder that the karri forests are major tourist attractions in the South West. There is also an understandable public desire to "save" the karri...

There can be no argument about that. It continues --

Yet this is what has occurred in the ten year old cry to "Save the Shannon".

This controversy has two issues:

(i) should all commercial timber cutting in the Shannon River basin be stopped and it be called a national park?, and

(ii) will local tourism thus be increased so much that it will replace timber production as a source of jobs?

Further on it states that the Manjimup Shire Council answers a firm no to both these questions.

In 1974 a Conservation Through Reserves Committee was established by the Environmental Protection Authority. The committee was set up to produce a series of reports which covered the whole of the State of Western Australia. They were called system reports and they were published in a red-covered book. I think it involved about 12 systems. Those reports were the result of long and careful study by the experts who spent a lot of time researching the subject.

The report to which I am referring stated that it would be unwise to concentrate all conservation of karri in the Shannon basin. At the time the EPA wanted to reserve the better parts of the Shannon basin in the form of national parks, or whatever -- we are certainly suggesting national parks now -- and to rehabilitate the degraded parts of the basin. The system reports were compiled in the mid-1970s by a committee set up by the EPA for that purpose.

Sitting suspended from 3.46 to 4.00 pm

Hon G.E. MASTERS: The EPA reports, particularly the systems reports, and a later report dealing with recommendations for the Shannon basin, proposed that the better parts of the timber area of the Shannon basin should be preserved, I guess for national park purposes, and the remainder should be rehabilitated, because a great deal of the area is degraded. I listened to Hon Mick Gayfer commenting on that. As I understand it, he not only looked at the area on the ground, he also flew over it. A great deal of that area has been degraded. I would have thought that the proper way to handle that sort of situation would be to employ proper forestry management techniques and concentrate on preserving the virgin forests for the time being.

In 1982, I think it was, the second report re-examined the karri forest conservation policy. It did, in fact, support the previous recommendations. I think it was in 1982 that the then Court Government proclaimed the D'Entrecasteau National Park. Perhaps my colleague behind me will recall the time that happened. I was Minister for Conservation and the Environment, which included responsibility for national parks. Hon David Wordsworth was Minister for Forests and Lands. I recall we had a discussion, and a number of submissions were made. We finally decided there was an opportunity at that time at least to proclaim and announce that there would be a park, even if it was not to the full extent we would have wished. So David Wordsworth and myself made an announcement which was publicised in the newspaper. We did not, as it happened, take it to the Premier of the day. We were subjected to a little harassment for a time. Nevertheless, the announcement had been made. Although I guess that was to be the eventual objective, we jumped the gun, and Sir Charles Court, as members can imagine, had a couple of words to say to both of us. Nevertheless we had it in place, and that is where it still is.

Hon D.J. Wordsworth: Perhaps he wanted to make the announcement.

Hon G.E. MASTERS: In any event, he had a couple of words with us. After that we consulted him much more carefully.

Hon Kay Hallahan: Very sensible!

Hon E.J. Charlton: You are still here.

Hon G.E. MASTERS: I am. I am a survivor. We all are, or we would not be here.

Like most members, I have some knowledge of the south west area, and I gain a great deal of enjoyment from going into those areas. I travel probably as much as the average person down the south west. Whenever I have a chance, that is the area in which I travel. I love the forests, and I gain a great deal of enjoyment from going down there. I am one of those people who wish the areas to be protected and managed in a proper way. I am not one of those who would suggest that great areas should be destroyed and denuded and the forest damaged forever and a day. I have as much interest as anybody in that area. It is simply a question of different points of view. In some cases perhaps more moderate forestry techniques could be used to advantage, rather than shutting the place up and not touching it, which is an arguable point. Perhaps it is one of the arguments being put forward today.

That is the question before the House. It is a matter which Hon Sandy Lewis has raised time and time again, and it is worth repeating as we wind up this debate. Hon Sandy Lewis believes there should be a system of categorising various reserves and national parks. In other words a category number is put against them representing their level of importance. With that sort of classification system for reserves, rather than piecemeal having a national park here, an "A"-class reserve there and the like, we would have a much better management system, and a much better understanding of the direction in which we were going.

That is an international system. Hon Sandy Lewis, time and time again, has said this would be the proper course of action to take, and I agree with him. If we were to pursue that system and adopt it, we would not be arguing about the sorts of things we are arguing about today and making what is a very important issue something of a political football. The existing policy -- not the one proposed -- is consistent with world conservation strategies.

Before I sit down I want to emphasise that the Liberal Party does recognise that most people have a genuine concern for the environment. Many of our supporters, many Labor Party supporters -- in fact almost everyone in the community -- express a concern and an interest in the environment and environmental issues. It is just the degree to which they go. I respect everyone's point of view. I respect those who have a very strong point of view, and perhaps some of them are in the Gallery today.

We have different points of view. The Liberal Party recognises that a vast majority of people in the community have a concern with the environment. We should be careful how we draft policies with a view to satisfying the interests of most of those people. Some people hold strong views and others not so strong. Public argument brings these views to the top with the more extreme people in the conservation movement going to extreme lengths to prevent projects going forward, even to the stage where violence sometimes takes place. No-one wants that sort of activity in the community but that is how strongly some people feel about these issues.

The Opposition is offering an alternative. We are saying there should be a national park in the Shannon River basin. We say the area the Government proposes for the park is too big; some of the area is not worthy of being a national park. I do not know whether the National Party believes that is the situation but we do not believe a national park should be created just for the sake of it. The proposal should be well researched, the reasons for its existence should be good, and the area should be well protected for our children and grandchildren.

The Opposition cannot accept the Government's proposal in its present form. We urge the Government and the Minister to consider an alternative position which is better researched and looks after the interests of the community generally. I urge all members of the Liberal Party and the National Party to support us in bringing forward new legislation after this motion has been rejected by this House -- as I hope it will be. I ask for support for a new motion, introduced in a proper form, which can be debated on its own without any frills tacked on for the purpose of some political gain.

HON KAY HALLAHAN (South East Metropolitan -- Minister for Community Services) [4.14 pm]: I think we know that perhaps we are on the brink of doing something extraordinarily important in the history of our State. Shortly, we will see the decision this House will make on the motion before the House.

We are faced with information, strategies and plans as we have never had before in Western Australia. We have timber strategy and land management plans -- the most comprehensive documents in the history of the forest industry in Western Australia, which have been open for public comment. No other State in Australia has produced such a strategy or plan as has been seen in our own State. The essence of the plan is to strike an appropriate balance between those competing needs of conservation, recreation, and timber production.

We have the opportunity today to strike a balance and to bring some harmony back into the arena, which is a very divisive one. If we choose today not to make a decision which can meet the needs of the various interest groups, we will set up a scenario for continuing discord and disharmony. We have no need for that.

We have a timber strategy plan in place which secures for the industry a future which it has not seen for a long time. Bunning Brothers, a firm which employed my own father for 30 years, is in the final stages of negotiating a \$10 million contract for the Pemberton mill

which is a significant investment in that area. In addition, \$100 million more investment is proposed on the basis of the strategies and plans that I have referred to. The economic aspect of this whole issue has been soundly taken into account. I cannot help but wonder if the underlying basis of many arguments made in this House on this issue has not been the fact that members have not accepted the soundness of the timber strategy plan and the economic security it will bring to organisations, families, and communities in those areas.

Today we can have the benefits of increasing and secured ongoing timber production. We can set aside an area of our State as a national park, and we can set aside the disruption and discord all in one vote this afternoon. Why indeed should we not have all those things on behalf of our State now?

This is an issue about which we have all canvassed very thoroughly.

Hon P.G. Pandal: I hope the Minister is going to answer the allegation about Mr Parker.

Hon KAY HALLAHAN: I will answer whatever allegations I wish to answer as, I understand, is my prerogative.

Hon P.G. Pandal: I'll bet you don't answer that one!

Hon KAY HALLAHAN: The member can bet in one hand, as the saying goes.

Hon P.G. Pandal: That he will allow mining in national parks, the minute the by-election is out of the way.

Hon KAY HALLAHAN: When this issue was debated in another place, the Minister gave an undertaking to set up an expert committee. That expert committee was set up, and there has been no disagreement that the committee was indeed an expert committee. The terms of reference of that committee read --

- (1) To examine the history of the reserve proposals for the Shannon River Basin in the light of current knowledge of southern forest ecosystems.
- (2) To consider the merit of the Shannon River Basin as a national park in relation to the overall reserve system proposed for the Southern Forest Region in the Department of Conservation and Land Management's Draft Regional Forest Management Plans and Timber Strategy (April 1987).
- (3) To consider the impact of the reservation of the Shannon River Basin as a National Park on the Government's capacity to ensure a sustainable level of timber supply to the timber industry.

The members of that committee were: Dr S.R. Shea, chairman; Dr M.J. Mulcahy, Dr P.W.G. Newman and Mr R.J. Underwood -- all of those people are known to have outstanding expertise and/or qualifications and in most cases, I guess, both.

Their conclusions read --

The committee has concluded that the reservation of the Shannon Basin as a National Park has scientific merit.

The committee also concludes that the reservation can be achieved without any derogation of previous proposals for reserves in the Southern Forest Region.

We are confident that management of the Shannon Basin in accordance with the management plan currently being finalised will ensure that the purposes for which it is reserved will be maintained, and that human life and adjacent property will not be threatened.

Finally, the committee concludes that the reservation of the Shannon will not have any impact on the long term viability of the timber industry. There will be no reduction in the level of economic activity in the timber industry as a result of the reservation.

Hon W.N. Stretch interjected.

Hon KAY HALLAHAN: I am afraid I could not pick up the interjection and I am not sure it was a worthy one.

With regard to the committee, Hon Mick Gayfer made the point about the economic aspect

and financial expertise. I made inquiries and advise that that committee had full backing and its report was vetted by the Division of Forest Resources in CALM in respect of the economic effects of that report.

I am happy to give the undertaking that Hon Mick Gayfer asked for just after the luncheon adjournment. He made very clear to the House, having tried to move an amendment and learning it was not possible, that if the Government and I as Minister would give an undertaking in *Hansard*, he and his colleagues would be in a position to support the motion.

I would like to read into *Hansard* a letter addressed to Mr Cowan, the Leader of the National Party. It is dated 22 October and reads as follows --

Dear Mr Cowan

I understand that the National Party will be prepared to support the Government's proposal to create the Shannon River National Park by supporting the Government's motion currently before Parliament, if the following commitments are made:

The Government will submit to the Parliament a guarantee that --

- (a) it will report annually to the Parliament until 1993 the effect that the creation of the Shannon River National Park is having on the employment in the timber and associated industries in the Manjimup Shire;
- (b) it will underwrite any job loss that may occur in the Manjimup Shire as a result of the creation of the Shannon River National Park;
- (c) CALM will buy no more private land in the Manjimup Shire for afforestation, without prior approval of Parliament;
- (d) it will inform Parliament if the estimates of --
 - (i) the softwood timber resource;
 - (ii) the impact on other areas of State Forest;
 - (iii) the volume of hardwood yield from thinning road and river reserves as outlined in the report of the Shea Committee are not realised.
- (e) that there be no change, unless it has the approval of both Houses of Parliament, to that part of the Southern Forest Region that reserves the Beavis and Giblett blocks from logging for the next 15 years.

I have discussed this matter with the Hon Premier, Brian Burke, MLA, and am pleased to advise that the Government is able to accept these amendments.

The letter is signed by Barry Hodge, the Minister for Conservation and Land Management. I think the Government has shown its very deep concern to meet the needs of the various interest groups we have in our community to set aside something of real value in the south west. I cannot help drawing attention to the words of Hon Bill Stretch -- and I hope he will not be known by this for a long time to come -- when he said that the tragedy of the Shannon is that it has become a rallying point for conservatives.

If we could set aside that area of land, it would stand as a hallmark and a tribute to those of us who have made it possible.

I ask all members to support the motion before the House.

Question put and passed.

MINES REGULATION AMENDMENT BILL

Receipt and First Reading

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

Second Reading

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [4.25 pm]: I move --

That the Bill be now read a second time.

This Bill provides for changes dealing with four distinct topics in the Act, all aimed to improve occupational health and safety in mines. The four topics cover --

- (1) Establishment of the Mines Radiation Safety Board;
- (2) regulation of winding engines and winding engine drivers by the Department of Mines;
- (3) increases in general penalties for offences; and
- (4) alteration to the constitution of the existing ventilation board.

I will take each topic in turn.

Establishment of the Mines Radiation Safety Board: Under the current Act there is no provision for a Mines Radiation Safety Board. This Bill proposes to establish such a board and prescribes its membership, functions, and powers. The Bill makes provisions for a new regulatory framework for radiation protection in the mining industry. The proposed formation and operation of the Mines Radiation Safety Board is generally in accordance with the recommendations of the report to the Minister for Health on protection from ionising radiation associated with the mineral sands industry, generally known as the Winn report, tabled in Parliament in June 1974. This report, which was produced by a committee chaired by Associate Professor Murray Winn of the School of Physics in the University of Sydney, was commissioned by the Government to investigate and report on the adequacy of measures taken in the mineral sands industry in respect of radiation, health, and safety.

The committee adequately traversed the scope of the inquiry for which it was established, and the report was widely distributed. Comments were received from a broad spectrum of community and industry groups and these were taken into consideration by the Government in making its decisions.

The role of the board is to deal with all matters connected with radiation safety and protection of workers engaged in the mining and processing of materials containing radioactive substances, and also of members of the public who may be affected by radioactivity emanating from such mines. The Bill vests in the board a discretionary authority to advise and consider proposals, make recommendations and, where necessary, determine disputes. The board will be tripartite in structure and will comprise an independent chairman, two representatives nominated by employers, two representatives nominated by the Trades and Labor Council, and one nominee each from the Radiological Council, the Department of Mines, and the Department of Occupational Health, Safety and Welfare.

The principal functions of the board will be to advise the Minister for Minerals and Energy with respect to radiation safety in mines and make recommendations to the Minister concerning --

- (1) The maximum levels of radiation arising from or in the course of mining to which persons may be exposed;
- (2) the methods to be employed when dealing with radioactive tailings or other radioactive effluents arising from mining; and
- (3) the preparation and implementation of relevant legislation.

The board will also collect and disseminate information relating to radiation safety in mines and be responsible for promoting radiation safety in mines. The board will be given the power to inquire into and report upon radiation safety in a mine, formulate codes of practice, appoint committees and determine disputes.

The Winn report recommended that the board should have the power to give directions to owners, agents, or managers of mines relating to radiation matters without any prior reference to the Minister for Minerals and Energy. To maintain consistency with Government policy in such matters, the board has been made responsible to the Minister, who will consider the board's recommendations and give such directives as are considered necessary.

The regulatory framework for radiation protection in mines is further reinforced in the Bill by allowing the Governor to make such regulations as are necessary or convenient for the

purposes of providing for radiation safety in mines. The necessary mechanisms and procedures for the effective operations of the Mines Radiation Safety Board have also been incorporated into the Bill. The principal groups consulted were --

- the Health Department of Western Australia;
- the Radiological Council;
- the Department of Occupational Health, Safety and Welfare;
- the Trades and Labor Council of Western Australia; and
- the Chamber of Mines of Western Australia (Inc).

They have all indicated support for the establishment of the board.

Regulation of winding engines and winding engine drivers by the Department of Mines: Under the current Act, the regulation of winding engines and winding engine drivers is vested with the Chief Inspector of Machinery, administering the Machinery Safety Act, while general safety in mines is administered by the Department of Mines. However, the expertise necessary to ensure the proper design, installation and safe operation of mine winding engines is contained within the Department of Mines. The proposed transfer of responsibility contained in this Bill recognises that expertise and rationalises the administration of regulatory procedures.

Agreement to transfer responsibility was reached between the Department of Occupational Health, Safety and Welfare and the Department of Mines following full consultation and agreement with employee and employer groups, comprising the Chamber of Mines, the Federated Engine Drivers and Firemens Association, and the Australian Workers Union (Mining Division).

Increases in general penalties for offences: The inspectors of mines, who administer this Act, strive to achieve high standards of safety on mines through direction and education. Prosecutions are normally commenced only when other means have failed or when flagrant breaches or gross negligence has occurred. In 1906, when the Act was first formulated, the general penalty of 10 pounds for an individual and 50 pounds for an owner, agent, or manager of a mine were significant in real-value terms. The levels of these penalties were not reviewed until 1974 at which time they were raised to \$100 and \$500 respectively. The current Act retains the 1974 levels of penalties for offences and these levels are now so low in real terms that they are not an effective sanction and have resulted in considerable criticism from magistrates, the Crown Law Department, the Australian Institute of Criminology, and the Mines Inspectorate.

The Bill proposes that all existing specified penalties be deleted and that an offence against the Act be subject to a maximum penalty -- in the case of an individual, \$5 000; in the case of a corporation, \$50 000. These proposed penalties are the same as those approved in the last sitting of Parliament for offences under the Occupational Health, Safety and Welfare Amendment Act. The fact that offences may now attract a much higher level of penalty in the event of a prosecution will mean that this form of sanction which is available to the inspectorate will be much more effective.

Alteration to the constitution of the existing Ventilation Board: The purpose of this section of the Bill is to amend the membership of the Ventilation Board to achieve a more tripartite structure. The board will now comprise a chairman, two Mines Department inspectors, two union representatives, two representatives nominated by employers, and two physicians having specialist experience in occupational health problems relevant to the mining industry and attending as expert members. Additional constitutional amendments are also incorporated to increase the quorum of the board and provide for coordination between the Department of Mines, the Health Department of Western Australia and the Department of Occupational Health, Safety and Welfare on matters concerning the health of mineworkers in relation to ventilation and atmospheric contaminants. The Government initiative of regularly reviewing the operation and effectiveness of bodies such as the Ventilation Board and the Mines Radiation Safety Board is also provided for in the Bill.

The principal groups consulted were --

- the Health Department of Western Australia;

the Department of Occupational Health, Safety and Welfare;
the Australian Workers Union (Mining Division);
the Trades and Labor Council of Western Australia; and
the Chamber of Mines of Western Australia (Inc).

They have all indicated support for the proposals, other than the Trades and Labor Council, which is still considering its position.

I commend the Bill to the House.

Debate adjourned, on motion by Hon John Williams.

SOIL FERTILITY RESEARCH AMENDMENT 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) [4.32 pm]: I move --

That the Bill be now read a second time.

The Bill before the House has been introduced to provide more appropriate administration of the Soil Fertility Research Fund than that at present in place. The Soil Fertility Trust Fund was established by the Soil Fertility Research Act, 1954, to provide research funds for agriculture. The fund was originally created by the imposition of a levy on each bushel of wheat produced.

Subsequently, in 1957, the Federal Government agreed to set up Rural Industries Research Funds under a separate Act, based on commodity-specific levies. However, the Soil Fertility Trust Fund has continued to operate, using interest on the accrued capital as there have been no levy collections for many years.

In recent years the trustees responsible under the Act for the administration of the fund have maintained a policy of funding two postgraduate studentships annually to provide for further training of research scientists. The aim has been to control expenditure to a level sufficient to fund two studentships and have a surplus of income over expenditure which at least protects the capital base against inflation.

While the trustees are of the opinion that the fund has a useful purpose and should be preserved, they are concerned that it is administratively cumbersome, with its own board of trustees and its own secretariat. The trustees believe that the functions of the fund could be preserved and the requirements more cost-effectively fulfilled by placing the administration of the fund under the operations of another appropriate active group, such as the State Wheat Research Committee.

The Bill accomplishes the transfer of responsibility by an amendment to the trustee-appointment requirements of the Act. It specifies that the trustees shall be appointed by the Minister on the nomination of the same organisations that have responsibility for nomination of members of the State Wheat Research Committee. It is expected, at least initially, that the persons nominated and appointed as trustees will be those persons presently occupying positions on the State Wheat Research Committee.

The proposal is supported by the present trustees, the Western Australian Farmers Federation, the Grain Pool of WA and the State Wheat Research Committee. No change to the present financial administration of the Act is proposed.

In accordance with normal procedures, the draft includes a requirement for the Minister to review the operation of the Act after five years.

I commend the Bill to the House.

Debate adjourned, on motion by Hon W.N. Stretch.

MAIN ROADS AMENDMENT BILL

Assembly's Further Message: Bill Laid Aside

Message from the Assembly received and read notifying that the Bill had been laid aside.

SMALL BUSINESS GUARANTEES AMENDMENT 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) [4.36 pm]: I move --

That the Bill be now read a second time.

The purpose of this Bill is to amend the Small Business Guarantees Act 1984 to --

- (1) Remove any doubt as to the legal ability of the Small Business Development Corporation to undertake the administration of the Act;
- (2) clarify, by definition, the term "amount of the guarantee" as it applies to the Act to include the principal sum only and not to include interest charges and expenses; and,
- (3) modify the provision for enforcement of a guarantee by a lender against the Minister by allowing the lender to have first "taken all reasonable steps to exercise" his rights and remedies under securities pertaining to the guarantee.

The Small Business Development Corporation administers the guarantee scheme which was introduced in 1984 as part of the Government's policy on assistance to small business. Since the Act's introduction it has been deemed preferable and necessary in law for the corporation to be empowered by express ministerial delegation to undertake the administration of the scheme.

The amendment Bill contains a clause which empowers the Small Business Development Corporation to administer the Small Business Guarantees Act 1984 subject to the general direction and control of the Minister, thereby removing any doubt as to the legal ability for it to do so.

The Small Business Guarantees Act also contains reference to the amount of any one guarantee which may be executed in accordance with the Act. The amount of the guarantee is prescribed by regulation and currently stands at \$150 000. There has been some doubt amongst those users of the Acts, such as the members of the Australian Bankers Association, as to whether the prescribed amount of the guarantee, currently \$150 000, is restricted to the principal amount of the loan or whether it includes interest charges and expenses.

The intent of the Act is that the prescribed amount be the principal amount of the loan which is the subject of the guarantee and that any associated interest charges and expenses not be contained within the threshold of the prescribed amount. The Bill clarifies the issue by the insertion of a section which defines "amount of the guarantee" to include the principal loan sum only and to not include interest charges and expenses.

Section 5 of the principal Act deals with provisions relating to guarantees including the exercise of rights and remedies by a lender under all other securities before a guarantee is enforceable against the Minister. The Bill seeks to modify the enforcement provisions by substituting the words "taken all reasonable steps to exercise" for the word "exercise". The modification is necessary to overcome what could currently be an absolute barrier to a lender before a guarantee could be enforceable.

This Bill is a simple and clear piece of legislation designed to clarify and remove ambiguity from the wording in the principal Act. Its content is in keeping with the original intent of the principal Act.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Neil Oliver.

FISHERIES ADJUSTMENT SCHEMES BILL*Receipt and First Reading*

Bill received from the Council; 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) [4.40 pm]: I move --

That the Bill be now read a second time.

In September 1983 this Government recognised the need to reduce fishing capacity and endorsed a recommendation to "freeze" the fishing boat numbers within the Western Australian fishing industry. Subsequently, in 1984, the Government adopted a policy of not licensing additional fishing boats except where there was established a clear need for the purpose of developing new fisheries.

The major Western Australian fisheries have been intensively managed since the early 1960s when the rock lobster and prawn fisheries were given "limited entry" status. The Fisheries Department introduced these measures and other continuing management programmes in order to prevent permanent depletion of fish resources through fishing activity and to maintain or improve the viability of the fishing industry. Subsequently, the salmon and abalone fisheries were declared as "limited entry". In addition, during the 1970s specific rules were applied to govern access to the west and south coast estuarine fisheries, including the southern part of Shark Bay. In recent years a system of nationwide quotas was introduced for the southern blue fin tuna.

During 1984 and 1985, fishermen representing different sectors presented an array of requests for further limited-entry fisheries. These included such fisheries as Shark Bay snapper, barramundi, southern rock lobsters, scallops and "wet" fish generally, including south and south west coast sharks. The limited-entry fisheries referred to earlier -- western rock lobster and prawns -- are major fisheries which provide individual boats with a major part of their income. However, the requests for further limited entry related to smaller fisheries which could not be treated in isolation because a decision taken on one fishery would transfer excess fishing pressure to another, leading to further requests.

As a result of these requests, in July 1985 a discussion paper entitled "Arrangements for entry to all fisheries off and along the Western Australia coast" was distributed to precipitate an industry-wide view on the treatment of access problems to fisheries as a whole. Included in the paper was a description of every fishery off the Western Australian coast. The thrust of the paper was to establish a form of "fishing rights" in relation to all of the fisheries described.

Industry members held many meetings and finance was provided so that the Western Australian Fishing Industry Council could appoint a person to liaise with the various professional fishermen's associations. Among the proposals supported by WAFIC was that relating to the extension of limited-entry style of management for some other fisheries. WAFIC identified a major problem in the open-access fisheries as being one of too many boats with a capacity to move from one fishery of interest to another, thus causing a "moving scene" of heavy fishing pressure. Accordingly, WAFIC recommended that a buy-back scheme, funded equally by industry and Government, be introduced to provide an opportunity for fishing boats to be withdrawn from the fishing industry.

The proposal, in broad terms, is for all of the industry to contribute a levy of \$100 per fishing unit over a period of five years with a similar amount to be contributed by the Government. This will raise a total of approximately \$1.6 million over the five-year period. In adopting the proposal, the Government has provided \$160 000 in this year's Consolidated Revenue Fund Budget and agreed to commence the scheme in the open-access fisheries administratively.

A buy-back scheme is already in existence for the Exmouth Gulf prawn fishery. That scheme was put in place by agreement between the parties and by providing a loan from the fisheries research and development fund. That was achieved because of the small number of participants involved. The Fisheries Act does not provide for the more general use of buy-

back schemes for which there needs to be a clear identification of the method of operation, both in terms of finance and management, and in the involvement of industry in the decision-making process. It would have been preferable to operate the Exmouth Gulf buy-back scheme under such an Act as is now proposed. However, immediate action was required and a mechanism through existing legislation had to be found.

In summary, this legislation has, as its basis, the request by WAFIC for the introduction of a buy-back scheme involving all owners of licensed commercial fishing boats in Western Australia. All of the major fisheries in the waters off this State are either limited entry or are in the process of becoming limited entry as a result of industry consideration of the discussion paper on fishing access rights. The net result of this action will be the existence of a group of fishing boats which do not or will not fulfil the criteria for entry to any of the limited-entry fisheries. The boats will still have access to the general "line" fishery -- that is, handlines, droplines, and troll lines for scale fish along the coast and other open-entry fisheries -- but many of the fishing boats will not be profitable.

While it is recognised that it would not be appropriate for the Government to provide finance for buy-back schemes relating to specific fisheries such as that for the Exmouth Gulf prawn fishery, the adoption by the Government of the proposal in regard to open-access fisheries is seen as one warranting Government assistance because of its wide application.

In the long term, this legislation will provide the mechanism by which the fishing effort can be reduced to minimise conflicts in gear usage between different fishing fleets or users of the resource. For example, a reduction in the number of commercial fishing boats within inshore areas will be beneficial to the recreational fisherman.

The legislation now before the House will enable the establishment, financing, and administration of fisheries adjustment schemes with the aim of reducing the number of licensed fishing boats in the Western Australian fishing industry. As well as the Exmouth Gulf adjustment scheme already in place and the scheme for open-access boats now being planned, other schemes may be requested by industry in the future. Schemes which have been agreed upon will be implemented by way of notice and will be administered by a committee of management appointed by the responsible Minister.

In establishing a scheme, the notice will set out the terms and objectives, the manner of operation, and the period during which it is to operate, define the fishing units to which the scheme applies, and the eligibility of persons to offer licences for surrender under the scheme. Financing of the schemes is to be by way of a levy on the industry with the possibility of contributions by the Government where that is considered appropriate.

The Bill provides for the establishment of a fisheries adjustment schemes trust account which will consist of --

- all levies paid;
- moneys which may be borrowed;
- interest derived from the investment of moneys credited to the account; and
- moneys appropriated by Parliament.

The moneys will be used to --

- pay compensation on surrender of the particular fishing-boat licence or licences;
- meet costs of administration of the scheme(s); or
- repay moneys borrowed together with interest.

Any surplus amounts remaining at the conclusion of a scheme will be returned to the Consolidated Revenue Fund and the unit holders in the scheme at its conclusion on a pro rata basis of payment into the fund. Levies are to be prescribed by way of regulation and, in regard to the open-access scheme, will be in the order of \$100 per fishing unit. There are about 1 600 units within the Western Australian fishing industry. By way of explanation, a fishing unit may be described in its simplest form as a fishing boat. In other instances, such as in the estuarine fisheries, a fishing unit would comprise a "mother boat" with the netting dinghies attached to the licence.

In summary, the legislation provides for --

- the establishment of fishery adjustment schemes;
- authority to require either all fishing units or selected fishing units to pay a levy depending upon the scheme;
- the establishment of a fisheries adjustment schemes' trust account to receive moneys from levies or from the Government;
- authority for the Minister to borrow moneys with the approval of the Treasurer for the purpose of implementing an adjustment scheme;
- authority to expend money from the trust account to compensate fishermen for the loss of fishing access units in accordance with the detailed arrangements of the scheme established; and
- the enactment of subsidiary legislation in the form of regulations and notices setting out the details of each scheme including the levy to be paid, the objective, the method of operation, the period of operation, the description of fishing units involved, and the committee of management.

The legislation represents a major achievement towards the future management of Western Australian fisheries.

I commend the Bill to the House.

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

VIDEO TAPES CLASSIFICATION AND CONTROL BILL

Assembly's Message

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

ELECTORAL DISTRIBUTION AMENDMENT BILL

Receipt and First Reading

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

Second Reading

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [4.49 pm]: I move --

That the Bill be now read a second time.

The metropolitan region scheme boundary adopted by Parliament in June as the perimeter of the metropolitan area in the Acts Amendment (Electoral Reform) Act 1987 excludes Rottnest Island. It is appropriate that Rottnest Island should be included in the metropolitan area for electoral purposes in order to allow the Electoral Distribution Commissioners to include the island's residents on the roll of an adjacent district. Without this proposed change to the Act, the residents would have to be enrolled in a non-metropolitan district.

All that is required is the addition of Rottnest Island to the definition of the metropolitan area presently in section 1A of the Electoral Distribution Act. It is important that Parliament decide this matter before the proclamation of the Acts Amendment (Electoral Reform) Act 1987.

I commend the Bill to the House.

Debate adjourned, on motion by Hon P.G. Pandal.

OCCUPATIONAL HEALTH, SAFETY AND WELFARE AMENDMENT BILL (No 2)

Receipt and First Reading

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

Second Reading

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [4.51 pm]: I move --

That the Bill be now read a second time.

The Occupational Health, Safety and Welfare Act was introduced in 1984. The Act requires the Commissioner for Occupational Health, Safety and Welfare, to also be the permanent head of the department responsible for the administration of the Act; in this case the Department of Occupational Health, Safety and Welfare.

Subsequent to the introduction of that Act the workload of the commission and the department has increased to the extent that the statutory responsibilities of the commission and department cannot at present be effectively fulfilled to the standard required by this Government. This workload is expected to remain for some time, especially when considered within the context of the work being engendered with the implementation of the new legislation, its promotion and the review being undertaken in respect to all current regulations under the Factories and Shops Act, Machinery Safety Act, and the Construction Safety and Noise Abatement Acts.

Add to this the increasing involvement of the commissioner as the Western Australian representative on the National Occupational Safety and Welfare Commission -- currently the chairperson of two major committees -- and the need to sustain this interest, it became apparent that some delineation of roles was necessary.

Therefore, to ensure that the formulation of regulations, restructuring of the department and successful education programmes are introduced, it is proposed to allow the separation of the functions of commissioner from those of permanent head of the department. The amendment before the House achieves this objective.

I commend the Bill to the House.

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

ACTS AMENDMENT (BUILDING SOCIETIES AND CREDIT UNIONS) BILL

Second Reading

Debate resumed from 21 October.

HON E.J. CHARLTON (Central) [4.51 pm]: Obviously a great deal has been covered by previous speakers in this debate but I wish to comment briefly on behalf of the National Party. Two or three aspects of the proposed changes do not fall too easily with the National Party. I will refer to those first. Some of the amendments which have been signified would make the Bill more acceptable. From discussions held with people in the industry it appears there is general acceptance of the need for change in principle and they accept the changes that have been put forward. I say that with some qualification because of the need for those amendments to be accepted and implemented.

First of all, it should be acknowledged that if these changes are put in place the role of the registrar must be to assist the industry and not force it into overreacting to the detriment of other societies. I refer in particular to proposed section 29G(1)(b) which states that the registrar may give the target society and the party taking control such directions etc. After consultation with the industry, it seems that area causes some concern.

Proposed section 29G(3) states that the registrar may, if he thinks fit, "direct the target society", etc. There is certainly some concern in that area also. It is considered that the wording should be "the registrar should" rather than "may, if he thinks fit,".

Clause 12 refers to the role of registrar. From our discussions with people in the industry, we

certainly believe there is no need for the provision in its present form. It is considered that that aspect has been covered in other changes.

I would now like to comment on other aspects of the building society industry from a layman's point of view. I wonder how far Governments have to go in becoming involved in some of the business activities which have taken place and will obviously continue in this State and nation. I am probably a little hard-headed about this but I wonder how far taxpayers and innocent people have to be involved in propping up and coming to the rescue of people involved in various business concerns which fail. Why should the people who get involved in such business activities not be responsible for their own actions? We have to acknowledge that some of the individuals involved at the top administrative level of these building societies and credit unions have misled the people who have invested with them and they have been irresponsible and most unbusinesslike in their actions. Every time something like this happens, a host of people call on the Government to sort things out and pick up the tab, whether directly or indirectly.

I will not get involved in any of the technical aspects of the building societies' and credit unions' activities but it should be repeated until the message gets through that when people take advantage of other people in financial terms, they should be brought to justice. It is not enough for the Government to become involved -- as it has in this case -- and to change the legislation in an attempt to protect the innocent parties. More importantly, it comes down to a matter of fraud. The people involved in some of these business failures in recent times have been financially irresponsible but they have thrown their hands up in the air and blatantly gone into the business world again, as in the case of the Laurie Potter group. I do not know the man, I have never been to one of his clubs and I have not paid one dollar to his organisation simply because I work hard and live a good life and do not have to go to those sorts of places. When it was proposed that members of Parliament become involved, I rejected the proposition for one basic reason: How in the name of heaven or logical business responsibility is someone going to pay out X number of dollars and expect that to go on indefinitely? It could have turned down the following week, as it has done for some unfortunate people who in a lot of cases have put in finances they did not really have to spare. I know they did it for a number of reasons other than simply to be involved in a health programme -- they have physical disabilities and so on and they have my greatest admiration and sympathy.

However, I come back to the point that these people who have been involved not just in bad business but really in fraud, in my opinion, should be dealt with by the law. Currently there are laws available that can be checked out to make sure that what these people did with that money was fully in line with the regulations within which every member of society is expected to act. I make that point because I do not think we have seen the last of this yet.

I started to say that I heard Laurie Potter speak on commercial radio yesterday. As I said earlier, I have not met the man but I was not impressed with the manner in which he made those comments about his situation. If I were involved financially, I would want to see the whole matter taken to the extreme, just to see what would happen. He mentioned two specific health premises, one in the city and one in Midland, that had run at a loss of, I think, approximately \$360 000 in one case and over \$600 000 in the other over a 12-month period. Anyone who gets involved in that sort of thing -- going that far down the line and, all the time that is happening, trying to entice people into life memberships for between \$300 and \$500 -- must be in fairyland. Something surely must be done about the people who were supplying him with the finances, and about him as an individual taking that money from a credit union and spending it in the way he did. If those people are going to be involved in these sorts of carryings-on we, as a Parliament and as the place where rules and regulations should be put in place, must respond. From those points of view alone it is right that the current legislation should be examined and changes made to it.

It has been said by previous speakers that what the Government is setting out to do will not do the job. I am not really in a position to make a judgment about that, other than to make the comments that I have already made in respect of some of the problems as the industry sees them.

As for the societies being required to have greater guarantees behind them and the increase to five per cent in societies making funds available from their own operations, from the

discussions I have had with the industry I think that is accepted, and the proposed amendment that it happen over five years is also accepted -- probably not totally, and probably not without some pain, but I understand there is an agreement in line with what they believe is an achievable and responsible situation.

I want also to mention that when it comes to the point about mergers, and one institution taking over another, and the current situation with the R & I Bank, obviously in the long term we would hope that everything will turn out well, that they will be better off, and that the people involved in the Teachers Credit Society will be better off.

Hon Neil Oliver: What about the members of Parliament?

Hon E.J. CHARLTON: Just leave them aside for a moment. I do not have any sympathy for the members of Parliament who were involved; they should know better. If they did not know better, it is fair enough. They had enough money to throw some away.

I return to the important point about the R & I Bank. I have been quoted a figure of close to \$20 million as the cost of the takeover.

Hon Max Evans: That was a long time ago.

Hon E.J. CHARLTON: That is right, that is history. But we are not talking about what is going to be involved in the times ahead. We must remember what I said earlier: We are talking about taxpayers' money and Government money becoming involved. I do not believe that the comments made about political activists both in this debate and generally have really assisted the situation. It should not have come down to that. A Corporate Affairs Department inquiry is going on and if that inquiry is not sufficient to do the job or if the job is not carried out satisfactorily, the matter must be re-examined. But I hope -- and I think we have to put trust in that organisation -- that it will go right to the bottom of the activities that took place, not only in the Teachers Credit Society but also in the Swan Building Society, and recommend that action be taken against those individuals if it is appropriate.

Hon Max Evans interjected.

Hon E.J. CHARLTON: Yes, I do not doubt that for one moment, but that inquiry is in place. I am not commenting directly about Hon Max Evans' other proposals before this House. Some measures have been initiated and we should put pressure on that body to see that it does the job and does not neglect in any way to carry out that inquiry to the full. When we come down to making these changes during the Committee stage we will have the opportunity to take the proposals step by step to try to make sure that the provisions we put in place will do the job.

We hear talk about the other building societies or credit unions also facing the music. The people who invest in them do so in many cases because they offer a higher rate of interest than do other organisations. The reason for offering that high rate of interest, as has been proven to me, is that they are in turn lending it at a high rate of interest for some of these very questionable business propositions. At times I wonder how far a Government and other innocent taxpayers must go to pick up the tab. While it is fair to say this legislation and the regulations have been laid down to protect the people who invest in these organisations, we could go one step further and say that the people who invested in shares that went down by 25 per cent the other day could ask the Government or the taxpayers to come in and pick them up. They invested in what they considered at the time to be a responsible, well-organised business venture, and within a couple of days it lost 25 per cent.

The other aspect worth commenting on is that when other people in other walks of life -- I know it can be said there is no correlation between them -- such as people in the farming industry, through no fault of their own found their land halved in value in two years no-one suggested the Government should come in and pick up the tab. In that case those people derived their living from the land. Secondly, and more importantly, it is the land which this nation lives on economically. I draw the attention of members to other practical examples where people have done their dough and no proposal has been put forward except in some cases in a minor, good-hearted way out of sympathy for their position.

In this case all hell has broken loose in financial terms and everyone has rushed in and now we have a Bill before Parliament to change the rules to protect people from what has happened. I emphasise that too many people in our business sector today are fly-by-night

operators. They are certainly not business people who have a vision of how they want to operate their businesses, whether they are Laurie Potter or people in credit societies.

We have a responsibility to do more than have in place legislation that not so much protects people but lays down the ground rules which they must stick to. If they do not stick to them they should be answerable not only to the rules and regulations but also to the courts if they have broken the law.

[On motion by Hon. J.M. Berinson (Leader of the House), sitting extended to 6.15 pm.]

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [5.14 pm]: I thank Hon Max Evans, Hon Neil Oliver and Hon Eric Charlton for their contributions to the debate. If I can start with one preliminary comment based on Mr Charlton's last observation, I want to assure him that the Government is not rushing things through to protect people against the result of what has happened. That is only a part, and the lesser part, of this and other legislation that will be considered. The major part is to achieve the objective which Mr Charlton said was the important objective, and that is to establish procedures and standards of conduct and supervision to prevent recent experiences happening again.

As for the contributions by Mr Evans and Mr Oliver, they were helpful in the comprehensive way in which they dealt with the questions of building societies and credit unions respectively. Of course those members have their objections and reservations about certain parts of this Bill, and the listed amendments reflect that quite clearly. On the other hand they have acknowledged the importance and seriousness of the relevant issues and the need for substantial and effective action.

Both of the speakers to whom I have referred raised two related questions. They asked why this Bill has been brought on so urgently, and related to that was the suggestion that there has been insufficient consultation with the affected industries. I want to deal firstly with the question of urgency. The background to this whole situation is that a working party on building societies and credit unions was established in October 1986, and in the ordinary course of events legislation based on the work of that party would probably not have emerged until the Budget session next year. The problem is we are not living through an ordinary course of events. Quite extraordinary situations have developed, and they demand an earlier response than would otherwise have been expected.

The Bill provides prudential standards which are directed to preventing problems before they emerge. Those standards are overdue in any event, and a recognition of that is seen in the establishment of the working party last year. More recently, however, the public image of credit unions and building societies has taken a battering, and it is essential that public confidence in the industry be restored. It is also essential that that be done very quickly.

It has been suggested that the urgency of action has been at the cost of inadequate consultation with the industry, and I want to assure the House that that is not so. Industry representatives are on the working party and have been represented since the establishment of that group in October 1986. At that time a background paper was circulated to all members in the industry outlining the changes affecting that industry in recent years and possible future directions. In early September this year the main elements of the proposed legislation were circulated to industry groups six weeks in advance of the Bill. These proposals in turn were based on the draft report of the working party. The Bill with which we are now dealing is based on these reports and on that consultative process.

A number of questions were asked relating to the specific problems of the Teachers Credit Society. For example, it was asked why these problems were not included in the working party's terms of reference. The answer is that the current problems of the society were not known when the working party was set up. The role of the working party was to consider broad issues and not individual institutions.

A second question was how was the Teachers Credit Society able to make such large loans. That occurred in large part because of the deficiency of the existing legislation. Firstly, under current provisions the registrar is not able to specify the security required for a credit union loan. In the case of the Teachers Credit Society assurances were given to the registrar that loans were secured and not in arrears, but from later investigation it emerged that the loans were not secured. Secondly, current legislation does not address the role which capital plays in prudential standards; in other words, capital was not defined as a benchmark by

which to express risk exposure. Both of these deficiencies are met by the proposals in the Bill.

A further question related to the manner in which it is proposed that the R & I Bank take over the Teachers Credit Society. In this respect I repeat again that the R & I Bank at this stage is acting as an administrator only and further measures are subject to further detailed and most careful consideration which will obviously have to be applied to this subject.

Many more such questions emerge as well, and it is not all that easy to provide answers in a comprehensive and useful way. It may assist however to borrow some subject headings from Hon Max Evans' motion which seeks the appointment of a Select Committee. Mr Evans was quite right when he said this Bill and his motion are directed at different ends; nonetheless, questions arise which are clearly common to both. Thus discussion in this debate has looked, for example, to the role of the registry. That is also part of paragraph 1 of Hon Max Evans' motion. Similarly, Mr Evans' motion in paragraph 2(c) and (d) looks to a discussion of the causes of the problems faced by the Teachers Credit Society and the Swan Building Society. These issues were also raised in the second reading debate. A general review of these three major matters will serve to cover many separate questions which have recently been raised.

I turn firstly to the role of the registry: The registry is responsible for the administration of the Building Societies Act 1976, the Credit Unions Act 1979, the Friendly Societies Act 1894 and the Co-operative and Provident Societies Act 1903. In addition, the registry provides advice to Government on policy issues affecting the institutions under its jurisdiction. The registrar is the statutory officer answerable directly to the responsible Minister who is the Treasurer. The deregulation of financial markets has changed the emphasis of the registry responsibility. Greater emphasis is now given to the provision of policy advice and forward looking assessment of the prudential standing of building societies and credit unions. Consistent with this change of emphasis, the registry has been transferred to the Treasury. This provides the registry with direct access to the economic and financial expertise of the Treasury Department.

The relevant legislation defines the capacity of the registry to supervise building societies and credit unions. However, the existing legislation incorporates prudential standards for operations which are more attuned to the stable and less competitive environment of earlier times than those which apply now. The supervisory power provided by existing legislation is a product of the old environment. The legislation is not flexible enough to meet the significant changes that market conditions generate on institutions which come within the registry's jurisdiction. Building societies and credit unions have not only faced increasing competition from banks for their traditional market share but have also been challenged to pursue the wider business opportunities which have resulted from the deregulated environment.

The proposed legislation frees institutions from artificial barriers to respond to market conditions. In line with this, the Bill proposes to change the regulatory framework from one of specific controls and restrictions on activities to global controls which establish broad behavioural standards. The emphasis given to global control will allow institutions to decide their own development paths in the context of adequate and modern prudential standards as are demanded by today's market and regulatory authorities elsewhere; for example, the Reserve Bank and its supervision of banks.

Complementing the introduction of global prudential standards, the amendments also provide for greater discretionary supervision of building societies and credit unions than permitted under existing legislation. The greater discretionary power given to the registrar corresponds to and offsets the greater discretion which may be exercised by institutions. Institutions with a history of sound management and high prudential standards should be permitted to operate on equal terms with their main competitors in the market. The Bill provides for this. However, it also provides for greater responsibility being placed on directors and management for the performance of their institution. Where devolution of responsibility is not justified the registrar will have the discretion to set a framework within which the institution will operate. On the other hand institutions meeting the highest prudential standards can be permitted to exercise their own discretion. The existing legislation does not allow these distinctions to be made.

I move from here to the second question from Hon Max Evans' proposal for a Select

Committee which looks to the cause of the financial difficulties of the Teachers Credit Society. The fundamental problems of the Teachers Credit Society were twofold. Firstly, the society undertook a period of rapid expansion of borrowings without adequate capital. Secondly, the society expanded rapidly into commercial lending where it had little expertise. The existing statutory legislation requires credit unions to maintain 2.5 per cent of their aggregate assets in statutory reserves. Aggregate assets for this purpose were measured by the position as at the end of the previous 30 June. This created a ratcheting effect on the level of the required reserve funds if in any one year a high rate of growth occurred.

The actual timetable of developments affecting the Teachers Credit Society was along the following lines: In 1983-84, the Teachers Credit Society experienced asset growth of 75 per cent. This growth was not matched by sufficient surplus to increase reserves to the level required under existing legislation. The then registrar gave the society 12 months to rectify the situation. At the end of 1984-85, that is 30 June 1985, the Teachers Credit Society remained marginally short of its statutory reserve requirement. Following concerns expressed by the registrar, the society gave the registrar an undertaking that the sale of its building would proceed to satisfy its statutory minimum capital requirements. The final sale of the building was frustrated by subsequent events.

Hon Max Evans: It would not have made any difference.

Hon J.M. BERINSON: In retrospect, it would not have made enough difference because the value of the building was not sufficient for the purpose.

In respect of loans made by the Teachers Credit Society, the registrar first became aware in July 1986 that substantial loans had been made to a number of individuals. These loans approximated \$45 million. As there is no requirement for credit unions to report large loan exposures, the registrar had to rely on his own annual inspections to become aware of the loans. The society gave an assurance to the registrar that the loans were adequately secured. Under the existing legislation the registrar is not able to specify the security to apply to a loan or any requirements for mortgage insurance.

In view of the concern of the registrar, the registrar met with the chairman and general manager of the society in September 1986 to further inquire about the adequacy of the security. A few days later the then registrar retired. Subsequent events relating to Teachers Credit Society have already been referred to by the Premier. These events include the liquidity rundowns in December 1986 and April 1987 followed by the registrar's request for further information in May 1987. These events also include the auditor's report and approaches to Government officers by board members of Teachers Credit Society in August 1987.

The new standards after the transitional period will require institutions to set aside 5c in every dollar of assets acquired. The measure of assets relates more closely to current assets by taking mean assets for the current financial year. Additional assets or growth can only occur if the building societies generate a sufficient margin to service the increase in net worth. Growth in assets will have to be no faster than the maintenance of minimum net worth will permit.

It should also be noted that the problems of Teachers Credit Society also arose in the context of inadequate legislative control over the lending behaviour of institutions. As I have indicated, the existing legislation only empowers the registrar to determine the amount and term of the loan. The Act does not allow the registrar to specify the nature of security or any requirements for mortgage insurance. This enabled Teachers Credit Society to make a number of inadequately secured loans.

The Bill provides for the application of guidelines incorporating minimum security specifications, and tailoring these specifications according to the nature of the loan. This is consistent with the global approach to prudential regulation, in which capital adequacy becomes the benchmark by which to determine specifications applying to a loan. Under the existing legislation the value of this benchmark is severely diminished. It is against this background that the problems of Teachers Credit Society emerge.

I turn now to the question of Swan Building Society. The background to the problems of Swan Building Society are similar to those applying to Teachers Credit Society. Swan experienced a rapid expansion of assets without a corresponding expansion of capital. In

addition, Swan expanded into commercial lending without the necessary experience and expertise. The inadequacies of the existing legislation become apparent when it is considered that loan exposures were addressed in terms of assets rather than capital. The legislation allows a society to lend 2.5 per cent of aggregate assets without reference to a base capital. In addition the existing legislation makes no direct reference to the responsibility of directors in satisfying themselves as to the quality of assets. That is a matter I believe which goes very much to the heart of Mr Charlton's complaints about the lack of responsibility or accountability in that area.

The Bill overcomes both of these deficiencies. Firstly, loan exposures are addressed in terms of capital adequacy. Secondly, the Bill requires directors to satisfy themselves that a society's operating standards and policies are sufficient to ascertain that the borrower has sufficient means to service the debt to the society. The inadequacy of the existing legislation is further highlighted by the fact that while a society is meeting its statutory minimum requirement, the registry is constrained as to any corrective action it might take by the damage which attendant publicity would produce. Clearly this would be counterproductive. The Bill enables prudent corrective measures to be undertaken without projecting the problem into the public arena.

I move from those three general considerations to other particular matters which were raised in the course of debate. Hon Max Evans said that the Government has indicated that it does not wish permanent building societies to be owned by an individual or corporation. The question was followed by asking how this was consistent with Home Building Society's takeover of First Federal Building Society and the R & I Bank's takeover of Teachers Credit Society. The Government decision of 11 May 1987 endorsed takeovers between "closely related and structured institutions". The working party report and the Bill effectively restrict takeovers to building societies, credit unions, financial societies and banks. Permission to take over is thereby restricted between like institutions.

I was asked how financial societies would be registered in another State. Financial societies could be recognised as foreign credit unions or a foreign company depending on the State. Only one Western Australian credit union is operating outside Western Australia.

Reference was made to the 1984 amendments which changed from the use of "mean" to "previous year's" assets in the measure of prudential standards. It was in response to requests by the industry in 1984 that the change to previous year's assets as a basis was made and the argument was that it should be done consistent with the provisions of the Building Societies Act. In the light of experience it is clear that that was not a desirable change and, therefore, this Bill seeks to restore the earlier requirement for the mean assets to be available as the standard test.

It was suggested that a net worth of five per cent is not possible in today's environment and that sufficient profits could not be earned to cover the additional net worth. First, the phasing-in period to the five per cent requirement is five years. In addition, up to 20 per cent of net worth can comprise quasi capital items such as subordinated debt and convertible securities. The net worth definition includes a considerably wider net of items than permitted in the existing legislation, for example asset valuation reserves.

Hon Max Evans also expressed concern that the proposed legislation could make it difficult to form a credit union. That is true. The fact is that legislation increases the up-front capital to establish a credit union from \$1 million to \$5 million. However, if a credit union is to successfully operate in the highly competitive environment that we now have, it must have a sufficient capital base; that is, it is not just a question of meeting statutory requirements but also of providing an adequate level of security to assure potential investors. In that context it is the view of the Government that the \$5 million criterion is not unreasonable.

Hon Max Evans also suggested the bad debt provisions may be too onerous. The situation is that the Bill provides for a gradual increase over nine months. The provisions relating to payments which are overdue for up to three to six months are unchanged from existing provisions. It has however been raised for periods of more than six months. Again it has to be said, especially in the light of experience, that it is reasonable for a contingency to increase the longer the loan remains unpaid.

A further question was raised as to whether it was appropriate that the same prudential and

liquidity standards should apply to both credit unions and building societies. The Government's view is that from a regulatory viewpoint the same standards should apply. Both are deposit-taking institutions operating in the same market. The difference between the respective liquidity rates -- that is 10 per cent for credit unions and 12.5 per cent for building societies -- reflects the fact that the increase from seven per cent to 10 per cent for credit unions is regarded as large enough to be required in one step.

Mr Oliver, I think it was, asked whether this Bill was prepared in the Policy Secretariat of the Department of Premier and Cabinet. The answer is no, the Bill was prepared by the registry, though Mr Edwards of the Policy Secretariat was the instructing officer in his capacity as chairman of the working party. It may assist the House to have the full details of the working party, and it is as follows: The membership included Mr K. Edwards, Chief Executive Officer, Department of the Premier, as chairman; Mr R. Hughes, Director of Loans and Investments, Treasury Department; Mr T. Lloyd, Assistant Under Treasurer, Treasury Department; Mr J. Lightowlers, Assistant Director, Policy and General Advising Branch, Corporate Affairs Department; Mr J. Metaxas, Registrar of Co-operative and Financial Institutions; Mr B. Paterson, Chief Executive Officer, Credit Union Association of Western Australia; Mr R. McLiver, President, Credit Union Association of Western Australia; Mr S. Brown, President, Western Australian Permanent Building Societies Association; and Mr B. Dolin, Vice President, Western Australian Permanent Building Society Association. Members will note that the last four of those members come from and are representative of the industry.

A question raised in various forms by all speakers in this debate, and indeed it is a most fundamental question, is: Can the Government ensure that there will be adequate supervision in the future? In this respect I point out that the legislation provides for the first time a set of prudential standards appropriate to current financial markets. With a view to strict supervision, the registry will now have legislative authority to establish guidelines on the size and security of financial accommodation. Also, in line with the working party report, the registry will consult with industry to develop a new series of statistical collections. Administratively, the registry is in the process of acquiring computer facilities to assist in its task of monitoring activities in individual institutions. The registry will be able to draw on the economic and financial expertise of the Treasury.

Finally, in respect of the separate questions that I now propose to address, I turn to the question of the disbandment of the Building Societies Advisory Committee. The proposition is that although it had certain responsibilities under the legislation, the advisory committee was essentially a consultative body. The industry now comprises five societies, and consultation can be and is in fact undertaken on a continuing though informal basis. There is no need to have that basis formalised in Statutes. Societies also have ready access to the Minister and the registry.

It may also be helpful if at this stage I refer to the Opposition amendments which have been listed. They are very many in number, but in fact they cover a fairly limited range of issues. One major effect of the proposed amendments would be to remove from the Bill the concept of a financial society. On the basis of industry-Government discussions, the amendments appear to reflect the recommendation of the National Credit Union Association, and to be based on two main concerns. These take the following form: Firstly, the financial society, it is said, is contrary to the industry perception of credit union principles, in particular cooperative ownership, which provides for one vote per member, whereas voting in financial societies will permit proportional voting. Secondly, it is said the industry has traditionally relied on withdrawable shares and year-to-year trading surpluses for its capital base. The financial society concept permits credit unions access to non-traditional fixed capital. The Government is of the view that it is desirable for credit unions, if they so elect, to access fixed capital. In the first instance it is not clear that the trading surpluses of a number of credit unions will be sufficient to provide an adequate capital base for them to compete effectively in the market. It is also not clear that trading surpluses will provide sufficient surpluses to meet the higher prudential standards in the Bill.

Without access to fixed capital, the only avenue for ongoing assistance to a credit union experiencing financial difficulty would be from other credit unions. These may not wish to be involved, or may not have the capacity to provide a long-term solution. The establishment of financial societies will provide a mechanism by which a credit union may permanently address problems associated with its capital base.

I should take this opportunity to stress very clearly to the House that the set of amendments going against the creation of financial societies is wholly unacceptable to the Government. It would strike at a very important part of this Bill, and would put the whole process contemplated by the Government to bring order into this industry too far back to contemplate. I will, at an appropriate stage in the Committee discussion -- but I also take the opportunity to say it now -- mention that the Government stands very firmly on the need for these financial societies, and I shall be asking the House to support that.

Another main purpose of the Opposition amendment is the establishment of a reserve fund administered by a reserve board. This is a new proposal, and was first brought to the attention of the Government on Monday of this week. While a reserve board-reserve fund arrangement has been the policy of the National Credit Union Association, the State association has only considered that policy recently. In its main 1987 submission to the working party, the State Association argued for an industry review board without a reserve fund or deposit insurance mechanism. It is not possible to evaluate the full consequences of the latest proposal at this stage, but the Government will nevertheless consider the proposal, and may, as a result of that consideration, move amendments to the legislation at a later date.

The amendments also propose a new part XIIA to the Credit Unions Act, and this relates to the Teachers Credit Society. The specific provisions proposed are consequential on the Opposition's proposal to remove the financial society concept. These amendments appear to contradict the stance on financial societies. Under the Opposition amendment, the Teachers Credit Society could become a fixed capital credit union. The proposed amendments to clause 39 would limit credit unions to raising funds from their members only. At the industry's request and in line with recommendations by the Campbell report, amendments were made in 1984 to permit credit unions to borrow from non members and lend those funds to and provide services to members.

I understand from the registrar that as recently as last Tuesday the State association indicated that it continued to support credit unions having access to non-member funds. I also understand from consultation with the registrar that limiting access to members' funds would only impair the functions of a substantial part of the credit union industry. Is the Opposition under the impression that its proposed amendments are supported by the larger credit unions in this State? I ask that because my understanding is that the amendments are not supported by those credit unions. On the contrary, the position as I understand it is that two of the largest credit unions in Western Australia -- or three if Teachers Credit is counted -- support the Bill as it stands. In particular, they support the provisions for the establishment of financial societies.

In support of this I refer to correspondence from the Fremantle Credit Union and United Credit Union. As I understand the position the assets of these two credit unions alone amount to 50 per cent of the assets of the whole of the credit union industry in this State, excluding the Teachers Credit Society.

I refer firstly to a telex dated 19 October from the Fremantle Credit Union to the Premier. It is in the following terms --

This telex is addressed to you by M J McPhee in his capacity as chairman of the Fremantle Credit Union and on behalf of Fremantle Credit. Fremantle has 28 600 paid-up shareholders and 13 600 nonshareholding depositors. We have assets of \$92.5m and have a bond area covering the southern metropolitan area.

Fremantle strongly supports the principles of the abovementioned Bill and in particular the provision to allow for optional capital raising by the issue of voting shares with the potential (subject always to Ministerial approval) marketability of the same. We see these reforms as essential to the long term future of the credit union industry and as there appears to be no compulsion at all for any credit union to apply new provisions, we cannot understand the arguments against them.

We have taken the liberty of addressing you directly after consideration because we are aware our views may not be the same as some of our colleagues in the industry.

We have a duty to our members to put them forward.

Representatives of Fremantle will be available at any time to expand our views if required and indeed would be grateful of the opportunity of doing so.

A letter dated 22 October 1987 over the signature of Mr E. Turner, General Manager of the United Credit Union Limited, was addressed to Mr J. Metaxas, Registrar, Registry of Co-operative and Financial Institutions, and read as follows --

On behalf of United Credit Union I wish to indicate our support for the thrust of the Government's legislative changes particularly in those areas of prudential requirements and capitalisation. You have asked for our comment on a number of aspects and it is our opinion that:

1. Prime Net Worth -- the net worth concept and the requirement for a capitalisation level of five per cent of assets is sound and required in this current economic environment.
2. Fixed Share Capital -- non withdrawable capital is essential for the Credit Union industry, not only in Western Australia but throughout Australia. We are aware this aspect is supported by Western Australian Credit Unions and is being actively considered by Credit Unions in other States.
3. Liquidity -- proposals to increase liquidity levels to 10 per cent are sound. Although current legislation has been satisfactory, this increase is required in our current environment.
4. Reserve Fund -- the industry in Western Australia has conceptionally agreed that a deposit protection scheme is required but it has not endorsed proposals for a Reserve Board stock. A paper has been circulated to Credit Unions by our State Association but the industries view point is not definite at this time. It is our opinion that Credit Union members require protection but this aspect required further consultation with our industry and the Registrar of Credit Unions.
5. Deposits -- Proposals to alter current legislation on the aspect of raising deposits from members do not reflect what exists within the Credit Union industry throughout Australia and recent report recommendations of the Campbell and Martin Committees.

Mr President, as you will have noticed, my reply to the second reading debate has been at rather uncharacteristic length.

Hon Max Evans: A lot better than some other readings.

Hon J.M. BERINSON: I take it from that that I am encouraged by Hon Max Evans to go immediately into Committee. I would like to make the point that I have gone to this length as a reflection of the complexity, seriousness and urgency of the issues that we are asked to address. I believe that those factors are widely acknowledged by members of this House, and I do not need to stress them further at this stage. I commend the second reading to the House.

Question put and passed.

Bill read a second time.

In Committee

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

Clause 1: Short title --

Hon J.M. BERINSON: I am rather taken by surprise by an indication by Hon Max Evans that his amendments have not been circulated. I have had a copy of them but apparently they have not reached other members. I understand that the list of amendments by Opposition members starts at clause 11.

The DEPUTY CHAIRMAN: I am advised by the Clerk that the amendments circulated by Hon Max Evans need some work in order to identify them in place and paragraph. There are some 30 pages of amendments. The first amendment which I have is to clause 11. Perhaps we could progress to clause 10 without let or hindrance. The three sets of amendments have to be keyed in in tandem by the officers otherwise the debate will be in absolute confusion. I am not allowing the debate to dodge back and forth from one item to another. It is only fair

to the officers of the Council that they have sufficient time to present a comprehensive and ordered list of amendments to enable this Committee to have a sensible debate on those amendments. In other words, we have the Government's amendments, Hon Max Evans' amendments, and Hon Neil Oliver's amendments and they all have to be looked at and studied by the officers and keyed in in such a way that debate can flow. I am prepared to go as far as clause 10 to progress the Bill because there are one or two things there which are self-evident.

Hon J.M. BERINSON: I do not think any real purpose would be served by addressing those preliminary and relatively noncontentious matters in isolation, and unless the members of the Opposition who have apparently lodged these substantial amendments are prepared to indicate that they intend to proceed on the basis of the persuasiveness of the second reading reply I think we would be better served by reporting progress. I am rather sad to see they are not prepared to take up that offer on my part; and that being the case I shall move that progress be reported.

Hon MAX EVANS: We have not taken up the offer to back down on our amendments because we believe they should be taken very seriously. We want to put our comments into the record about why our amendments should be considered. As I have already told the Leader of the House, it is not the Opposition's position to throw out this legislation. The Government is there to govern. The Leader of the House has his staff with him, and I say now that it is an insult to the Parliament that this Chamber has had so little time to consider these things. The legislation came in last Tuesday. Forget all the reports beforehand and the working party report and the notes. There is nothing like the legislation to get one's teeth into. The Leader of the House knows that very well from when he was on this side of the Chamber. We could not get copies of the Bill to other people until Thursday. They worked over the weekend. We tried to get these amendments through to the Leader of the House and they would have been finished last night but he had a whole lot of amendments as well so my people went and changed their thinking to fit in with his amendments. We only found out later that we should have left that to the powers that be. Time has been against us, and very comprehensive legislation is being rushed through.

We realise the importance of the legislation and the fact that the Government wants to accelerate it. I thought at one stage I was listening to Lewis Carroll's *Alice in Wonderland* in respect of the Leader's long expose of how the registrar's office worked and what they had done and how wonderful it was. It sounded great, but the facts are that it has not worked properly. It was all written out and it read very well, but it just did not face up to the facts. I think the Leader of the House appreciates that, and I appreciate his comments. There is a rush, although we really do not know what for. I would have thought that with legislation like this, if it was not for the necessity to rush, we should be moving for a Select Committee to look into it more closely because it is important legislation. It will be required to rectify problems among institutions in this State.

In legislation like this I like to put the views of a very new member of this Chamber. I should not be so impertinent to say so, but we have two chairs at the Table opposite the Chair of the Leader of the House that have never been used. The Minister has four advisers around him who have been working on this thing for months -- since October last year. He has four of them lined up, and I find out from the President that the Opposition cannot sit down there with an adviser who might help us.

The DEPUTY CHAIRMAN: Order! I advise Hon Max Evans that this is not a second reading debate. We are dealing with the short title, clause 1. I cannot allow the wide-ranging debate you are going on with now.

Hon MAX EVANS: I accept that this is the short title and a short debate. We will support this legislation, but we want to put our views.

I appreciate one important point the Leader of the House made in relation to the input we have made in respect of reserve funds and the reserve funds board. I note his comments that something might be done about it in the other Chamber. The Leader of the House only said in his speech that this would be looked at. There are two aspects: One is the reserve funds and how much is being put in and the administration of it. It must not be a fund which will be a back-up support and one which people do not worry about. The people who control that fund must make certain that it is protected. I do hope the Leader of the House will take up

those recommendations and look at those which apply in South Australia and perhaps introduce that or something similar in another place to make the Bill more meaningful. If he is going to have a reserve fund it just cannot be allowed to sit there. There is no way of accumulating income to build up that fund. Does it go to Consolidated Revenue? I do not know.

I thank the Leader of the House for his comments regarding the history of Teachers Credit Society and what the registrar did. I do not accept that they could not have done a lot more. I believe they should have done a lot more. I noted his comments on the Swan Building Society and its growth. We know why it has gone bad. One thing I would draw to the Leader's attention is the responsibility of directors in building societies. I suggest that between now and when we come back next week he should have a look at these severe responsibilities on directors of building societies. They must virtually guarantee to themselves that a debt is good on the day the money is lent out. If I was a director of a building society I would not sit on the board if I had to give that undertaking. I suggest the Leader of the House looks at that with his adviser because the wording is very harsh. I cannot see why any businessman would take on that responsibility and give an undertaking that he knows the money which is going out will be paid back. If he does agree to that he is either innocent, ignorant, or a fool.

The Leader of the House talked about \$1 million and \$5 million in relation to the funds of building societies. I point out that 33 per cent of the credit unions in Victoria have funds under \$1 million. They can still be very successful with \$1 million; \$5 million is not going to save the whole thing.

We will be pleased to debate this Bill point by point rather than extend the debate any further at this stage, but we will support the Leader of the House. We realise the urgency of the legislation. We apologise for the amendments, but that has only come about because the legislation needed it. It is no fault of ours. We believe the legislation needs a lot of knocking together. The time factor is the Leader's problem. We warned him days ago we needed more time. He has pressured us, so we will be back on Tuesday.

Progress

Progress reported and leave given to sit again, on motion by Hon J.M. Berinson (Leader of the House).

ADJOURNMENT OF THE HOUSE: ORDINARY

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [6.09 pm]: I move --

That the House do now adjourn.

Margaret River Hospital: Member's Comments

HON DOUG WENN (South West) [6.10 pm]: A comment was made recently that I had sold out my electorate because of something I said about the Margaret River Hospital. I made the comment just after becoming a member of this House and I referred to the way the Margaret River Hospital was progressing.

When I was elected to this place in 1986, the talk around the Margaret River Shire was that the hospital was going to be closed because the Augusta Hospital was being extended and because of the close proximity of the Busselton Hospital. It was felt that, with two major hospitals on either side of Margaret River, there was no need for the hospital at Margaret River.

I committed myself to maintaining support for it because of the increasing population of the area. In fact, Margaret River is one of the fastest growing areas in the south west. I made a commitment to have the medical facilities kept there even if they were kept there only in the form of a nursing post. It was after I had discussions with the three doctors in the area that I was misinterpreted or I was given the wrong information by those doctors. Apparently I had said something that was wrong which I withdrew.

Since that time I have worked tirelessly and in association with the Minister for Health to retain the hospital as it is today. I, and other members of Parliament, including a former

member of this House, Hon Vic Ferry, and the member for Vasse, Mr Barry Blaikie, have made continual representations to the Minister with the result that the Government has committed itself to maintaining the Margaret River Hospital. That was confirmed by the Minister for Health at the opening of the Augusta Hospital extensions and was greeted with loud applause by the member for Vasse. He has been involved in every communication that I have had with the Minister about the hospital and has been advised of all decisions made.

I am disappointed that a slur has been made on my character.

Hon Garry Kelly: Who said it?

Hon DOUG WENN: The comment was made by the Leader of the Liberal Party.

Hon Garry Kelly: In which House?

Hon DOUG WENN: I will not say.

This hospital is over 60 years old and, until 1986, the province has had four Liberal members.

Hon Garry Kelly: How much was done?

Hon DOUG WENN: Nothing was done. The four Liberal members were the member for Vasse, Barry Blaikie; the recently retired Hon Vic Ferry; Hon Peter Drummond, who was kicked out by the electorate; and Hon Graham MacKinnon, whom I replaced. The thing that surprises me most is that Hon Graham MacKinnon was Minister for Health in the Brand Government from August 1965 to March 1971.

The PRESIDENT: Order! I remind the member that he has only 30 seconds to go.

Hon DOUG WENN: Thank you, Mr President. The Government is fully committed to rebuilding the hospital. I point out to the member for Vasse, who said there was nothing in the Budget for the construction of this hospital, that he should turn to page 2 of the capital works Estimates of Expenditure and he will see a written commitment by the Government to that hospital.

Question put and passed.

House adjourned at 6.15 pm

QUESTIONS ON NOTICE
PRIVATISATION
Potential

355. Hon NEIL OLIVER, to the Leader of the House representing the Premier:

With regard to the Premier's recent statement on privatisation, whereby the Government sells or dismantles bodies providing various services to the public --

- (1) What potential does the concept hold within Western Australia's context?
- (2) What would be the implications of such a transfer of control from the public sector to private enterprise?

Hon J.M. BERINSON replied:

(1)-(2)

The Government believes that privatisation is not in the community's interest where it will simply result in a private monopoly. Further, privatisation will not be in the interests of the community when a service requires a socially sensitive pricing policy such as for rural power and water supplies. Any consideration of privatisation would need to address these fundamental requirements if it is to be socially responsible.

I have called for a mature and rational debate on this matter in the context of the national economy and the Government's continuing commitment to produce better returns from State assets.

ABATTOIRS: MIDLAND
Land Sale: Settlement

360. Hon NEIL OLIVER, to the Minister for Sport and Recreation representing the Minister for Agriculture:

Why was the sale of the property known as the Midland saleyard and abattoirs settled prior to the following conditions of sale being fulfilled --

- (a) approval of the Environmental Protection Authority;
- (b) rezoning of the property to conform to its proposed use for industrial purpose;
- (c) compliance with the Shire of Swan's town planning schemes?

Hon GRAHAM EDWARDS replied:

The matters to which the member refers were not conditional to the sale; they are matters associated with the use to which the land is being put, and compliance has been or is being effected in the normal and usual course of events.

EDUCATION: HIGH SCHOOL
Mt Magnet District: Consolidation

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

- (1) Is it the intention of the Ministry for Education to amalgamate all sections of the Mt Magnet District High School on the one site?
- (2) If not, why not?
- (3) If so, when will this amalgamation occur?

Hon KAY HALLAHAN replied:

- (1) Yes.
- (2) Not applicable.
- (3) When funding is available to provide the consolidated facilities.

EDUCATION

School Councils: Legislation

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

- (1) Is it intended to introduce legislation this session to provide for the establishment of school councils?
- (2) If not, why not?

Hon KAY HALLAHAN replied:

- (1) No.
- (2) The task force consisting of representative of all groups with an interest in this matter has not yet finished preparing drafting instructions for Parliamentary Counsel.

EDUCATION: PRIMARY SCHOOL

Canning Vale: Closure

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

- (1) Will the Canning Vale school be closed at the end of 1987?
- (2) If so, to which schools will the students who now attend Canning Vale be sent?

Hon KAY HALLAHAN replied:

- (1) Yes.
- (2) I would expect most students to attend the new Forest Crescent School, which was built to provide a replacement school for Canning Vale, as well as the expanding West Thornlie area. However, the students may attend any school which is convenient for them.

EDUCATION: TEACHERS

Leave without Pay

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

- (1) How many teachers applied for leave without pay --
 - (a) in 1985 for 1986;
 - (b) in 1986 for 1987?
- (2) How many teachers have applied for leave without pay for 1988?

Hon KAY HALLAHAN replied:

- (1) The number of teachers who applied for leave without pay --
 - (a) in 1985 for 1986, 261;
 - (b) in 1986 for 1987, 308.
- (2) 362 teachers applied this year for leave without pay in 1988.

EDUCATION: HIGH SCHOOL

Swan View: District Allocation

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

- (1) Is the Minister aware that the Swan View Senior High School P and C Association is unhappy with the decision to place the school in the Darling Range school district?
- (2) If so, is any action being taken to place the school in another district?
- (3) Is it the intention of the Education Ministry to reassess the boundaries of the new districts, and if so, when?

Hon KAY HALLAHAN replied:

- (1) Yes, the Minister is aware that approaches have been made by the Swan View Senior High School P & C Association to have the school placed in another district.
- (2) No action is contemplated to place the school in another district, as contributory primary schools are within the Darling Range District.
- (3) District boundaries will be reviewed from time to time to consider any necessary adjustments.

TAXES AND CHARGES: FRINGE BENEFITS TAX

Motor Vehicle Registration

373. Hon P.G. PENDAL, to the Minister for Budget Management:

- (1) Will the Minister inquire from appropriate colleagues the effect the introduction of the fringe benefits Tax has had on the registration of new vehicles in Western Australia?
- (2) What effect has this drop in registrations had on the State's revenue?

Hon J.M. BERINSON replied:

- (1)-(2) No estimates are available.

EDUCATION: SPECIAL SCHOOL

Carson Street: Closure

374. Hon P.G. PENDAL, to the Minister for Community Services representing the Minister for Education:

- (1) Has a decision been made to close the Carson Street Special School?
- (2) If so, will the Minister give full details?

Hon KAY HALLAHAN replied:

- (1) No.
- (2) Not applicable.

SHOPPING CENTRE

Woodvale: Rezoning

377. Hon Neil OLIVER, to the Minister for Community Services representing the Minister for Education:

- (1) Is the Minister aware of a proposed shopping centre located at the corner of Timberlane and Trappers Drive, Woodvale?
- (2) If yes, is it proposed to rezone the property opposite currently set aside for a primary school?
- (3) If no, will he direct the Department of Education to object to the inclusion of a licensed tavern in the shopping complex?
- (4) If not, why not?
- (5) If the licence for the tavern is approved, will the Minister direct the purchase of an alternative primary school site?
- (6) If not, why not?

Hon KAY HALLAHAN replied:

- (1) Yes.
- (2) No.
- (3)-(4) An objection has already been made concerning the location of the tavern.
- (5) No.

- (6) The matter will be reviewed when a decision on the location of the tavern has been made.

HAZELMERE HERBS

Funding

378. Hon Neil OLIVER, to the Leader of the House representing the Minister for Labour, Productivity and Employment:

What funds, if any, have been granted to Michael and Angela Stewart of 64 Talbot Road, Hazelmere, trading as Hazelmere Herbs?

Hon J.M. BERINSON replied:

No funds have been granted.
