# Legislative Council

Wednesday, 6 November 1985

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

## BILLS (6): ASSENT

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

1. Acts Amendment (Hospitals) Bill.
2. Queen Elizabeth II Medical Centre Amendment Bill.
3. Contraceptives Amendment Bill.
4. Electoral Districts Amendment Bill.
5. Gas Standards Amendment Bill.
6. Casino Control Amendment Bill.

## ABORIGINAL AFFAIRS: LAND RIGHTS INQUIRY

*Tabling of Documents by Leader of the House: Motion*

**HON. N. F. MOORE** (Lower North) [2.35 p.m.]: I move—

> That the Honourable D. K. Dans, Leader of the Government in the Legislative Council, be ordered, and is hereby so ordered, to lay on the Table of the House not later than 7 days from the day on which this order is made, on behalf of the Government of Western Australia, the information and documents hereinafter described, and that such documents be tabled without excision, alteration or defacement:
>
> (a) the names of any person or organization who or which received financial assistance through the Aboriginal Liaison Committee to prepare submissions to the inquiry into Aboriginal Land Rights (the "Seaman Inquiry");
>
> (b) audit statements of expenditure provided by each person or organization described in para (a);
>
> (c) the total amount received by each such person or organization.

I have been brought, through sheer frustration, to a situation where I have to move in the House to order the Leader of the House to table some documents. I have been through this exercise in the the House before and explained why I was frustrated on this issue and I outlined during a previous debate the sorts of things that I have been doing as a member of Parliament to gain some information.

Since the last time I spoke on this subject the Minister has stopped fobbing me off. He now says, "No, no information will be provided to you." It is my view that a member of Parliament is entitled to be given certain information. I am aware that members of Parliament are not entitled to all information in the hands of the Government.

The sort of information I am seeking which relates to the expenditure of public moneys—taxpayers' money—is the sort of information I believe ought to be readily available to members of Parliament, and certainly to a member of Parliament who has been asking for this information for two years and during that time has been fobbed off. I have been told to wait and if I am patient the information will be made available. At the end of two years, I am now told, "I am sorry, you cannot have the information."

Perhaps that is being a bit too generous to the Minister. He did not say that he was sorry that I could not have the information; he just said, "No". Because I think this issue is important, I intend to go through the quite responsible and legitimate steps that I have taken between October 1983 and October 1985 in order to obtain the information which is requested in this motion.

For those members who have not read the motion closely, the information I am seeking is the names of persons and organisations who received financial assistance through the Aboriginal Liaison Committee to prepare submissions to the Seaman inquiry. I am seeking the audited statements of expenditure which have been provided by each of those persons and organisations to the Auditor General. Thirdly, I am seeking the total amount of money which was received by each person and organisation. That information ought to be readily available to a member of Parliament.

I will go back over the whole story so that the Leader of the House, when he is contemplating what he intends to do with respect to the order which I hope the House will agree to, will know why I have taken this rather unusual step. As I said, it is taken from sheer frustration. Members will know that when the Seaman inquiry was first established, there was established at the same time a liaison committee which was set up to assist persons making submissions to the Seaman inquiry.

The members of this liaison committee, which was chaired by Mr Ernie Bridge, MLA for Kimberley, were Mr Rob Riley, Mr Darryl Kickett, Mr Alfred Barker, and Mr Thomas Newbury. These five gentlemen were given by the Government the responsibility to provide funds to organisations and individuals who wished to make submissions to the Seaman inquiry. The purpose of the grants, presumably, was to assist them to collate information and to have their submissions prepared. I have my own views about whether money ought to be made available for this purpose, but I do not intend to argue about that now because it is not what I am arguing about in the overall scheme of things.

Being a diligent member of Parliament, and one who wants to know what is happening to his tax dollar, I asked the Minister on 19 October 1983, two years ago almost to the day, whether he would provide me with a list of names of those groups that received financial assistance to prepare submissions. I was provided with an answer in writing from the Minister on 22 November 1983, in which he advised me of the names of the organisations which had received moneys and the amount of money involved. I do not propose to go through that list because I have already done so in the House. However, it includes the Kimberley Land Council, which received $50 000.

It then came to my attention, following the answer to that previous question, that the liaison committee had made other funds available to other organisations. Thus on 3 April 1984 I again asked the Minister to provide details, firstly, of any additional money which had been given to those organisations which he had already advised me had received funds. Secondly, I asked whether any additional organisations had received funds. In answer to question 818 of Tuesday, 3 April, I was provided with two lists, one indicating the additional funds that had been made available to six groups, the other showing the additional organisations which had received funds. I do not propose to go into the details of those organisations.

I was concerned when I looked at the list of names of those persons and organisations which had received funds. I was concerned to know what those funds had been used for. For example, I was told that the Kimberley Land Council had been given $60 000. That seems like a lot of money simply to assist an organisation which has its own sources of income to prepare a submission to the Seaman inquiry. I decided that I should ask some questions of the Minister about the $60 000.

On 11 April 1984 I asked the Minister to provide details of exact expenditure incurred by the Kimberley Land Council. I add that it had taken a couple of questions before this to get to the stage where the Minister felt that he was in a position of having to answer the question. He provided me with a statement of expenditure from October 1983 to March 1984. Members are probably very familiar with this list, because this will now be the fourth time that I have mentioned it in this House, but I repeat it for the benefit of the Minister when he responds to this motion. There is a heading called "Meetings" with the subheading of "Air Travel and Fuel" for an amount of $9 773.74. The accommodation and meals figure is given as $4 893.94, making a total for meetings of $14 667.68. That is not a bad amount of money for accommodation and meals for a period of about six months to prepare a submission!

On top of that, there is a "wages" component of $20 406.79. There is also a heading, "Vehicle". Under the subheading of "Purchase" is an amount of $11 753.80. The insurance component for the vehicle is listed as $521.97 and the service cost as $15, making a total for the vehicle of $12 290.77. You can imagine my surprise, Mr President, when I found out that the Kimberley Land Council needed to use the funds to buy a vehicle to help prepare a submission to the Seaman inquiry.

The next heading was "Legal Fees", beside which appears an amount of $16 000. Lawyers such as Mr Dowding would tell me that $16 000 is probably chicken feed for a report of this nature.

Hon. I. G. Pratt: Who was that paid to, Mr Moore?

Hon. N. F. MOORE: I will come to that.

The next heading was "Miscellaneous", under which appears the following: Tapes for consultation, $49.85; telephone calls, $126.97; stationery, $35; printing costs, $933.77; making a total of $1 145.59. The grant total is $64 510.83. That was the amount of money expended by the Kimberley Land Council to prepare its submission to the Seaman inquiry.

I digress slightly. Members would be aware of what that submission recommended. It received massive publicity in the *Daily News*, particularly because the submission, in a sense, sought the transfer of the Kimberley to Aboriginal people. It talked about air space, sea space, and land going to the centre of the Earth. That is what we, as taxpayers, paid $64 000 to obtain. It was written by none other than

Phillip Vincent, who was the Australian Labor Party candidate for Dale in the last election and is currently a candidate for the next election.

Hon. I. G. Pratt: He is not interested in land rights in Dale.

Hon. N. F. MOORE: I am sure he is not.

It seemed to me that while the information provided was not bad in view of the Minister's reluctance to answer questions, it did not really go into much detail. It talked about meetings and about meals and wages, but it did not say who got them or how the vehicle was used and the like. Thus on 18 April 1984, I asked another question of the Minister.

I requested that he provide me with itemised details of the expenditure incurred under the various headings I have referred to. I also asked him if he could tell me the current location of the vehicle and what it would be used for in the future. The reply came back—and it is important that the Minister has this indelibly implanted in his memory because this is the crux of the whole problem. It reads—

> Allocations have been made to Aboriginal groups to allow them to bring submissions to the Seaman inquiry. When all of those submissions have been finalised and expenditures have been checked and audited, the information requested will be made available.

That is pretty straightforward. Once all the people have put in their submissions and the expenditure has been audited and checked, the information will be made available. That answer was indelibly implanted on my mind at the time, because I asked about five questions on the same day and received the same answer to each of them, even though the answer bore little relationship to the question. I could just about quote that answer off pat.

It all comes back to the fact that in April 1984 the Minister gave an undertaking that once these formalities had been gone through we would be provided with that information. I thought that was fair enough; I assumed that the Minister would do this in due course.

I waited for about a month, and in May 1984 I asked another question: When could I expect to have the information provided? The answer was as previously advised, it was not possible to provide the information requested until all grant allocations had been finalised.

That was in May 1984. About the same time I asked another question about the Kimberley Land Council's allocation and I was told that when all grant allocations had been finalised the information would be made available.

That was question 1018 of 10 May 1984. One could be forgiven for thinking that the Minister would make the information available, because that is what he said in answer to about six questions.

About six months later, in October 1984, I wanted to find out how much money was involved so I asked a series of questions about the Seaman inquiry. On 18 October 1984, question 313 reads—

> What was the total cost of the Seaman inquiry?

The answer was—

> As at 30 September 1984, $583 897 had been expended by the Aboriginal land inquiry.

The second question was—

> What was the total amount expended by the Liaison Committee to assist individuals and organisations to prepare submission to the inquiry?

The answer was—

> As at 30 September 1984, $440 214.98 had been expended by the Aboriginal Liaison Committee in grants.

That is the sum of money I am talking about when seeking information. I am seeking information about the $440 214.98 of the taxpayers' money being given to persons and organisations by a group of people headed by the member for Kimberley, Mr Bridge, for which no details are available.

I then asked—

> Will the Minister now provide an itemised summary of expenditure involved in each grant?

This is six months after the previous question. The Minister said—

> I am not is a position to provide this information at present, as some groups which received grants have not yet submitted their final returns.

In line with the Minister's previous answer, I still received no information. I waited for a

while and then, on 21 August 1985, about nine months after that question, I asked in question 23—

> Has the Minister received an expenditure report from each of the individuals and organisations who were given financial assistance to prepare submissions to the Seaman inquiry?

The answer was—

> No.

Here we are about 12 to 15 months down the track after the liaison committee stopped giving out money and still people have not lodged submissions.

Another part of the question was—

> If the answer to (1) is "No",—

which it was—to continue—

> —which individuals or organisations have still to lodge a report?

The Minister said—

> This information is still being compiled and will be available in the near future.

That was in August 1985. On 16 October 1985, in question 249, I again asked some further questions of the Minister. I said—

> Has the Minister received the accounts of expenditure from all persons and groups which received assistance to prepare submissions to the Seaman inquiry?

The Minister replied—

> All individuals and groups who received financial assistance . . .to prepare submissions to the Seaman inquiry have now provided acquittals for grants received.

At last on 16 October 1985, some 18 months down the track, the Minister has received what he calls "acquittals" for grants received. Then he continued—

> These acquittals are in the form of a signed statement of expenditure.

In the second part of the question I asked—

> If so, will he now table all accounts?

The answer was—

> As statements of expenditure were provided it was not necessary to request copies of actual accounts.

Then I asked—

> If not, which persons or groups have yet to provide accounts?

Of course, that did not apply.

It is interesting that the Minister has only sought from these persons and organisations signed statements of expenditure which did not actually involve accounts. It makes me very enthusiastic to see just what some groups have put in and what the Minister has regarded as acceptable. Not deterred by that answer, I asked on 24 October, a week later, in question 277—

> Will the Minister table all "signed statements of expenditure"?

These are the signed statements of expenditure he had told me in the previous question had been provided. I asked—

> If not, why not?

The answer came back—

> (1) No.
>
> (2) As previously indicated, statements of expenditure have now been returned by all organisations and individuals who received funding from the Aboriginal Liaison Committee. These statements have been duly and properly audited by officers from the State Audit Department. It is not a normal expectation that the Government of the day should publicise confidential material pertaining to an official inquiry. The Minister is not of the opinion that there should be any change to this convention.

I refer members to the question I asked before, where I had the same answer to five questions, which was that when the information was available and the organisations had made their returns that information would be made available. Now I am told the information is confidential and is not to be made available.

I wonder why it is confidential. We have just looked at a Budget which shows how the Government spent nearly $3 billion last year in fairly reasonable debt. We are the Parliament of Western Australia. I am seeking information about how $440 000 of that money was spent. I am entitled to know. It is confidential. The money was made available by a committee set up by the Minister to assist people to perform a task. How that information can be confidential is beyond my comprehension. It is confidential because something is in there which the Government does not want me to know. If the Government does not want me to know, it does not want the public to know.

An Opposition member: It does not want the Parliament to know.

Hon. N. F. MOORE: The Minister was further asked how he could reconcile that previous answer, that the information was confidential, with his previous answer, where he

said the information would be made available when it had been collated and audited. He replied—

> As advised, in response to question 277 of 24 October it is not a normal expectation that the Government of the day should publicise confidential material pertaining to an official inquiry and the Minister is not of the opinion that there should be any change to this convention.

There is a bit of *deja vu* about that because that was the exact answer given to the previous question. It seems that the person who writes the Minister's answers is lacking considerably in imagination because all he does is use the same answers, regardless of what the questions are. He completely ignores the question.

That is the situation we have now. It is important to note that I started off in October 1983. Here we are in November 1985, more than two years down the track, and I still have not got any answers. All I know is that $64 000 was spent by the Kimberley Land Council and the expenditure was divided into about four set headings. I also know the names of a number of organisations and individuals who received funds and the total amount they received, but I do not know how those funds were expended. I believe—and I am sure members of the House also believe—that this is the sort of information that members ought to be given.

Let us look at the Minister's thinking. Why would he say in the very early days of my questioning, "When it is all available you can have it"? That is the normal, responsible, sensible approach for the Minister to say: "Look, there is no point in giving you little bits and pieces of things here and there. When it is all put together I will give you the whole lot and you can go through it at your leisure and you can see that the money was expended wisely and it assisted people to prepare submissions and so on." That was obviously his thinking at the time.

But of course what has happened is that some of the information started to dribble in and some did not come in. The Minister got onto Mr Bridge and said, "Look, you had better get onto those people that you gave money to. They haven't accounted for their expenditure." Then some more responses started to come in and I think those responses contained information that the Minister found a bit embarrassing. I think that some people could not account for their expenditure and simply said "We have expended X number of dollars", and signed it. I think the Minister is highly embarrassed at the responses he has received, otherwise why is he not making the information available? Clearly the Minister has something to hide. If he has not got anything to hide why does he not make the information available? We are in a very simple situation indeed; $440 000 of taxpayers' money has been spent by organisations and individuals in Western Australia. The Government knows how it was spent but it will not tell anybody else. Why is it not telling anybody else? Because it is embarrassed about what has happened. In fact, it is very embarrassed indeed about the whole question of land rights.

Mr Burke fired off before the last election about how he was going to give land rights to Aborigines, and now he is saying he will not do so until after the election. In the event that he wins the upper House and Government after the next election we will have land rights like a shot, like an absolute rocket. It will be the first piece of legislation he brings in. But that is beside the point. The point is that in the Premier's haste to be all things to all men when he first became Premier he was dispensing all this largesse around the countryside and he gave this money to the Aboriginal groups to show what a fine fellow he was. He said, "We will not see you in a situation where you cannot provide a reasonable submission to the Seaman inquiry. We will give you the money. We will help you to put your case because we are on your side. We are going to give you land rights, but we want to know how to do it properly so we will give you as much money as you need to get the submissions in." Phillip Vincent got $16 000; at least that is one thing I know. That one officer, an ALP candidate and activist in the north-west, got $16 000 of the taxpayers' money to prepare a submission.

Hon. Lyla Elliott: Why not? He is a lawyer. Why shouldn't he get it as opposed to any other lawyer?

Hon. N. F. MOORE: He did a good job, too! He absolutely crucified the case of the people he represented because when the Kimberley Land Council submission became public the whole house of cards came tumbling down because the people in Western Australia who until then did not know what this was all about suddenly saw what the activists in the Kimberley wanted. Members cannot tell me that some of those Aboriginal people in the Kimberley would have had views on air space and ground space. I have no doubt that Mr Vincent was a well-paid adviser who suggested

what ought to go into the submission; in fact, he wrote it. But I am also aware that he sought more money than the $16 000 paid to him; in fact he actually sought a lot more than that amount for his services but he was not given it by the Kimberley Land Council which said it could not afford any more than the $16 000 already paid to him. The Kimberley Land Council had received only $64 000 from the Government and it could only afford $16 000 for Mr Vincent.

The situation is not good enough by a long shot. I want to go through this motion before the House in a detailed way so that members are aware of exactly what I am trying to do. I have moved—

> That the Honourable D. K. Dans, Leader of the Government in the Legislative Council, be ordered, and is hereby so ordered, to lay on the Table of the House not later than 7 days from the day on which this order is made, on behalf of the Government of Western Australia, the information and documents hereinafter described, and that such documents be tabled without excision, alteration or defacement:

The documents I want include the names of any person or organisation who or which received financial assistance; the audited statements of expenditure, which I am told by the Minister are now available, but not to me; and, finally, the total amount received by each person or organisation. I asked for the third one because I think there are some organisations that I do not know of which received money. I am asking the House to order the Leader of the House, as the representative of the Government in this House, because I am unable to ask the House to direct the Minister for Community Services with special responsibility for Aboriginal Affairs to tell the facts to the House. Because he is a Minister in another place it is not competent for this House to direct him to provide the information. It is competent for the House to request that he provide the information, but in view of the answers to the questions I have put on notice, there is very little prospect that he will take any more notice of a request by the House than he would take of a request from me.

The Leader of the Government in the Legislative Council represents the Government in a collective sense and the collective responsibility of the Government resides in the Leader of the House, so I believe it is competent for this House, because it wants the Crown to provide the Legislature with certain information, to order the Leader of the House to provide the information. It is as simple as that. All that has to happen is that we adopt this motion. In the event that the House chooses to support the motion which orders the Minister to provide the information and to table it within seven days—that is a pretty straightforward state of affairs. We could circumvent the necessity to debate this matter *ad nauseum*. The Minister could simply provide the information which he could quite easily do by giving me the answers; he could take the stubborn approach and say that the Government will not take any notice of a request of this House, in which case the House of course can take its own course of action.

Hon. Fred McKenzie: The House is not democratically elected; that is fair enough.

Hon. I. G. Pratt: Are you accepting your pay, Fred?

Hon. Fred McKenzie: It is not democratically elected.

Hon. P. G. Pendal: People are entitled to know where the money went.

The PRESIDENT: Order!

Hon. Garry Kelly: This House has no authority to do anything.

Hon. N. F. MOORE: That is a very interesting comment from Hon. Garry Kelly.

Hon. Garry Kelly: No moral authority, anyway.

Hon. N. F. MOORE: Is Hon. Garry Kelly suggesting that the Legislative Assembly is democratically elected using his criteria?

Hon. Garry Kelly: No.

Hon. N. F. MOORE: In which case that House has no right to do anything either. What has the Government been doing for the last 2½ years if it has no authority to do anything? Hon. Garry Kelly is hoist with his own petard. If he believes that this House is not democratically elected and has no authority to do anything, nor is the other House. However, the Government has spent the taxpayers' money—$3 billion in the last Budget—and this money was not spent correctly if the Government had no authority to spend it at all. The Government spent that money because it is the Government and because this House allows it to do so.

The particular request that I am making is in line with that. This Parliament is entitled to know how the Government is spending the taxpayers' money. If the Government refuses to

give that information, it is my view that the Legislature has the right to request it. I requested it by asking questions on notice and that request was not met. I now believe the House has the right to demand it and this motion demands that the Minister provide the information. We will see whether he will accede to the motion, in the event the House decides to support it. I hope the Minister does not decide, as he has done before, that this motion should go to the bottom of the Notice Paper and that once it is adjourned he can leave it on the bottom of the Notice Paper.

I hope the Minister does not decide to go down that track. I hope he is prepared to debate this issue tomorrow, or even now, so that we will know why he will not make the information available. There are mechanisms available to the House in the event that the Government decides to put things on the bottom of the Notice Paper, so we will look at that when the circumstances arise. I believe this motion is absolutely and totally in order. It is the right of members of Parliament to seek, using the privileges available to them, information that the Government will not provide. I hope that the Government will see it in the same light because this will save a lot of difficulty and unnecessary unpleasantness.

Debate adjourned, on motion by Hon. Fred McKenzie.

## ACTS AMENDMENT (POTATO INDUSTRY) BILL

*Second Reading*

Debate resumed from 30 October.

**HON. A. A. LEWIS** (Lower Central) [3.14 p.m.]: It is not my intention to delay the House in this matter. I think my colleagues have covered pretty well the area that has to be covered in respect of this Bill. However, it appears to me that under the previous Act the Government had all the provisions necessary to do exactly what it is doing now, if the members had desired. Obviously the Minister is weak and has decided that he had better put some strength into the Act in order to protect himself for the forthcoming election. I do not believe that we will see any regulations under this Bill before the election. It will be interesting to hear the Leader of the House, who is an acknowledged expert on potatoes—

Hon. D. K. Dans: I am glad you recognise that.

Hon. J. M. Berinson: He is one of the industry's staunchest supporters.

Hon. A. A. LEWIS: The Leader of the House probably uses more potatoes than most people and he is a bit starchy at times.

Hon. D. K. Dans: I eat them boiled for breakfast with salted herrings.

Hon. A. A. LEWIS: I will not go along that track because you, Mr Deputy President (Hon. John Williams), would bring me back to address the Bill if I started talking about what the Minister had for breakfast.

Hon. S. M. Piantadosi interjected.

Hon. A. A. LEWIS: No, I did not.

Hon. S. M. Piantadosi: Do you support the board? Do you think it should be abolished or what?

Hon. A. A. LEWIS: If Hon. S. M. Piantadosi would listen to me, I said it was completely unnecessary that the Act we have at the moment should give the Minister the power to do exactly what he is doing with this authority.

Hon. S. M. Piantadosi: You did not say that. You were just making accusations about the Minister.

Hon. A. A. LEWIS: I said that because the Minister was so weak he thought that he might gain himself some political mileage in his electorate by bringing in a new Bill.

Several members interjected.

Hon. A. A. LEWIS: I not only believe that; I know it is true.

Hon. D. K. Dans: Please stop getting political, Mr Lewis.

Hon. A. A. LEWIS: If the Leader of the House and some of his colleagues stopped making unruly interjections, I would be able to go on talking to the Bill; but as long as members of the Governemnt want to interject, I should say that it is clearly obvious that the Government Whip is out of his chair because this is the first time the Labor Party has been able to extend my speech for about two years.

Hon. Mark Nevill: That might be able to tell you something.

Hon. A. A. LEWIS: I would inform Hon. Mark Nevill that with his intelligence and that of his colleagues, I doubt whether Government members could understand what I am talking about.

Several members interjected.

Hon. A. A. LEWIS: I have plenty to say and I have all the time in the world to say it.

Hon. D. K. Dans: I hope you have.

Hon. A. A. LEWIS: I know I have.

Hon. D. K. Dans: How did you guess that?

Hon. A. A. LEWIS: After having seen the brutality of the numbers last night, I now understand what numbers are, although I am only gradually learning.

Hon. Lyla Elliott: Now you know what it feels like.

Hon. A. A. LEWIS: I pray that when Hon. Lyla Elliott leaves this place to a happy retirement she will be able to say that she has never crossed the floor and voted against her party and that she has always been caucussed and done the right thing. I am sure that Hon. Lyla Elliott will be very proud of having done that right throughout her parliamentary career. She and I are two completely different types of people. I usually have my own viewpoint on most matters and I am prepared to vote whichever way I wish at any time I feel inclined.

Hon. Lyla Elliott: As long as it does not affect the fate of the Bill. Be honest about it.

Hon. A. A. LEWIS: I seem to remember voting with Hon. Lyla Elliott on one occasion and that did in fact affect the fate of a Bill.

There are a few questions I would like to ask about the Bill. As I have said, the Bill appears to be a bandaid-type measure. The previous Act could have covered all the areas in it if the Minister had wanted to take the bit between his teeth. We know that the potato growers have been screwed into the ground over the last four or five years and that the so-called marketing board has been a control board rather than a true marketing board. It has done absolutely nothing about marketing. It has begrudgingly put a surplus of potatoes on the market.

I have heard an allegation that when they arrive at Spearwood certain potato growers have their potatoes put in one area because they are the better potatoes and are of export quality. The not so good potatoes are put into another area. The allegation has been made by a fairly sensible young man who knows something about potatoes and I am inclined to believe him when he says there has been a lot of hokey-pokey going on with what is called the Potato Marketing Board.

Hon. S. M. Piantadosi: Should it be abolished?

Hon. A. A. LEWIS: Yes, I believe it should be abolished, but over a certain period of time.

Several committees have been formed to look into this matter and I refer to a Select Committee of which Mr Dans and Mr Ferry were members, the McKinney report and the working party report. We have had so many reports that we will be eating them because they will take up the room set aside for potatoes!

Hon. S. M. Piantadosi interjected.

Hon. A. A. LEWIS: I realise that there are grower representatives on the board. However, I do not think that a good grower necessarily makes a good marketer. Before Hon. Sam Piantadosi came into this House I expressed my opinion that I would not have growers on any marketing boards. My idea of a marketing board is a membership of three people who would be executive officers—probably an economist, an accountant and a lawyer—with marketing experience and who could go out and market potatoes, or milk, or wheat. A great deal of nonsense has been spoken about the wheat marketing board which has possibly cost the growers thousands of dollars over the years.

Hon. E. J. Charlton interjected.

Hon. A. A. LEWIS: I advise Mr Charlton that it is interesting when discussing the Canadian system that people believe it is a better system than ours. The problem could be that some wheat growers have not had the opportunity to study what marketing is all about.

Hon. E. J. Charlton: I think they remember what they had before the board was established.

The DEPUTY PRESIDENT (Hon. John Williams): Order! We are talking about potatoes, not wheat. I ask the member on his feet to ignore the interjections.

Hon. A. A. LEWIS: Thank you for bringing me back to the subject, Mr Deputy President. I realise that we are talking about the marketing of potatoes and I have been diverted from the subject.

Hon. D. K. Dans: You have plenty of time. I would like to hear you speak about potatoes.

Hon. A. A. LEWIS: I know the Leader of the House likes to hear me speak about potatoes.

Hon. Fred McKenzie: It is more than about the marketing of potatoes.

Hon. A. A. LEWIS: Marketing controls people—the good old-fashioned socialist stuff. It pushes people this way and that way. It allows growers to do this and to do that in the same way as it allows pickers to do this and to do that.

Hon. D. K. Dans: Everyone expects a slice of the action.

Hon. A. A. LEWIS: The Leader of the House can say that again. The area which he represents is getting the good red soil from the south-west. Instead of cleaning the potatoes in the area in which they are grown they are brought to his area to be cleaned and packed. I realise that the soil in the area represented by the Leader of the House needs the red soil to build it up. Where else would one find a situation where potatoes have to be brought from Pemberton and Donnybrook to Perth—

Hon. D. K. Dans: Tell us more about the Wheat Board and where it has gone wrong; Mr Gayfer has just returned to the House.

Hon. H. W. Gayfer: I have heard it all before and I do not want to hear it again.

The DEPUTY PRESIDENT: Order! Members certainly will not hear it again.

Hon. A. A. LEWIS: If the Government were dinkum and really believed in the South West Development Authority and "Bunbury 2000" it would be making sure that the headquarters of the Potato Marketing Board would be in Donnybrook or Manjimup. Of course, that is too simple for the Government to handle.

Hon. D. K. Dans: It has to be in Coogee.

Hon. A. A. LEWIS: I believe that the packout is one of the most important problems facing the industry.

I have been involved with the industry for about 13 or 14 years, but I do not have all the knowledge I would like to have about it. However, I have seen what happens when there is an excess in production. Loads of potatoes are knocked back and in many instances the growers have to travel to Perth to regrade their potatoes.

About 10 or 12 years ago I travelled with a few growers to inspect their reject loads. At that time silvery scurf was one of the major reasons for the rejection of potatoes. One load which had been rejected for silvery scurf was further inspected by us and the inspectors, and we could not find a trace of that disease. The grower had to travel from Pemberton to Coogee to examine the potatoes.

A war has been raging between the Potato Marketing Board and the growers for a number of years; it did not start recently. It has been suggested that it would be better to have three growers on the board, but I cannot accept that. I am sure the majority of growers would prefer a marketer on the board who would be able to get them another $10 a tonne for their potatoes instead of having another grower representative on the board.

I have a great deal of admiration for the grower-producers of this country. A good grower may not necessarily be the greatest marketer.

Hon. E. J. Charlton: They can employ them.

Hon. A. A. LEWIS: That is exactly right, they can employ marketers and that is what they should be doing. Once they have been employed the means are there by which to tell people what sort of packs they can use to pack the potatoes and things of that kind.

Hon. Fred McKenzie: Would that not be to assist the growers? That is the purpose of the Bill.

Hon. A. A. LEWIS: It is to assist the growers. An expert on potatoes would know that the industry is not having a good time at the moment and this applies to most agricultural producers.

Hon. Fred McKenzie: They want the board.

Hon. A. A. LEWIS: Do they want the Potato Marketing Board? I think there is some doubt about that and if a vote were taken to keep the Potato Marketing Board the result would be 50:50. I believe that the growers are uncertain about whether they want to keep the board.

If the growers were given an option of the board being phased out over six or seven years, with protection provided so that they could move towards private enterprise, they would probably have agreed that they could do without the board. To give credit to the Government, it is doing some of these things although much of it could have been done by regulation rather than by the introduction of this Bill. The growers want the protection of the board in the short term but in the long term they do not regard the board as the answer to their problems. It is one of those catch 22 situations. If it was decided to cut out the board immediately the growers would ask for it to be retained. However, if they were given an alternative and they could look forward to better things, I believe they would choose that option. I make those comments following discussions I have had with growers in my electorate and around the countryside.

Hon. Fred McKenzie: They had an opportunity with the Lamb Marketing Board and they stayed with it.

Hon. A. A. LEWIS: If Mr McKenzie looked at the questions the lamb producers were asked he would see that most of them were in the yes/no category. I do not believe producers should have been faced with those questions. An alternative should have been suggested which could have been implemented over a number of years.

I have spoken to the Leader of the House on the issue that as legislators we are prone to make immediate changes instead of introducing them gradually. If we introduced certain changes gradually, particularly in the marketing area, we would get a lot further than we do.

Hon. S. M. Piantadosi interjected.

Hon. A. A. LEWIS: So Mr Piantadosi tells me. I am still a little worried that the board because of pressure, probably from the growers, has tightened up in all areas. Let us consider some aspects of the matter. Some weeks ago a trial pack-out system was introduced and a large meeting was held in my electorate. The estimated cost of the system to the growers was in the region of $600 000. The word has gone out that growers must look very carefully at where the Labor Party stands with regard to the Potato Marketing Board.

I would like the Minister to tell my why the acreage provision has been changed from 2 000 square metres to 500 square metres. I am told that some people were growing potatoes and producing more than they needed for their families. I was told that Mum and Dad, Billy, Jackie, Jilly and everybody else in the family grew potatoes on their 2 000 square metres of land and when these areas were put together the combined produce affected the market. That is a heap of nonsense, bearing in mind the sophisticated machinery used in potato growing today. I have also been told that the change from 2 000 square metres to 500 square metres will increase productivity. I know that the Potato Marketing Board recommended that change three years ago but members can forget about that part of the Bill having any real effect on growers.

I will deal briefly with the provision for an extra grower on the board. From the comments I have received from growers—several today—I believe they would far rather have someone on the board who will get them an extra buck. They do not mind if an additional grower is appointed to the board but it is one of those things that will be sold politically by some people. It could be sold by someone who wants to say, "Look what I am doing for the growers." It is instantly accepted that because an extra grower has been appointed to the board, that is what growers want. However, I do not believe a great deal of pressure has been applied for an extra grower on the board.

Hon. H. W. Gayfer: Why do you always doubt the abilities of the growers and degrade them? It is so belittling of you to talk of them as if they have no capabilities.

The DEPUTY PRESIDENT (Hon. John Williams): Order! I understand that Hon. A. A. Lewis has the floor.

Hon. A A. LEWIS: What an insane outburst by Hon. Mick Gayfer. It must be insane because it came from him. That sort of insane, inane remark just shows that Mr Gayfer is not listening to what I am saying. Actually he came into the House only half way through my speech and he obviously has not listened to all I said. It might be a good idea if he were to do so.

Hon. H. W. Gayfer: I reckon I was spot on.

The DEPUTY PRESIDENT: Order! I will be spot on if this House does not come to order in a moment. Hon. A. A. Lewis has the floor.

Hon. A. A. LEWIS: Thank you, Mr Deputy President. I will qualify what I was saying for Mr Gayfer's benefit; I have spoken to numerous potato growers because I guess my electorate produces more potatoes than does any other member's electorate.

Hon. D. K. Dans: They are nearly as good as the Spearwood potatoes.

Hon. Fred McKenzie: Or the Spearwood onions.

Hon. D. K. Dans: Spearwood onions are the best.

Hon. A A. LEWIS: South west soil has all washed off the potatoes and that is how they can grow the onions.

The growers are most half-hearted about any proposal to increase grower representation. They adopt the attitude that it is okay and that we should let it go through. With regard to the appeal procedure the growers want someone to whom they can appeal over and above the Minister, but they do not know in which direction to go. However, they want their potatoes marketed. They were sold the trial pack-out system at an estimated cost of $600 000. I am sure that the members in this House who were part of the Select Committee which investigated fruit and vegetable growing would agree that the marketing of potatoes in Western Australia as a whole is not topnotch.

Hon. S. M. Piantadosi: It has been abysmal.

Hon. A. A. LEWIS: Yes, abysmal—the worst in Australia.

How much responsibility has the board for all that if it is a marketing board? We have heard it from two Government members that it is abysmal and the worst in Australia. We should be trying to encourage the growers to grow what the housewife wants. The days of producing and saying to anybody, whether it be a merchant or marketing board, "Sell this!", have gone because the consumers know what they want, and that is why the Western Australian growers' share of the potato market is going down. Other people have seen what our needs are and are providing them from outside the State.

I think that the trial pack-out system was a good idea, but it probably went on too long for the growers' pockets. If one is going to have a trial pack-out, one tells people what one intends to do. A trial indicates to me that one does not carry it on to such a length that it will hurt the producer. One does a trial, shows what can go on, and then reassesses the situation. It is like a pilot marketing project, in marketing pilots!

The growers believe that they were given an assurance by the Government that they would be paid for quality; and this Bill does nothing to address that. They were also told they could have a choice of packers, and they believe the Bill does nothing in that regard. They believe they are being directed to packers because the Potato Marketing Board does not allow other people to start pack-out sheds, because the board controls where those pack-out sheds go. I understand the growers are not particularly happy about that.

Hon. S. M. Piantadosi interjected.

Hon. A. A. LEWIS: Sure, I started by saying they should be paid for quality. That would come automatically. However, this is a fair average quality board, as we understand it. In a pack-out system, the bloke with the quality potatoes would get a greater pack-out, but then one should be able to explain to the grower who is not producing as good quality potatoes why his pack-out is not as good. One should be able to assess it down the line and pay a premium.

Hon. S. M. Piantadosi: It is up to the grower.

Hon. A. A. LEWIS: I could not agree more with the honourable member. I think everyone should be paid for quality from start to finish.

The trial pack-out system appeared to be a failure. I am told the system that has replaced it is worse. I do not know enough about it to agree or disagree, but it seems to me that the packers will tell Woolworths or Coles through the board what type of bags they will have, how the potatoes will be packed, and what type of potatoes will be packed. I can imagine that lasting about three minutes, because Woolworths and Coles will bring the potatoes from another State if they think they are being pushed around or they can get better quality.

*Sitting suspended from 3.45 to 4.00 p.m.*

Hon. A. A. LEWIS: Prior to the afternoon tea suspension I was commenting on the situation of the Potato Marketing Board, and it is interesting to note two aspects outside the realms of Western Australia. One is that I understand the South Australian Potato Board has been wound up. I refer also to an article in *The Land* of 12 September 1985 which contains a quote from the chairman of the Federal Potato Co-ordinating Committee (Mr David Montgomery) of Crookwell referring to a national body to plan and coordinate the affairs of the $200 million a year potato industry.

It would seem that the Government has not told us its opinion of an Australia-wide coordinating body. That would seem to me to be going along the lines of some of the fruit marketing bodies, in particular the Apple and Pear Board. I ask the Minister in his reply to tell us what is the attitude of the Government to this proposed coordinating body at a Federal level because that will directly influence the provisions of this Bill in relation to growers doing deals with exports.

Hon. D. K. Dans: I will tell you that in the Committee stage.

Hon. A. A. LEWIS: It will be interesting to know where the Government in this State sees the potato marketing situation going.

I would like to conclude my remarks with some comments from a summary of a meeting of growers in my electorate a fortnight ago. The synopsis of the meeting is as follows—

> Growers, while wishing to maintain a semblance of orderly production and orderly marketing, would prefer to see the

industry, and the board particularly, restructed to give the industry more flexibility to market their product.

Suggested restructuring along following lines—

Authority to:—

Issue planting license—to control production;
Engage in market research and promotion;
Collect levies and fees;
Supervise payments (to growers) and collections of monies (from merchants);
Issue recommended wholesale price.

This would enable growers, if they liked, to market their own product direct, allowing incentive, (not disincentive as is the present case) to be built into their operation, e.g. price incentive to produce potatoes out of season. (At the moment Donnybrook growers grow potatoes through seasonal conditions that are not conducive to good and high production.)

In another part of the summary it states—

The meeting also believed that the granting of export and processing licences was a step in the right direction. However, concern was expressed in regard to policing in times of over-production. It was considered that if sudden market fluctuations occurred in export markets, potatoes grown for export would find their way on to the local market thus depressing prices.

I would hope the Minister could tell me how this can be controlled by the new authority. The summary goes on as follows—

It is also felt that negotiability of licences is desirable. This would help to rationalise the growing industry by allowing smaller and less efficient growers to get out of potato growing and have capital in hand to enable diversification into other areas. It would also allow medium sized growers to become larger and more cost efficient.

Another question I would like the Minister to answer in regard to costs is that it costs $80 to get one tonne of potatoes from Adelaide to Perth. It costs $110 to get one tonne of potatoes from Donnybrook to the merchant, of which $20 is freight from Donnybrook. Where does the rest go? The summary of the growers' meeting continues as follows—

There has also been deep concern expressed in respect to the ability of the Board at management level to comprehend the problems faced by the growing industry. Managerial decisions have been made in favour of the consumer while further depressing an already depressed growing industry. Average cost of production figures in Donnybrook indicate gross production cost of approximately $2 400/acre or $6 000/hectare. With average yields being 12 tonnes to the acre or 30 tonnes/hectare and the price to date being approximately $200/tonne, is it any wonder there is widespread dissatisfaction with Board policies?

I will finish where I started. I believe that the purpose of the Bill could have been achieved by the Minister under the old Act and by regulation. If I am wrong, I am sure the Minister will explain to me where I have gone wrong and I will accept his explanation as an expert in this field and consider the explanation.

The most important thing about the potato industry at present is the viability of growers. That must be the first thing that any authority attacks. It should aim to maintain production of high-quality potatoes. Okay, at present there appears to be no incentive for high-quality potatoes, but the Minister can point out to me where this incentive will come from under the new authority. I will be extremely pleased to hear it.

I believe that control of the area grown is one of the objects of the authority, but the main area where help is needed is in promotion of the product to the market.

I do want to take up the comments made by the growers, which I read out, that it would be sensible to allow the growers and the retailers to keep as close together as possible, remembering always that the whole lot will be imported into Western Australia if we continue along the lines we have to date, without any new ideas. I give the Government credit for a few new ideas in this Bill. If we continue to think that marketing boards and authorities are there merely for control of production and distribution we will continue to lose markets for the growers of Western Australia. There must be promotion, and a quality potato grown by the growers, but growers' viability is the most important thing in the whole deal.

**HON. TOM KNIGHT** (South) [4.13 p.m.]: I support a lot of what the previous speaker and the speakers before him have said. I will not oppose the Bill but because I took the opportunity of talking with many of my growers in the Albany region, I believe it only fair and just that I take up some of the time in this debate to put their views to the House.

Albany growers do not believe by any means that the Bill is perfect, but it does go much further towards helping their situation than did the previous Bill. In fact involving the marketing of the potatoes in this Bill is something that they have wanted for some time. Up to now marketing has been manipulated by outside sources, as the growers have put it to me. For instance, one of the statements made was that they have sent their potatoes to Perth—which, incidentally, costs $50 a tonne from Albany which makes the cost of production over and above their costs and the cost of freight to Perth very high, and it does not leave a great deal of money for them—and when the potatoes are washed for market, the soil washes off the potatoes. When they weigh in their potatoes, they are weighed with the dry dust and soil on the potatoes. The growers maintain that when the soil is weighed out to give the actual tonnage of potatoes, it is weighed as the wet soil that comes off the potatoes. These little problems have been floating around for some time and the growers believe something must be done. This Bill may be a step in the right direction; it is certainly better than what they had before.

As Hon. Sandy Lewis has mentioned, one of the things this House will have to monitor very closely and watch in the interests of our growers is the regulations that will come forth. I believe the achievement of this Bill will be more by regulation than by what has been put forward to the House in the Bill. I gather the Bill is the vehicle through which the regulations will be introduced, and we must watch them to ensure a safeguard for our growers.

Over the years growers have complained about the high cost and low return to the industry. Indeed, it is so bad that several growers in my area have indicated that they would not be planting this year. When they gave me some of the costs involved to put in their potatoes, including labour, the margin of difference did not leave a very profitable income in comparison with what we consider to be the normal basic wage throughout Australia today. When one adds freight at $50 a tonne to Perth on top of that, they are really battling to make ends meet. Obviously, in a bad season they will go down; and if they have a bumper season they will make a little more, which would probably convince them to keep going in the hope that things will get better.

Mention has been made previously of the Gourmet potato. I am lucky because I have several friends in the potato growing industry and quite regularly at potato digging time I am fortunate enough to be supplied with Gourmet potatoes, which are really and truly a delicacy. Several of the growers are involved as members of sporting clubs in my area and they supply potatoes free of charge to be cooked and placed on the bars of the various sporting clubs.

Hon. Graham Edwards: Do they sell them commercially?

Hon. TOM KNIGHT: No, they put them on the bar.

Hon. Graham Edwards: But do they sell them commercially?

Hon. TOM KNIGHT: No, they supply them free of charge.

A Government member: That is not what he is getting at.

Hon. Graham Edwards: I want to know if I can buy some.

Hon. TOM KNIGHT: I know what the member is getting at and I will come to that in a moment. It upsets the growers greatly that something like $170 to $190 a tonne is given to them through the board for the marketing of Gourmet potatoes. They believe that a certain body, or group, or company, or person, has virtually the total distribution of this product throughout the State. The growers have been to the supermarkets and have looked at the cost per kilo, and it has worked out to well in excess of $1 000 a tonne. One cannot expect people not to get upset when they know what they are getting for potatoes and then find the big combines are getting something like 10 times more than they are getting.

The growers maintain that Gourmet potatoes do not keep like the bigger potatoes, and they also believe that because of bad management some bad Gourmet potatoes are sold over the counter because they do not last like a normal spud. However, if we look at the growing and digging times of the different areas around the State, the growers believe the Potato Marketing Board could consider the possibility of bringing forward an advertisement for Waroona potatoes at a certain time, Manjimup potatoes at a certain time, Albany potatoes at a certain time, and so on. As members know, different areas throughout the State could grow potatoes which would ensure a supply throughout the year. We would get the true Gourmet potato that people want rather than the ones that have been held for several months. We could use the Gourmet potato as it is really intended to be used, and not when it is old and spongy; and this would enable the growers to get a reason-

able return for what is being received over the supermarket counter. It would certainly pick up a lot of the shortfall that they are experiencing by producing potatoes at the moment.

The problem is that the proposed marketing board, in close consultation with the grower, must ensure that we sell these potatoes at the right time. As to bringing potatoes in from the Eastern States, a suggestion made to me concerns the bringing in of meat from the Eastern States some years ago. There was a checkpoint at Norseman, and by the time the meat went through and was quarantined and checked, it was not worth the trouble, and that virtually stopped the inflow of a lot of surplus meat from the Eastern States.

Hon. D. K. Dans: When did that happen?

Hon. TOM KNIGHT: In 1973-74 when they were shooting animals in the Eastern States.

Hon. D. K. Dans: A lot of meat has come into this State since then.

Hon. TOM KNIGHT: Yes, at the time they were flooding the market. However, barriers were being set up on the border, especially at Norseman. They were worried about the quarantine situation. There are stringent controls against the bringing in of noxious weeds from the Eastern States. Maybe we should be looking at ways of checking the inflow of potatoes and making the cost of them greater in the interests of the growers and people of Western Australia.

Hon. D. K. Dans: That would be okay as long as retaliatory action was not taken against our produce going east.

Hon. TOM KNIGHT: Products flood into the Eastern States from New Zealand.

Hon. D. K. Dans: The trade out of Carnarvon to the Eastern States is tremendous.

Hon. TOM KNIGHT: I am only saying that the suggestion has been put forward.

The marketing of potatoes overseas certainly brings a lower price. To maintain the overseas market, top potatoes are sold on that market to maintain the trade. That is another reason why the standard of potatoes in our stores at certain times of the year is lower than a lot of consumers would want them to be.

Growers are given an acreage to produce a certain tonnage. They are concerned about what would happen if, in a good year, they reaped a surplus or a bumper crop off that acreage. Next year will they have their same acreage or will it be cut back? The same applies in a bad season when the tonnage is down. Will they be penalised and have part of their acreage taken from them because they have not met their expected tonnage?

I believe that surplus potatoes would be sold on the overseas markets. They would be subsidised from a potato growers' fund of a couple of million dollars, at which it stands at the moment. We cannot expect the growers to continue subsidising their produce when, in all other countries, these products are being subsidised by Governments. Many of these matters need to be looked at. I believe a lot of care has to be taken when the regulations are being drafted to make sure they work in the interests of the consumer and to keep the growers in business. Otherwise, everything will be imported from the Eastern States and from overseas and we will lose another industry to this State. We have not thought enough about what we should be doing in the legislation to protect the industry. The Minister, in his second reading speech, said—

> About one-third of the potatoes consumed in this State are in processed form, of which most is imported as frozen chips from the Eastern States. Western Australian potatoes growers are keen to attract a potato frozen chip processing enterprise to this State. Processors have exacting requirements for solids content and size grading of potatoes, but are less concerned with the external or cosmetic appearance.

The speech explains the requirements and details of the setting up of a frozen chip or French fry factory.

I am concerned, as are growers in my electorate, that a firm called Watties from New Zealand has made an offer for Hunts' factory in Albany which is now in receivership. If that happens, maybe in the first and second years that firm will be looking to local producers for their products. Then, as has happened on many occasions because wages are lower in New Zealand and subsidies are higher for most New Zealand products, those products will be brought into this country at a cheaper rate than we can produce them. If the Government allows an overseas firm to buy Hunts' cannery in Albany, this State will find itself in a much more precarious situation than it is in now because potatoes will pour into the State as will vegetables of all descriptions because the New Zealand firm is a huge vegetable processor. That would have severe effects on the potato and vegetable growing industry of Western Australia.

I ask the Government, in the interests of the industry to ensure that all financial support be given to local processors to take over that works in Albany. At the moment a number of potato and vegetable growers and a fish canning and processing company are interested in forming a joint venture and purchasing Hunts in Albany. If that were to happen they would be, to some degree, masters of their own destiny because they would be processing their own produce and determining the market for it. One-third of the total usage of potatoes in Western Australia is in that form. It would therefore enhance the future for potato growers. I ask the Government to give serious consideration to ensure that an overseas company which is potentially dangerous to our industry is not allowed into this State.

I think it is about time we considered the situation that applied a few years ago when New Zealand was classified as any other country. We should not accept New Zealanders as residents of this country as they expect.

Hon. D. K. Dans: Where is your old spirit of the Anzacs?

Hon. TOM KNIGHT: I am thinking of protecting Australia for Australians and for Western Australians in particular. If that company is allowed into this State, it will be the end of the potato and vegetable industry as we know it. The Government should subsidise Australian companies to make them more competitive to stop the inflow of products and business from overseas. If that does not occur more people will be put out of work and Australian-based companies will die.

I believe that, with this legislation, we may be doing something in the interests of the potato grower. However, if we do not succeed with this Bill we should succeed with the regulations. We will be looking at them very closely to ensure that the potato growers' needs are fulfilled.

**HON. D. K. DANS** (South Metropolitan—Leader of the House) [4.28 p.m.]: I thank the members who have supported the Bill. They would probably know that I was not in the House for one speech. After listening to a number of members I am a little confused. Even in supporting the Bill members are saying that the growers have said this and have said that. That is not unusual when dealing with a group of people because, when one asks it questions, one gets almost any answer one wants.

I have been informed by the Minister for Agriculture that the growers, at a public meeting, demanded that the Bill go through this Parliament this session because they need it to regularise their grading scheme. That seems fairly straightforward to me; there are no handles and no warts on it. The Potato Growers Association executive waited on the Premier to ask that the Bill be made a priority. One can only assume from that that the Potato Growers Association sees nothing wrong with the Bill. It agreed to the Bill because it will enact the measures it is seeking.

Before I go on to more of the formal things I have to say, a number of matters were raised by the last two speakers, Hon. A. A. Lewis and Hon. Tom Knight.

Both members made the significant point that the viability of growers was the most important aspect of the Bill. That is right, up to a point, but much legislation forgets that the most important person is the consumer. The consumer is notably absent in legislation such as that dealing with shops and factories and liquor.

Hon. V. J. Ferry: If you haven't got a consumer you haven't got a market.

Hon. D. K. DANS: That is quite correct. Mr Ferry and I know that, but I just make the point. Consumers will buy a good product. This Bill is setting out to provide such a product. Thirteen years ago I was a member of a Select Committee with Mr Ferry and Hon. J. M. Thomson. Since then, consumers have become more aware of their rights and are more selective in what they require. We are really talking about a marketing exercise.

Mr Knight and Mr Lewis raised the problem of paying freight on dirt. That has always been a problem for Australian producers. Some years ago it was pointed out in a book, *Tangled Skeins*, how much sheep farmers paid to British shipping companies over the years for shipping unscoured wool to Britain. The amount of dirt on which freight was paid for shipment was probably millions of tonnes.

Hon. D. J. Wordsworth: You are almost back on that favourite speech of yours.

Hon. D. K. DANS: That is right.

It is a problem and one that needs to be addressed. How that is done is another question. I have been told that the best potato is one that is brushed and not washed. If they are washed, as they are in the United States, they need to be waxed. I would hate to think of the final cost to the housewife in this country if

potatoes were washed and waxed, but they would command premium prices and attract consumers.

With respect to the marketing of potatoes, it can be seen that they have suffered from the same kind of bad publicity as that experienced by butter. Some years ago the dairy industry was attacked by the promoters of margarine. It took a great deal of time for the dairy industry to react to what I consider to have been the best publicity campaign ever mounted in this country. Anyone going into a supermarket today will see the end result. For every pound of butter sold, nine or 10 pounds of margarine is sold. The industry in that case was slow to react because it thought it had a captive market. The same thing is happening today with respect to red meat. The statistics that are printed in newspapers tell us that the consumption of red meat in this country has dropped something like 40 per cent since 1954. Despite that tremendous drop, only recently have half-hearted attempts been made to get off our butts with a counter argument.

Hon. Vic Ferry will recall that, supported by two of my colleagues, I raised the matter of improving the Potato Marketing Board. It has not improved since those days. It has made feeble efforts to promote potatoes; they appear particularly feeble alongside the efforts of the Rice Marketing Board. We are not a rice eating nation, but that board lifted the consumption of rice from a few grains per hundred of population to a very popular dietary requirement. It did it by providing in almost every magazine bought in this country a supplement of 1001 ways to use rice. I think the Select Committee Mr Ferry and I were involved with spoke about those efforts, but nothing whatever was done about promoting potatoes in a like manner.

Potatoes have been branded as being not good for one's waistline. However, they have very good nutritional value. I am told that the only thing harmful to waistlines is the stuff put on the potatoes. I am past the stage of worrying about my waistline in any case. Bad publicity cannot be blamed totally on the board. Just as people in the dairy industry slumbered away in the sun in the face of the onslaught by margarine producers, people in the potato industry have done likewise. I am reminded of the story of Gulliver and his travels through the mythical land of Lilliput. He lay down and went to sleep. When he woke up, tiny people were tying him up with strands of wool. He was not disturbed; he stretched himself and the strands broke. He went back to sleep but for a much longer time. When he woke up he was that tightly bound he could not move. That is similar to the situation we are dealing with here. The 1985 world is different from that of 1975 or 1965. We must come out and meet the challenge.

I will deal with some of the matters raised by the members and some of the matters that were raised in the debate when I was not present in the House, but I want it to be kept in mind that we have good products that need to be marketed by experts. We do not need to take consumers for granted, simply because we have been taking them for granted for years. Whether the product be potatoes or other products, it is a buyer's market today and the buyers will purchase the products that they need.

I share the concern of Hon. Tom Knight about the matter of commerce and trade between the States, but under the Constitution it would be extremely dangerous to endeavour to set up any artificial barriers or impediments to the importation of goods that are allowed into the State of Western Australia. The reaction to such impediments could have serious consequences on other areas of primary production because we send a number of products to the Eastern States.

Hon. Colin Bell made the point that the purposes of this Bill and the developments that are seen as desirable will not necessarily take place. I assure this House, in reiterating what the Minister for Agriculture has said, that the intention is that the new authority shall implement necessary changes to ensure that the industry may expand and that consumers will have a better choice, more variety and a better quality of potatoes. If this Bill does nothing more than that, it will be doing a good job.

As members here and in another place have observed, the board in the past has not lacked many of the powers that would have enabled it to implement changes and to plan for change. The fact that it has failed to exercise some of these powers and, in some important respects, has let the industry decline in competition with potato growers elsewhere in Australia, will not change unless the growers here want it to change. We came to that conclusion 13 years ago, as I am sure Hon. Vic Ferry will verify.

Hon. V. J. Ferry: That's right, 13 long years ago.

Hon. D. K. DANS: Those 13 years just went down the drain. The growers have indicated very clearly that they want changes to the concept of orderly marketing. It is the Govern-

ment's intention, under the powers and directions given to the Minister under this Bill, to make the authority plan its course in a changing market and account to the Minister with respect to the achievement of its functions. That is most desirable. That is very desirable. If we enact this Bill and leave it, we will have another 13 years of no activity. It must be constantly monitored. The House should be assured that the review process enables the Government and the Parliament to see whether the authority has achieved the objective set. That is not only desirable but also essential. The Government and the Parliament should monitor the performance of the authority, if we are to persist with an orderly marketing situation.

Orderly marketing provides growers with the benefits of an assured and stable market. This is most important for the Western Australian potato growers who have a small domestic market. It has distance and comparatively costly output for surpluses.

Orderly marketing also carries obligations. Consumers should receive not only an assured supply at a reasonably stable price but also a choice of quality and variety. In my experience, since that Select Committee, one of the great problems is that the board has found it extremely difficult to estimate its surplus. It is almost impossible. The surplus has been sold at give-away prices, and not only to the Asian market. That market prefers the Dutch yellow-fleshed potato, which Holland produces in vast quantity and then subsidises shipping to carry it around the world, as does the People's Republic of China, which produces the same kind of potato.

Because people do not buy many more fresh potatoes when they are cheap or many less when they are expensive, the price fluctuates wildly in response to comparatively small changes in supply. In economic language, the demand for fresh potatoes is inelastic.

My colleague, the Minister for Consumer Affairs, reminds me that this is the position except in Ireland. Let us hope we are not hit by a great potato famine.

The advent of potato products, particularly frozen chips, and the growth of the so-called fast food trade, have dramatically changed the potato market. The consumption of frozen chips now accounts for the equivalent of 25 per cent of the total consumpton of potatoes in this State, as it does in the rest of Australia. The growth over the last five years has averaged 13 per cent.

There are signs of some slackening, but a compound annual growth of 18 per cent is predicted over the next five years. In the meantime, the consumption of other processed potato products, both fried and canned, is expected to remain static at the equivalent of about 10 per cent of the total potato consumption.

This means that within five years processed potato products will account for half the total consumption. If frozen chips are not produced in this State we will face a growth of imports from interstate equivalent to 40 per cent of our total market in five years.

This Bill provides the mechanism for growers to contract with processors to supply the quantities and qualities required for frozen chips at times and prices which will enable the local producer to compete with imports. This Bill does not guarantee that processing will expand, but it removes the impediments to the negotiation of contracts and specifications for this trade.

Hon. Vic Ferry commented on the marketing system being straitlaced and severe. Constraints apply to the old system which will change to a much freer system if this Bill is passed.

The Government believes that orderly marketing is particularly important for the Western Australian potato industry, because we are a long way from other centres of population and it is costly to freight surpluses to those destinations. At times the price received barely covers the freight. I touched on this before when I mentioned that the effect on growers' overall returns was severe when the surpluses were large.

Understandably, therefore, growers are concerned that surpluses should be kept within a margin which will ensure a supply to the local market in seasons of low yield. This has been a prime objective of the Potato Marketing Board and one which, to its credit, it has achieved remarkably well. However, it is important to distinguish between disposal of a product that is surplus to domestic demand and marketing a product which importers would prefer to buy.

While the virtues and vices of different potato varieties and consumers' preferences for this sort or that are not in debate here, I make the point that the Dutch have established a preference for their small tubered yellow

fleshed potatoes in South-East Asia over many years of successful trading. We may not be able to beat them but growers here should at least have the opportunity of joining them.

Hon. C. J. Bell asked how the new freer export arrangements will operate if the sale for any reason fails to go through. The most important rider is that growers and traders would enter that market at their own individual risk. The contracts that this Bill enables exporters to negotiate would bind the parties to export their potatoes or to dispose of them in a manner approved by the authority. The authority will be empowered to vet the contracts for production for processing or for export and insist that a suitable clause is inserted and adhered to. I refer members to new sections 26A (2) and 27A (2) of the Bill that require contracts to be registered with the authority, and to 43(2)(ga) which would enable the authority to specify terms to be included in contracts.

The authority may assist the exporter if it is to his commercial advantage, but certainly will not be obliged to accept the potatoes unless it is contracted to do so.

Questions have been raised about the introduction of a pack-out system and whether such a system is now, or would become, legal on the passing of this Bill.

The existing legislation provides the board with the power to implement such a system. The relevant sections are 30 (4) and 21 (5) of the Act.

The Minister is well aware of the repercussions of the introduction of a pack-out system and of the need for the authority to venture with care and sensitivity into such a major change. Certainly it will need to ensure that the washing, trading and packing are done fairly for both growers and consumers and that qualities and prices reflect demand.

The successful handling of the wash-pack trade will be an essential function of the new authority. The Minister for Agriculture expects shortly to receive draft regulations on the duties and functions of this important sector which has gained a dominant position in the fresh potato trade. The option recommended to the Minister by the working party is that the washer-packer-graders become the paid servants of the authority. If this course is implemented the potatoes would remain the property of the authority until they were delivered from the packer's premises. It would be the authority's responsibility to regulate and supervise the washing, grading and packing, and to account for and balance the intake, delivery and payment for the quantities of each grade packed from each grower's consignment.

In passing I would draw members' attention to the fact that the South Australian Potato Board implemented a pack-out system some years ago but failed to bring the packers fully under its control. The consequence is that the packers now so dominate the trade that the board in South Australia is likely to phase out in the next 18 months.

Amendments to the appeal provisions under section 19 of the Bill were made to improve the existing provisions and the Minister for Agriculture would be quite prepared, and in fact would prefer, to seek advice from a panel or tribunal, rather than make the decision without reference. The growers did not raise this matter with the Minister for Agriculture as an issue they considered important and I understand growers in the member for Vasse's electorate did not raise it with him.

I think we should not exaggerate the appeal aspects of the legislation. It has not been used by growers in the past, in my recollection. I again draw members' attention to the provisions of this Bill that set out the functions and obligations of the authority, its accountability to the Minister, and its duty to consult. Certainly I would be critical of the authority if the Minister received a substantial number of appeals as a result of its failure to act as directed or its failure to consult. I regard those avenues as appropriate under the charter for the authority and ask members to support that direction.

The member for Lower West, Hon. Colin Bell, questioned amendments proposed to the reserve fund which he erroneously referred to as the trust fund. The sole purpose of the amendment is to have the authority seek the Minister's approval if it wishes to use the funds for purposes other than market cushioning.

It is not the Government's intention now or in the future with any expenditure incurred by the new authority such as overhead costs, administrative costs, or transport costs, as raised by Hon. Colin Bell, to have it charged to this fund. As members are aware, before expenditure can be charged to the reserve fund the approval of the Minister for Agriculture must be obtained.

Hon. Colin Bell asked, with respect to licence transfers, whether there would be any restrictions on the upper level of licence accumulation. In reply I say that it is not the Govern-

ment's intention to generally restrict the level of licence accumulation. However, any restriction in the upper level of licence held in a particular area will be subject to the marketing strategy of the new authority which will, no doubt, wish to ensure that as practical as possible ware or table potatoes are available to consumers all year round.

For instance, to take an extreme example, it would not be desirable to have all the State's ware potatoes grown in the Albany area because most growers can produce potatoes only over a relatively limited part of the year and this could deny consumers fresh potatoes at other times. However, given the proviso, the new system will enable some rationalisation in the industry and there is little doubt some growers will grow large areas which should improve their position because of the obvious economies of scale.

With regard to Hon. Colin Bell's suggestion that the new authority should act on section 25 of the Act, I will say that the matter of growers' contracting with retailers direct as he suggests is a matter which the authority will probably address when formulating its marketing strategy. I agree that potato growers should receive market signals as he suggests. If they produce potatoes which the market does not demand they should receive less, and if they produce potatoes which, because of variety, size or quality, the market demands, they should receive more.

I can assure the House that under the new authority, for the first time probably since 1947, growers will be paid on price and quality. The price will reflect the demands of the market-place. In other words, there will be a mechanism in place which will mean that the growers over time will start to respond to market demands. That is something they should have been doing over the last 13 years or more.

I thank Hon. Vic Ferry for his detailed history of the potato industry and the various inquiries over the period from when the original Act was enacted. I agree with him when he says that the changes in the industry have not been made rapidly enough. This Bill will enable the industry to change and become much more responsive to the present market and future market changes which will no doubt occur. I think it would be fair to say that the "marketing" in the Potato Marketing Board's title has not actually been undertaken by the board. In fact, the board has basically been a regulatory board which licensed the area of potatoes that growers could grow at various times of the year. Hon. Sandy Lewis mentioned that.

In fact, the distribution activities of the board have been undertaken under contract, which has successfully, to a large extent, shielded the board itself from the market. In other words, neither the board nor the growers have received any signals back from the market. This issue was raised 13 years ago; it was there for all to see. I believe that this is the reason why the board has maintained virtually a one-variety-one-grade-one-price system for such a long time.

The only market message to local growers has come through retailers buying what they claim to be superior quality potatoes from Eastern Australia, mainly from South Australia. These potatoes were of a different variety to the Delaware or Californian White Rose which are grown in WA, but were very well accepted by consumers. The Eastern States competition is clearly higher when prices are at subeconomic—for growers—levels over there. However, retailers say that quality is also a major determinant of their requirements.

In other words, the local industry cannot just have prices—with or without using the reserve fund to maintain returns to growers—to fend off competition. To compete, the local industry must be competitive in both quality and price. The amendments before the House will enable the new authority to address this challenge.

As Hon. Colin Bell said, these amendments will, hopefully, enable consumers to have a better choice of variety and quality of potatoes. It is clearly unfortunate that since the Select Committee report of 1972, some 13 years ago, which recommended that there should be more varieties of potatoes made available to the public, little action has taken place.

However, let me say that one recent example of consumer testing of a new variety has taken place. The variety Geographe, which was bred and developed by the Department of Agriculture's Chris Hosking, has been market tested very successfully. A survey undertaken by the board showed a high degree of acceptance of this new variety.

In reply to Hon. Mick Gayfer's concerns over the representation on the board of the new authority, it is his view that the grower currently nominated by the Minister to the Potato Marketing Board remain the same in the board of the new authority. The working party which was set up by the Minister for Agriculture after

the McKinney inquiry suggested that one member should be nominated by the Minister. The Minister for Agriculture agreed upon representation from the Potato Growers Association to maintain consultation with the association.

The working party believed that, given the authority's increased role in marketing of domestic ware potatoes rather than just being a licensing authority as it virtually was previously, the Minister should have some discretion to appoint another person who may or may not be a grower to provide necessary expertise on the board to ensure that the industry prospers.

I advise the House that this Government is not at odds with the Potato Growers Association over this Bill. We have consulted all the way, which is at odds with the approach taken by the Opposition, both here and in the other place. In fact, at the request of the PGA we pulled out all stops to expedite drafting to make sure the Bill was considered at this sitting. As I have said, the growers lobbied the Premier on this matter.

A number of speakers opposite have raised a perceived need to enhance the appeal mechanism. The Government's preferred position is clearly detailed in the Bill before the House. The Minister for Agriculture said in the other place that he would expect to seek advice from a consultative group in cases of appeal against decisions of the authority on matters of licensing and contracting of production.

After discussion with the member for Vasse, the Minister came to an agreement to move an amendment, which has been circulated, and the detail has been discussed by members opposite in this House.

Hon. Bill Stretch has foreshadowed another amendment which proposes that in the first instance the appeal go to the Minister for Agriculture. If the appeal is rejected by the Minister, the matter could be taken up in the District Court, the idea being that the costs of the appeal would be met by the losing party to the appeal. Hon. Bill Stretch has stated that his proposal is favoured more generally in the industry. Frankly, I think it somewhat unfortunate, if my understanding is correct, that before these Opposition members spoke in this or the other place they did not canvass the opinion of the representative organisation of potato growers, the Potato Growers Association. I suspect that Hon. Bill Stretch's "many" growers he has discussed the matter with are probably, in fact, many fewer than many. I challenge the Hon. Bill Stretch to say how many growers in fact he consulted.

The Government, like members of the Opposition, is concerned at the cost of appeal mechanisms. If a system is such that the person who appeals and loses bears no cost, it is likely that many frivolous appeals will be forthcoming which could be disruptive and be a major cost to the industry. It is up to this House, but I would see an appeal to a District Court as being very expensive to the person who lost; in fact, not just expensive but also very time consuming.

I think I asked the Attorney General how long it would take before an appeal came before the District Court, and apparently it could take between two and three months. That is a very long time.

There are a number of other matters that were raised by Hon. Sandy Lewis. I would need to have a look at them and, if necessary, I could talk to him privately about those matters, or I could talk about them when debating the short title of the Bill. They are not all that significant. I think I have tried to cover as many of the points as I possibly could. Once again I thank members for their support.

Question put and passed.

Bill read a second time.

**[Questions taken.]**

## ADOPTION OF CHILDREN AMENDMENT BILL

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. Peter Dowding (Minister for Employment and Training), read a first time.

*Second Reading*

**HON. PETER DOWDING** (North—Minister for Employment and Training) [5.09 p.m.]: I move—

That the Bill be now read a second time.

This Bill seeks to reform the Adoption of Children Act 1896. The Bill will introduce the most extensive changes to adoption law since 1964.

In 1983, when an amendment to the Adoption of Children Act was introduced, a Select Committee of the Legislative Assembly was set up to inquire into that Bill. The Select Committee considered that the primary objective of adoption is to find families for children, and not children for families. On this basis it made

38 recommendations for changes to the original Bill. It also recommended that a number of other matters be considered.

Since the presentation of the Select Committee report on 11 October 1984, there has been considerable public discussion of the issues. In particular the Western Australian Committee on Adoption and Alternative Families has organised a series of public meetings.

This Bill is to implement the recommendations of the Select Committee and to respond to community ideas and suggestions on the report.

Although not a recommendation, the Select Committee drew attention to the rights of adoptees to information about their origins.

The report said—

> At each of the three Australia-wide adoption conferences resolutions were passed supporting the rights of an adult adoptee to retrospective access to a copy of his or her birth certificate. Even if a certain amount of risk of unwanted and traumatic meetings exists, it needs to be balanced against the continued distress and bewilderment to which some adopted people are destined to suffer because of denial of access. Reunions between adoptees and natural parents should be assisted by the department or an agency.

Much of the public discussion has centred around this comment and the wish of adult adoptees and natural parents to have the opportunity to contact each other. The Bill will therefore permit original birth certificates to be made available, after counselling, to adults who have been adopted. Safeguards have been incorporated to protect the privacy of members of the adopted person's natural family who do not wish to have contact.

The Bill will formalise the existing adoption contact register. This was set up in the adoption branch of the Department for Community Services in 1984 in response to persistent requests for information by adoptees and members of their natural families. An adoption contact register is a register where people who wish to make contact with natural relatives can have their names recorded. When two names on the register match, arrangements can be made for the parties to be put in touch with each other. The existing adoption contact register was based on the contact registers already operating successfully in New South Wales and South Australia.

One of the matters which may be included in the adoption contact register is that a person does not wish to have contact with natural relatives affected by adoption. This, popularly described as a negative register, has been specifically included in the Bill. Access to original birth certificates has been available in the United Kingdom for some years. The proposals in this Bill are adapted from the Victorian Adoption Act 1984.

The Bill provides that only an eligible person may apply to adopt a child. Eligible persons are defined to mean parents, step-parents and relatives, people who have had children placed with them by the department or an approved adoption agency, or people who have fostered a child for more than three years. In the case of a joint application by a husband and wife, only one of the parties will need to be an eligible person.

As recommended by the Select Committee, the Bill enables organisations to be approved by the Minister as adoption agencies. To protect the interests of organisations applying for approval, there is a right of appeal to the District Court if approval is refused.

The Bill alters the sections of the Act which set out the matters about which a judge had to be satisfied before making an adoption order. At present the Act requires the department to provide a report to the court and the director general to provide an opinion on whether the applicants are proper people to be adopting parents. A favourable opinion is binding on the Family Court. If the director general's opinion is unfavourable, the applicants can contest it. The Bill removes the requirement for the director general to provide an opinion. Instead a report will be provided by an officer of the department or of the approved adoption agency responsible for the adoption. This will enable the judge to make the decision without being bound by the opinion of the director general.

Before a foster child is adopted the Family Court will have to be satisfied by the report of a social worker that he or she has tried to re-establish the child with one or both of the natural parents.

To protect the interests of the child, the judge will be able to order separate representation for the child and permit any person who has an interest in the welfare of the child to become a party to the proceedings.

A person who is refused permission to arrange an adoption or transfer custody of a child for the purposes of adoption will be able to appeal against the decision to a Family Court judge.

The Bill provides that an adult adopted person will be able to obtain a copy of his or her original birth certificate. The procedure will be that the adopted person will be able to apply to the department in the first instance, and will be informed of the requirement for counselling by an approved counsellor. The names of approved counsellors who have appropriate experience and qualifications will be published in the *Government Gazette*. They may be officers of the department, or an adoption agency, or in private practice. Arrangements may be made for counsellors in other States and overseas to be approved. This will mean that people adopted here but now living elsewhere will not have to come to Western Australia to obtain their birth certificates.

The director general is required to inform the counsellor chosen by the adopted person of anything which may be distressing to the adopted person and of any entry in the adoption contact register to the effect that a natural parent does not wish to have contact. The counsellor is then required to pass this information on to the adopted person as part of the counselling process. An example of distressing information which should be made available might be that the natural mother is dead.

Clause 25 will come into force six months after the remainder of the Bill to enable natural relatives to register their wish not to have contact.

When the director general is informed that appropriate mandatory counselling has occurred he will arrange with the Registrar General for the birth certificate to be issued to the adopted person.

The Bill requires the director general to establish and maintain an adoption contact register. The register is already operating by administrative arrangement but the Bill seeks to give it formal status and to give the director general access to the records of the courts and the Registrar General. The director general will be obliged to advertise the existence of the adoption contact register. A person who does not wish to have contact will be able to have this fact recorded in the register. Adopted children under 18 will not be able to enter their names in the adoption contact register without the consent of their adoptive parents.

The Select Committee recommended that penalties be increased consistent with those in Victoria. A standard penalty of a $2 500 fine or imprisonment for six months has therefore been introduced. The penalty for a breach of the regulations and for one lesser offence will be $1 000.

In the past it has generally not been possible to prosecute under the Act because the Justices Act requires prosecution to take place within six months. Many of the offences do not come to light for several years. To enable the legislation to be enforced effectively the Bill provides that prosecution may take place within six months after the offence comes to the notice of the Attorney General.

The Bill provides for the making of regulations and includes transitional provisions.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. Tom Knight.

## CONSERVATION AND LAND MANAGEMENT AMENDMENT BILL

*Receipt and First Reading*

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

*Second Reading*

**HON. J. M. BERINSON** (North Central Metropolitan—Attorney General) [5.14 p.m.]: I move—

That the Bill be now read a second time.

This Bill amends the Conservation and Land Management Act to correct a technical omission from the Act. The Wildlife Conservation Act and Regulations provide for the shooting of ducks by licensed shooters during declared open seasons. Duck shooting is an established, traditional activity for more than 5 000 licensed duck shooters. Much of the duck shooting traditionally occurs on game reserves. These reserves are in fact nature reserves classified under the Wildlife Conservation Act as shooting or hunting areas.

The part of the Wildlife Conservation Act providing for classification of nature reserves as shooting or hunting areas was repealed with the passage of the Conservation and Land Management Act 1984. However, due to a technical omission, an equivalent provision was not incorporated in the Conservation and Land Management Act. As a consequence,

nature reserves which have traditionally been available for duck shooting in the past are no longer available under the existing legislation.

It was not the intent of the Conservation and Land Management Act to deny access for licensed duck shooters during declared open season to shoot ducks on nature reserves which have traditionally been open to duck shooting.

The Bill amends the Conservation and Land Management Act so as to provide for hunting and shooting on specified nature reserves in the manner and with the conservation safeguards previously provided for in the Wildlife Conservation Act.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. A. A. Lewis.

## STAMP AMENDMENT BILL

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. J. M. Berinson (Minister for Budget Management), read a first time.

*Second Reading*

**HON. J. M. BERINSON** (North Central Metropolitan—Minister for Budget Management) [5.18 p.m.]: I move—

That the Bill be now read a second time.

This Bill proposes to amend the Stamp Act 1921 in order to give effect to two concessions from stamp duty that were announced in the Budget. In addition, there has been incorporated into this Bill a number of minor amendments which will—

provide exemption from duty for associations of local authorities;

regularise present administrative procedures relating to the duty payable on motor vehicle licences or transfers of licences;

extend the time for lodging documents for stamping;

provide uniformity in the application of penalties; and

provide for the payment of interest on a refund of duty following a successful objection or appeal.

The Bill also includes the machinery provisions necessary to provide for a returns system for payment of duty on transactions effected by members of the Stock Exchange of the United Kingdom.

I will deal firstly with the Budget measures. At present the Act imposes duty on all leases of property. The amendment proposed in this Bill will provide an exemption from this duty for all residential leases or tenancy agreements with a rental of up to $80 per week.

The concession will provide relief from stamp duty for low income earners who rent accommodation whether it be a house, a home unit, or a flat. The Government is aware of the costs associated with entering into tenancy agreements for residential properties, and the concession granted will at least remove one of those costs.

The other budgetary measure is the removal of the stamp duty charge on transfers of corporate debt securities, which has been an inhibiter of commercial activity in this area. For the purpose of the Act corporate debt securities are marketable securities, such as debentures, bonds or unsecured notes issued by a corporation, company, or society. Most other States provide exemption from duty for transfers of either corporate debt securities or interest bearing securities and it is desirable to provide a similar concession in Western Australia. The exemption proposed in this Bill will ensure that the Western Australian market remains competitive.

These two measures are expected to cost $140 000 in 1985-86 and $340 000 in a full year.

I turn now to the other matters contained in this Bill. Firstly, a provision is proposed which will give exemption from stamp duty to associations of local authorities. These associations work closely with local authorities in formulating and standardising procedures, and it would seem appropriate that they should be exempt from stamp duty in the same manner as local authorities.

Secondly, a recent investigation by the Parliamentary Commissioner for Administrative Investigations revealed that the current practice of the Police Department and other licensing authorities, rather than the Commissioner of State Taxation, in determining the market value of a motor vehicle was not in accordance with the existing provisions of the Act. The present procedures have been followed for many years and are in the interests of simplicity and efficiency. It is proposed to amend the law to regularise those procedures. A literal interpretation of the existing provisions of the Act would be impractical for the smooth operations of the licensing procedures.

Thirdly, the Act currently allows for an instrument to be produced for stamping within a period of one calendar month from the date of execution, in which case no penalty is incurred. Administratively, the Commissioner of State Taxation does not impose any penalty when the instrument is produced for stamping within three calendar months. The amendment proposed in this Bill will provide a statutory penalty-free period of up to three months in line with the current administrative practice.

Fourthly, provision is already contained in the Act to allow the commissioner to issue a default assessment of duty which would otherwise be payable had an instrument or return been produced. However, no provision has been made to allow the imposition of a fine which would have been applicable if the instrument or return had in fact been lodged outside the time allowed for stamping or payment without fine. The proposal contained in the Bill will allow the commissioner to impose a fine of an amount equal to the amount of duty involved which will be consistent with fines imposed for late stamping, etc. There will, of course, be provisions to allow the commissioner to remit the fines in whole or in part should the circumstances of any particular case warrant such action.

Fifthly, in a report prepared by a joint professional committee composed of representatives of the accounting and legal professions, it was suggested that uniformity be provided in the objection and appeal provisions of State taxing laws. The Stamp Act basically meets the recommendations made by that committee but falls short on the payment of interest where duty is refunded following a successful objection. At the present time the Act allows the court to order the payment of interest at a rate of 10 per cent on the refund of duty following determination of an appeal or order an appellant to pay the commissioner interest on any unpaid duty should the appeal be decided in his favour. The amendment proposed in this Bill will repeal the existing provisions and impose an obligation on the commissioner to pay interest where duty is refunded to a taxpayer following a successful objection or appeal. The interest is proposed to be at such rate as may be prescribed. This will ensure that the rate of interest can be varied as may be appropriate from time to time.

Finally, this Bill contains the necessary provisions to allow for the payment of stamp duty by means of monthly returns on marketable security transactions effected by members of the Stock Exchange of the United Kingdom. The present system requires the transfers sent by post from the United Kingdom to be individually stamped. In times of bouyant trading this can be a cumbersome system with delays occurring because of the volume of paper involved. The proposed system will remove much of the paper work currently being experienced. It will also provide a much faster and simpler method of achieving settlement on dealings in marketable securities and may consequently make dealings in Australian securities more attractive for the UK investor.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. Neil Oliver.

## STAMP AMENDMENT BILL (No. 2)

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. J. M. Berinson (Minister for Budget Management), read a first time.

*Second Reading*

**HON. J. M. BERINSON** (North Central Metropolitan—Minister for Budget Management) [5.26 p.m.]: I move—

That the Bill be now read a second time.

This Bill is complementary to the Stamp Amendment Bill. The purpose of the Bill is to introduce the necessary provisions into the second schedule of the principal Act to set out the rates of duty which apply to transactions effected by members of the Stock Exchange of the United Kingdom.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. Neil Oliver.

## PAY-ROLL TAX AMENDMENT BILL

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. J. M. Berinson (Minister for Budget Management), read a first time.

*Second Reading*

**HON. J. M. BERINSON** (North Central Metropolitan—Minister for Budget Management) [5.27 p.m.]: I move—

That the Bill be now read a second time.

Last year the Government, in recognition of the iniquitous burden that payroll tax imposes on business and employment, introduced legis-

lation to reduce the rate of payroll tax from five per cent to 4.75 per cent effective from 1 January 1985.

The measures proposed in this Bill will implement decisions announced in the Budget and provide further relief for small and medium sized businesses. The Bill will put into effect a further reduction in the payroll tax rate for all businesses with annual payrolls of less than $1.408 million. It is estimated that this latest concession will effect more than 5 000 employers, or approximately 85 per cent of those who pay payroll tax.

The Bill provides for a reduction in the rate from the current 4.75 per cent to four per cent for businesses with annual payrolls of $880 000 or less. It provides also for rate reductions for businesses with annual payrolls falling between $880 000 and $1.480 million. In these cases, the rate increases gradually above four per cent as the annual payroll amount increases, until the maximum rate of 4.75 per cent is reached at a payroll of $1.408 million. The 4.75 per cent will continue to apply to payrolls of $1.408 million or greater.

These changes will be effective from 1 January 1986 and will ease the burden of payroll tax on small and medium sized businesses by $2.3 million in 1985-86 and $5.4 million in a full year.

The appropriate tax rate will depend on the annual payroll and will be determined according to the level of wages actually paid during the year. In the case of local employers who are not members of a group, the Bill provides for the rate in any month to be determined on the basis of the actual amount of the particular month's wages in relation to the monthly equivalent of the annual levels at which the various rates apply.

The Bill makes provision for the approximate tax rate for employers who are members of a group and employers who also pay wages interstate to be determined on the basis of estimates of annual wages. If these estimates are not supplied by these categories of employers, then the maximum 4.75 per cent rate will have to be used for the purpose of monthly returns. It should be noted that, whatever rate is used for the calculation of tax payable each month, the Bill provides for the correct amount of payroll tax for the year to be calculated on the basis of the level of wages actually paid during the year. In the case of an employer who is a member of a group the appropriate annual rate will be calculated by reference to the aggregate of wages actually paid by all members of the group who pay wages in Western Australia and, in the case of employers who also pay wages interstate, by reference to the total wages actually paid throughout Australia by the employer. Any discrepancy between the annual amount payable by an employer and the aggregate of his monthly remittances can be adjusted at the conclusion of the financial year.

The measures contained in the Bill are a tangible demonstration of the Government's desire to alleviate the effects of payroll tax. I am sure that they will be welcome not only by business in Western Australia but also by those who are concerned to see that every effort is made to reduce the incidence of unemployment.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. Neil Oliver.

## PAY-ROLL TAX ASSESSMENT AMENDMENT BILL

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. J. M. Berinson (Minister for Budget Management), read a first time.

*Second Reading*

**HON. J. M. BERINSON** (North Central Metropolitan—Minister for Budget Management) [5.31 p.m.]: I move—

That the Bill be now read a second time.

This Bill is complementary to the Pay-roll Tax Amendment Bill. Together with that Bill, it implements the package of measures designed to relieve the burden of payroll tax, particularly on small and medium business undertakings, announced in the Budget.

The Bill includes a provision to increase the annual payroll tax exemption by 10 per cent to $220 000 as from 1 January 1986. This increase is significantly in excess of the 1984-85 inflation rate and is expected to provide a complete exemption to some 600 employers who are currently registered for payroll tax. The increase in the exemption level is accompanied by a corresponding increase to the payroll range over which a deduction can be claimed.

The Act presently specifies a tapered deduction range of $200 000 to $800 000. An employer whose annual payroll lies within that range is entitled to a deduction of an amount equal to $200 000 less $1 for each $3 by which his annual payroll exceeds $200 000. The deduction ceases altogether at $800 000.

Under the Bill, the $1 for $3 taper will extend over a payroll range of $220 000 to $880 000. The overall cost of this measure is estimated at $1.9 million in 1985-86 and $4.6 million in a full year.

The Bill also contains a proposal to exempt from payroll tax those wages paid to trainees who are employed under the Australian traineeship system jointly established by the State and Commonwealth Governments. Exemption will assist the success of this scheme which will provide training for employment to a number of young Western Australians.

In addition, the Bill makes provision for payroll tax exemption to be provided to associations of local government authorities. This is in keeping with the principle which is already enshrined in the Act that local authorities should be exempt from payroll tax.

Finally, the Bill contains certain provisions which are necessary supplements to those contained in the Pay-roll Tax Amendment Bill which sets down lower payroll tax rates.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. Neil Oliver.

## FINANCIAL INSTITUTIONS DUTY AMENDMENT BILL

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. J. M. Berinson (Minister for Budget Management), read a first time.

*Second Reading*

**HON. J. M. BERINSON** (North Central Metropolitan—Minister for Budget Management) [5.33 p.m.]: I move—

That the Bill be now read a second time.

As announced in the Budget Speech, it is proposed to reduce the primary rate of FID from 3c per $100 to 2c per $100. This follows the move by the Government last year to reduce the rate of FID to 3c per $100, which has applied from 1 January 1985.

The further decrease in the rate of duty proposed in this Bill will benefit the whole of the community and will mean that the rate in Western Australia will be lower than the rate applying in any other State levying the duty.

The reduced rate of duty will apply from 1 January 1986 and estimated cost to revenue of the reduction in rate will be $3.5 million in 1985-86 and $8.3 million in a full year.

In addition, the Bill makes provision for an exemption from FID for those local government associations composed solely of municipalities. These associations work closely with local authorities and it would seem appropriate that they should also enjoy the benefits of exemption presently available to local authorities.

There is one other provision proposed in this Bill and this relates to the short-term dealings of certain financial institutions. Currently section 26(5) of the Act provides the Commissioner of State Taxation with a discretionary power to change the certification of a prescribed short-term dealer to a certified short-term dealer in certain circumstances. Prescribed short-term dealers may be financial institutions such as building societies, credit unions, and savings banks which operate mainly as investors in market and pay duty at the rate of 0.004 per cent on the whole of their average monthly short-term investments. On the other hand, certified short-term dealers are market operators such as the official short-term dealers and merchant bankers, and because of the Australia-wide nature of their operations, they pay duty of 0.005 per cent on an average monthly basis on one-tenth of their Australia-wide short-term liabilities.

In the exercise of his discretion it was intended that the commissioner would only change the certification of prescribed dealers after taking into account the revenue and equity implications. However, a Supreme Court judgment on the commissioner's use of that discretion has ruled that the grounds of revenue and equity are not relevant to the exercise of his discretionary power. The maintaining of equity between classes of financial institutions is important because of the obvious competitive advantage to be gained by individual financial institutions within a class should a change of status be granted resulting in the duty being assessed on only one-tenth of their Australia-wide liabilities.

In view of the judgment it is proposed to repeal section 26(5) of the Act and to include a new provision which would ensure that any financial institution which had its certification changed by reason of the existing provisions would revert to its appropriate category from the date of assent of the Bill. This will ensure equity between the various classes of financial institutions.

I commend the Bill to the House.

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

## IRON ORE (DAMPIER MINING COMPANY LIMITED) AGREEMENT AMENDMENT BILL

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. Peter Dowding (Minister for Employment and Training), read a first time.

*Second Reading*

**HON. PETER DOWDING** (North—Minister for Employment and Training) [5.37 p.m.]: I move—

That the Bill be now read a second time.

The purpose of this Bill is to ratify an amendment agreement dated 29 October 1985 between the State and Broken Hill Proprietary Minerals Limited. The amendment agreement gives effect to arrangements sanctioned by the Government between that company and Cliffs Robe River Iron Associates for the continued production of iron ore by Cliffs from a defined area within mineral lease 254SA, held by BHP Minerals.

During 1978 BHP Minerals, in accordance with the provisions of the Iron Ore (Dampier Mining Company Limited) Agreement Act 1969 and an agreement known as the "companies' agreement", subleased to Cliffs deposit N within the company's mineral lease 254SA, an area known as Eastern Deepdale. This subleased area contained about 150 million tonnes of ore. It is estimated that Cliffs will exhaust the known ore reserves of deposit N in the early 1990s at the current rate of extraction of about 15 million tonnes a year. Cliffs had hoped to develop its West Angelas deposits in the central Hamersley Ranges well before deposit N was depleted and the company directed considerable effort to that end. Under the prevailing market conditions such a large new project cannot be justified, however.

For this reason Cliffs has negotiated with BHP Minerals for access, by way of a further sublease, to iron ore from areas adjoining deposit N within mineral lease 254SA and known as areas J and K. The agreement between the two companies is called the "second companies' agreement". Marketable reserves of 300 million tonnes of iron ore within areas J and K are referred to in the second companies' agreement. This will provide Cliffs with at least 15 years of additional operation beyond 1992 at an anticipated mining rate of about 18 million tonnes per annum. Within this additional time, Cliffs should be able to develop the West Angelas deposits. The ore reserves within the sublease area could however increase as exploration proceeds.

The amendments contained in the amendment agreement are of a minor nature. Access to additional reserves will, however, provide major economic benefits to Cliffs by enabling them to continue to mine ore deposits close to existing infrastructure. More importantly, Cliffs will have a greater ability to demonstrate to overseas markets that they can meet long-term sales contracts.

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

Clause 4 (1) of the amendment agreement provides that, in addition to the sublease to Cliffs dated 27 February 1978, BHP Minerals may, on terms to be approved by the Minister, sublet to Cliffs Robe River Iron Associates the area described as coloured green on the plan marked X.

I now table the amendment agreement plan marked X together with plan A which will serve to show the House the proposed sublease area in relation to mineral lease 254SA and the Pannawonica townsite.

*(See paper No. 276.)*

In clause 4(2) of the amendment agreement clause 5 of the principal agreement is varied to provide that any proposal submitted by Cliffs for an extension of the existing spur railway will be submitted to BHP Minerals for clearance prior to the Minister's formal approval or rejection of such a proposal. This provision has been included to reflect BHP Mineral's 50 per cent ownership of the existing railway.

Clause 12 of the principal agreement is amended to provide that any breach by BHP Minerals of the companies agreement made on 30 September 1969 including the amendments subsequently made to that agreement and the second companies agreement dated 28 October 1985 may be regarded as a breach of the Iron Ore (Dampier Mining Company Limited) Agreement.

The Government believes the amendment agreement deserves the support of Parliament.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. N. F. Moore.

## IRON ORE (CLEVELAND-CLIFFS) AGREEMENT AMENDMENT BILL

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. Peter Dowding (Minister for Employment and Training), read a first time.

*Second Reading*

**HON. PETER DOWDING** (North—Minister for Employment and Training) [5.42 p.m.]: I move—

That the Bill be now read a second time.

The purpose of this Bill is to ratify an amendment agreement dated 29 October 1985 between the State and the participants to the Cliffs project.

This amendment agreement reflects the provisions contained in the Iron Ore (Dampier Mining Company Limited) Agreement Act Amendment Bill. Honourable members will be aware of the background which was provided when presenting that Bill to the House, hence it will not be repeated.

Amendments contained in this Bill are, as with the Dampier amendment, of a minor nature; but as with that amendment they will have major long-term economic benefits to both Cliffs and the State.

Unlike the earlier BHP Minerals sublease to Cliffs International Inc., the sublease of areas J and K within Mineral Lease 254SA will be to Cliffs Robe River Iron Associates.

Clause 6(1) of the amendment agreement serves to add to the principal agreement a definition for CRRIA and to recognise that the areas subleased to Cliffs by BHP Minerals will fall within the agreement definition of mineral lease.

Under clause 6(2) of the amendment agreement a new subclause 8(1)(h) has been provided to deal with the subletting of areas J and K by BHP Minerals to the company. It also provides that if mineral lease 254SA should be terminated for any reason, then the State will grant a lease to CRRIA direct for the unexpired term of the sublease to protect Cliffs' interest in and rights to the iron ore within the sublease.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. N. F. Moore.

## ACTS AMENDMENT (EDUCATIONAL INSTITUTIONS SUPERANNUATION) BILL

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. Peter Dowding (Minister for Employment and Training), read a first time.

*Second Reading*

**HON. PETER DOWDING** (North—Minister for Employment and Training) [5.45 p.m.]: I move—

That the Bill be now read a second time.

This Bill confers on the Western Australian Institute of Technology and the Western Australian College of Advanced Education powers commensurate with those of the universities with respect to superannuation. This will enable the Western Australian Institute of Technology and the Western Australian College of Advanced Education to join the superannuation scheme for Australian Universities, a national scheme which provides access for academic and general staff of universities and colleges of advanced education. Most universities in Australia, including the University of Western Australia and Murdoch University, are already members of the superannuation scheme for Australian universities and, following the recent decision of the Commonwealth Government to fund the employers' contributions for colleges of advanced education through the normal funding arrangements, many colleges of advanced education are expected to join the scheme.

The superannuation scheme for Australian universities is a fully-funded and vested managed fund type of scheme which provides pension or lump sum benefits on retirement, resignation, disablement or death. Employees contribute to the scheme at the rate of seven per cent of salary, while the employers' contributions are 14 per cent of salary.

The councils of the Western Australian Institute of Technology and the Western Australian College of Advanced Education have decided to join the superannuation scheme for Australian universities following consultation with academic and general staff associations. A major advantage for staff is that the superannuation scheme for Australian universities provides portability of superannuation entitlements for staff transferring between member institutions throughout Australia. In addition, the contribution rates to the superannuation scheme for

Australian universities compare favourably with those for existing managed funds which are set at five per cent and 10 per cent respectively.

Currently, academic staff at the Western Australian Institute of Technology and the Western Australian College of Advanced Education have the option of joining the State superannuation scheme, which is an emerging cost scheme, or the appropriate managed fund scheme—the Western Australian Institute of Technology superannuation scheme for the Western Australian Institute of Technology staff and the Western Australian Post Secondary Education superannuation scheme established under the Colleges Act for Western Australian College staff. General staff have access to the State superannuation scheme. Access to these schemes for new appointees, other than those already contributing to the State superannuation scheme, will be closed when the institutions join the superannuation scheme for Australian universities. Appropriate provisions are included in the Bill to protect accrued rights and benefits under existing schemes.

The amendments concerning the Western Australian Institute of Technology and the Western Australian College of Advanced Education are contained in separate parts of the Bill, and will take effect on a date or dates to be fixed. This will enable the timing of the amendments to be synchronised with the formal entry of the Western Australian Institute of Technology and the Western Australian College of Advanced Education into the superannuation scheme for Australian universities.

Special benefits are available upon transfer to the superannuation scheme for Australian universities for eligible staff of institutions which join the scheme prior to 1 January 1986. This date has been set by the trustees of the superannuation scheme for Australian universities and there is no possibility of its extension. The passing of the amendments during the current parliamentary session will enable the Western Australian Institute of Technology and the Western Australian College of Advanced Education to meet this deadline.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. I. G. Pratt.

## CONSTRUCTION INDUSTRY PORTABLE PAID LONG SERVICE LEAVE BILL

*Assembly's Message*

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

## OFFENDERS PROBATION AND PAROLE AMENDMENT BILL (No. 2)

*Second Reading*

Debate resumed from 24 October.

**HON. I. G. MEDCALF** (Metropolitan) [5.50 p.m.]: This Bill proposes to make two principal changes in the Offenders Probation and Parole Act. The first change is to allow the court a genuine or real discretion as to whether or not a minimum term should be awarded as part of a sentence. The second change is to alter the composition of the Parole Board so that whether the board is considering male or female prisoners the board will comprise seven members consisting of a judge, the Director of Prisons, the Director of Probation and Parole, a police member and three other members nominated by the Governor.

In regard to the second of these changes the number of official members is being increased, although in practice there is virtually no change except to establish that the probation and parole service shall be entitled to representation. The Opposition would have no objection to that. It is a very proper change and there is no problem. It is noted that the number of official members is being increased, but there is not specific objection to that. The probation and parole service and the others that I mentioned have a very real interest in being members of the Parole Board; that is to say, the Director of Prisons and a judge all of whom with the exception of the judge can have a deputy or nominee to represent them. In the case of the judge, he cannot very well have a deputy but another person can act as chairman if the judge is not able to be present. I think in most cases the judge has been able to be present. The Opposition has no objection to that particular change.

So far as the first change is concerned—that is to allow the court the genuine discretion as to whether or not a minimum term should be awarded as part of a sentence—the Opposition applauds this change which, in effect, means that the court need not award any parole period in appropriate cases. That is to say that in a particular case the court need not say that there will be a minimum period fixed before parole

can be considered by the Parole Board. That is a change that the Opposition has long been advocating, and we are pleased that the Government has decided to change the law accordingly.

That change was one of several recommendations made by Mr Kevin Parker in his report to which I have frequently referred. It is not the first of his recommendations, but it is the first of his recommendations that the Government has decided to implement from his report. There are a number of other recommendations and I have often referred to them so I am not going to tediously refer to all those matters today, except to say the Opposition is delighted the Government has now at last embarked on a consideration of at least the Parker report because at one stage I had some doubts that the Government would take any notice of it. I am not too sure to what extent the Government may be prepared to implement some of the other recommendations.

I very much regret that it has not implemented more than one of those recommendations because they were based on two or three years of very careful study by Mr Parker of the whole system of probation and parole, bail, and the effect on sentencing and so on. There are a number of other recommendations which, as I have said on other occasions, should be implemented. Perhaps the Government has decided to implement this particular recommendation because it is a fairly easy one to implement and fairly obvious.

There is also another very important change which could be implemented and which I believe is also easy and obvious. I propose to refer to that.

Section 41 of the Offenders Probation and Parole Act provides authority for release by the Parole Board of prisoners after the expiration of their minimum term and in certain other cases. That is the section that gives the Parole Board the authority to release prisoners at the end of their minimum term after that term is completed. No specific criteria or rules are laid down for the Parole Board. The Government has traditionally relied on the discretion of the board and I am not querying the discretion of the board; but Mr Parker did suggest that a standard should be laid down in the Act. I suggest that an amendment to section 41 would be most appropriate. It would be a very easy amendment to make and a very obvious one amongst the suggestions that have already been made in the Parker report.

A further subsection could be added along the lines of this further recommendation of the Parker report, and I propose to suggest what that subsection could be. A proposed new subsection (5) of section 41 would be to the following effect—

> In giving any direction or making any order affecting any prisoner under this section the board shall give express attention to the circumstances of the offence committed by the prisoner, whether or not the considerations of punishment and deterrence have been satisfied by the period of imprisonment of the prisoner, and the degree of risk to the community in the event of the release of the prisoner.

I think that would be a most appropriate amendment to make to section 41 and there is no reason why it could not be made on this occasion.

The safety of the public is the most important factor to be taken into account when prisoners are considered for parole. This Bill has adopted one recommendation of the Parker report—that courts need not award a minimum sentence in certain cases. There is another equally important recommendation which however has not been adopted but which should in my view, be adopted. That is, that when the Parole Board is considering a prisoner for release at the end of the minimum sentence it should weigh up the circumstances of the original offence along with the degree of risk to the community. There is no reason why this should not have been included in the Bill. It would serve as a constant reminder to those in the prison and parole services.

I am not being critical of the Parole Board. I want to make that quite clear. Indeed, I have the greatest respect for individuals who have served on that board. I know many of them personally and have done for many years. What I am suggesting would help to overcome the expectation which prisoners build up of early release at the end of their minimum sentence. This expectation builds up not only in the prison but also in the prison service and among social workers and psychologists and others who assist prisoners and who work in either the prison service or the parole service. It is understandable and quite natural, and I have struck it on many occasions.

It is an understanding or expectation which becomes a firm expectation that at the conclusion of the minimum sentence the prisoner will be released irrespective of the crime he or

she may have committed. In many cases quite vicious crimes have been committed and their integration back into the community may cause grave risk to the community. The record speaks for itself.

We have had much publicity about people, who while on parole, have committed further offences including very serious crimes. I believe that it would be most appropriate and would not be a reflection on the Parole Board to include in the Offenders Probation and Parole Act a subsection to section 41 along the lines I have mentioned. The prime consideration must be the public safety, and no number of excuses should be allowed to interfere with this. I have already said that I am not reflecting on the Board, nor am I reflecting on the parole or prison services; but I believe that this statement of policy principle would serve as a reminder to all those engaged in this area.

With those comments, Sir, the Opposition wishes to indicate its support for the Bill, but it wishes also to indicate that it would like the Government to go further in the area to which I have referred.

*Sitting suspended from 6.00 to 7.30 p.m.*

**HON. J. M. BERINSON** (North Central Metropolitan—Attorney General) [7.30 p.m.]: It is a long time since I have introduced to this House a Bill to which the Opposition has responded by saying it supports one of its parts and positively applauds the other. It is almost enough to make a man think that he should quit while ahead.

Hon. G. E. Masters: Why don't you do that?

Hon. J. M. BERINSON: Fortunately I had the dinner break to contemplate the prospect and I therefore had time to decide against it. Hon. Ian Medcalf, reasonably enough, took the opportunity to raise the desirability of extending the amendments to the Offenders Probation and Parole Act beyond the limits of the present Bill. In particular, he invited attention to recommendations in the Parker report which proposed that the criteria for the grant of parole should be specified in the Offenders Probation and Parole Act.

I have previously indicated on a number of occasions that I accept the need for a comprehensive review of the Act and, indeed, I have been engaged on that exercise for some time. I believe that it is preferable to proceed with that task in a comprehensive rather than a fragmented way, and the reason for plucking out of the possibilities for reform the question raised by this Bill is that this aspect of the system has been given a sense of urgency by recent court decisions as to the effect of the Act.

To the casual reader, the Act in its present form would appear to grant quite a wide discretion to the courts in respect of the grant or withholding of parole by way of the imposition of a minimum term. Progressively, however, decisions by our own appeal court and then the High Court have had the effect, as I understand it, of placing quite a heavy onus on the court to justify itself where it develops the view that a head sentence only should be imposed.

That, in the view of the Government, has given some sense of urgency to the need to free up the discretion of the courts and that is the main purpose of this Bill, apart from its secondary function of restructuring the Parole Board.

There is another reason that the specification of criteria is not an urgent matter, and that is that the criteria which Mr Medcalf quoted are in any event the criteria which any body vested with the responsibility of granting parole would have to take into account. As Mr Medcalf would know from his own experience, the Parole Board is only required to recommend parole in a small proportion of the cases with which it deals. But when it does make recommendations, my recollection is that it invariably directs its attention to the question which Mr Medcalf said was the most important question in this context, and which I agree is the most important question; and that is the element of risk to the community should release on parole be granted.

That, and the antecedents of the prisoner, are self-evident factors that a Parole Board would have to consider, and while I would accept that that is not necessarily an argument against specifying the criteria in the Act itself, nonetheless I would suggest to the House that it is not a matter which attracts the same degree of urgency as does the discretion of the courts.

Mr Medcalf said that the amendment to the system constituted by this Bill is one of the easy sorts of amendments which were proposed in earlier reports, and that is right. The drafting exercise was fairly limited and there can be no doubt about the intention of the legislation. Despite the fact that it is easy, the amendment is nonetheless a very important and, indeed, fundamental one and I believe that Mr Medcalf acknowledged that in his own comments. Again, in that respect, I would agree with him.

I have no argument with the view that this amendment does not represent the sort of comprehensive package which the parole system now requires, but on its limited basis I believe it is deserving of the general support which has been indicated.

I commend the Bill to the House.

Question put and passed.

Bill read a second time.

## LEGISLATIVE COUNCIL CHAMBER

*Dress*

**THE PRESIDENT** (Hon. Clive Griffiths): I would like to announce that in accordance with the motion carried in this House on 27 March 1973 and my ruling of Tuesday, 4 November 1980, in regard to the convention relating to the mode of dress in this House, in my opinion the atmospheric conditions in the House are such that warrant my using the discretion I have to permit members for the balance of this evening's session to remove their coats, if they so desire. Members can do so without the necessity for the notice to be on the board, as the recommendation stated.

## FINANCIAL ADMINISTRATION AND AUDIT BILL

## ACTS AMENDMENT (FINANCIAL ADMINISTRATION AND AUDIT) BILL

*Cognate Debate*

**HON. J. M. BERINSON** (North Central Metropolitan—Minister for Budget Management) [7.44 p.m.]: I seek leave of the House for these Bills to be discussed concurrently at the second reading stage.

Leave granted.

*Second Readings*

Debate resumed from 15 October.

**HON. V. J. FERRY** (South-West) [7.45 p.m.]: I thank the Minister for Budget Management for arranging the cognate debate on these closely related Bills. They both deal with the same bag of events.

The Financial Administration and Audit Bill replaces the Audit Act of 1904. That Act has served the State for the past 81 years and, therefore, it is not surprising that it should need updating. It has been the subject of examination by a review committee comprising eminent people qualified to review auditing provisions. I refer to such people as the Under Treasurer, the Auditor General, the Deputy Auditor General, and senior officers of Treasury and the Public Service Board. That is the background of the Bill which is before us tonight.

I know that the principle of what is contained in these two Bills has been subjected to examination by some other bodies in recent times. In trying to handle this legislation, I have discovered that a number of other agencies and authorities have little or no knowledge of the Bills with which we are dealing. It has come to my notice that the Standing Committee on Government Agencies had an input into the principles being espoused leading to the drafting of this legislation. I believe that the committee's determination in a number of areas has helped in framing some of the provisions. I do not know that all the recommendations of the Standing Committee were adopted, but nevertheless it had input at an early stage with regard to questions of principle.

Notwithstanding that examination and assistance, the Bill should have had the time scale of being laid on the Table of the House for at least three months. It affects a large number of Government departments, agencies, boards, and authorities. The Acts Amendment (Financial Administration and Audit) Bill, which is allied with the main Financial Administration and Audit Bill, affects a large number of Acts. I have endeavoured to sample a number of those Acts to ascertain how the amendments affect them and, of course, most are routine and follow on in a normal amending way. However, I believe that this sort of Bill should have lay on the Table of the House, if time had permitted, to allow the opportunity for people affected by the Bill—not only members of Parliament but also a wide range of other individuals and organisations—to consider the effects of the provisions.

Further, it would have been a great comfort to this House if we had had in place a further Standing Committee of this Parliament to deal with such legislative measures. Flowing from the Select Committee report which recommended an improved committee system of Standing Committees in this House, one would hope that that sort of mechanism will be available in the future. It is not in place at present and more is the pity, but in my view these Bills are classic examples of those which a legislative review committee could get its teeth into, to examine all the ramifications, and to take evidence and submissions from whomever

it thought fit. The Parliament would have been richer had this procedure been available. It is not available and, therefore, we must endeavour to cover the matter in the best way we can.

The new provisions allow for a three-tier basis; that is at the level of the Act, the regulations flowing from the Act, and the Treasurer's instructions. I guess that the Treasurer's instructions are arousing curiosity among those of us who take an interest in these matters, and they will be looked at with interest by those who must abide by these instructions in due course.

The main thrust of the measure is accountability, and no-one in his responsible mind would do other than applaud responsible accounting. It is absolutely essential in all matters of fiscal management. Therefore, like motherhood, these proposals should be embraced as general principles.

These provisions certainly affect a lot of departments, statutory authorities, and Government agencies. Provisions are there to make certain that designated people are accountable as heads of departments or other bodies, and this is not a bad thing because someone must be responsible for seeing that all necessary things are carried out. I am conscious of the fact that a number of boards and authorities are included and that a number are not included. I am a little curious as to why this should be. Some which do not appear in the schedule include the Architects Board, the Barristers Board, the Betting Control Board, the Builders Registration Board, the Commercial Tribunal, the Forest Production Council, the Insurance Brokers Licensing Board, and the WA Development Corporation.

I have some concern about the WADC not being included. Honourable members are aware that the corporation is subject to a corporate code and therefore it may not strictly be eligible to come under the provisions of this proposed legislation. Nevertheless the Parliament is entitled to question whether the WADC should be accountable in some manner to the Parliament. Its role in State affairs is of such moment that it ought to be accountable to the Parliament more than it appears to be now. It has been said that the WADC has no allegiance to the Parliament except that it operates under an Act. It is difficult to ascertain its method of operation, and I believe that with the Auditor General having responsibility for examining its accountability under the Audit Act, the Parliament would have gained an insight into its activities. This legislation is important and it could well be a vehicle to allow the Parliament some licence to have an insight into the corporation's activities. I would like the Attorney General in his reply to comment on this point.

The Bill contains a definition of statutory authority, and that appears to cover the format of the proposed legislation. Another school of thought suggests that there could have been another definition of statutory authority which would have allowed statutory authorities yet to be established to be automatically included in these provisions rather than having to be included later by way of Statute or regulation. It is an interesting question as to which method would be best.

Another specific provision in the Bill might have a direct bearing on the operation of the Parliament. In clause 3, the interpretation clause, mention is made of the Legislative Assembly, the Legislative Council, the Joint House Committee, the Joint Printing Committee, the Joint Library Committee, and the Parliamentary Commissioner for Administrative Investigations. These are all related to Parliament, and under our revamped Audit Act they would all be accountable when this legislation becomes law. As I said earlier, we must all agree that things should be done correctly, but I would like the Attorney in his reply to assure the House that the legislation will not impinge upon the administration of these six bodies. It is important that the Government should ensure that these provisions will not affect the activities of these six bodies.

It has been suggested to me, rightly or wrongly, that this provision may provide a Government with the means to direct the Parliament. I think these provisions are really just a matter of having a uniform format of accountability and auditing with respect to the affairs of those six bodies. Nevertheless, I would not like to think that the work of the Parliament could be directed by a Government without the normal parliamentary processes being put into effect. As I have pointed out recently, some people in the community believe that Parliament is the Government, but that of course is not so and they are separate entities altogether. The Government and the Opposition are parts of the Parliament. Parliament should not be used solely for governmental purposes. All members of Parliament have rights and privileges under the Westminster system. I would like the Attorney to assure me in his reply that these provisions

will not be used by the Government to place duress on the operation of our parliamentary practices.

Another matter which has been bought to my attention by people associated with some of the agencies is the fear that there may be a requirement under instructions from the Treasurer of the day to syphon off accumulated funds which temporarily may not be required for use in some statutory body or agency. We are well aware that a number of bodies do have surplus funds from time to time which they may choose to invest to the best advantage, subject to someone's judgment, to earn interest and to accumulate more money for that particular body until such time as they are required.

There is a fear abroad that under the provisions of this legislation a Treasurer may direct those funds be syphoned off and invested through the Treasury or even through an outside body such as the WADC, Exim, or some other Government agency. Control would therefore be lost to that particular body. That is worrying and I am sure the Minister will be able to handle that sort of reference when he replies. It is important because there is a genuine concern that the Government may interfere in a monetary way and have the benefit of funds to the detriment of the body—the owner of those funds. I am sure we will all listen with interest when the Minister replies to ascertain how the Government perceives this under the proposed legislation.

There are quite a number of aspects to the legislation, and I think it would be an ideal vehicle for the Committee of this House to get its teeth into and examine. I will do my best to cover a number of points on the way through. There are a number of speakers who will raise matters as they see them.

One significant feature of the Bill is that annual reports are not required to be tabled in Parliament within any fixed period, but merely within 21 days of the Minister receiving the Auditor General's opinion on the relevant authority's financial statements. We know that delays in auditing arrangements can occur, and I wonder whether the Auditor General's resources are sufficient to meet the need of these provisions. If the Auditor General's resources of manpower to handle these reports are not sufficient, there may be some difficulty in meeting the provisions of the legislation.

Hon. J. M. Berinson: Am I right in saying that you would not support the view that unaudited statements should be tabled?

Hon. V. J. FERRY: I am referring to annual reports not required to be tabled in Parliament within any fixed period; namely, 21 days.

Hon. J. M. Berinson: That does set a timetable unless the argument is that unaudited accounts should be included in those reports. In general, I think you would agree that it is undesirable because reports, as a matter of course, include accounts, and it is desirable that those should be audited rather than unaudited.

Hon. V. J. FERRY: Indeed. Maybe we could pursue that matter in the Committee stage and clarify this situation a little further.

Internal auditing is absolutely essential for organisations, and it is an independent appraisal function established within an organisation to evaluate its activities as a service to that particular organisation. Accountability is of absolute importance and the public should be looking more and more to accountability, and quite rightly so. Auditing does not only look at facts and figures, particularly internal auditing; it can cover a whole range of activities, appraisals, recommendations, counselling, and reporting to the management, so that they may have some idea of the efficiency, or otherwise, of their particular organisation. Therefore, internal auditing has a very real place.

When I refer to internal auditing, I am of the view that the head of the internal auditing section should be responsible to an individual in that organisation with sufficient authority to produce independence and ensure broad auditing coverage, certainly with adequate consideration of audited reports; and that person should take appropriate action. It is no good having a thorough audit if the responsible person does not take note of the report and what is contained in it. Certainly, that head should have direct communication with the board, committee, management, or whatever. It is very important. Top management is essential, more so than ever in these days.

I believe an auditor should have a special status, and the Auditor General has that status. He is protected under Statute. I refer to the Act which we are about to repeal. The Auditor General has always been protected, and section 7(1) states—

> The Auditor General shall not, during his continuance in such office, be capable of being a member of the Executive Council or of either House of the Parliament.

It goes on to say other things. The Auditor General is also listed in the Acts Amendment and Repeal (Disqualification for Parliament) Act 1984, and if my memory serves me correctly, his office is listed in Division II, which sets out impediments for people standing for Parliament. The Auditor General is a privileged person in the community and is a very responsible person. He also had special mention in the report of the Joint Select Committee of the Legislative Council and the Legislative Assembly offices of profit of members of Parliament and members' contracts with the Crown, which was tabled in both Houses of this Parliament on 3 November 1982.

Arising from that report, legislation was introduced last year to enact recommendations. I have just referred to that particular Act. The Auditor General has a very special privilege and responsibility within our community. The Parliament, of course, relies very heavily on the Auditor General and his officers to maintain standards and ensure that all is well.

As I read the Bill there is provision for private auditors to be appointed subject to the approval of the Auditor General. It occurs to me that if the Auditor General believes that an authority, board or whatever might need to be audited more than it had been during its annual audit—in other words, if the Auditor General feels that there is something likely to be missed and he wants some investigation to be carried out on a particular organisation—provided the organisation is quite happy, I think that a private audit should be carried out. I wonder who would pay the costs of such an audit? I would assume that the Water Authority or whatever organisation it was might be asked to foot the bill, but I am not sure in my own mind about this. I am not sure whether in fact that has been done in the past because it is quite feasible that there could be a request for a special audit under some circumstances. If a private auditor is brought into it or the Auditor General employed some of his officers to do the audit that could be a charge against the organisation subject to that examination.

As I mentioned a little earlier, a large number of bodies are listed in the schedule . Included in the list are three water boards—the water boards of Harvey, Bunbury and Busselton. I question whether in fact those boards should be listed. I do so in the knowledge that these boards were set up under the Water Boards Act and they are virtually independent.

The Harvey Water Board and the Bunbury Water Board are both responsible to their own local authorities. The third water board, that of Busselton, is completely independent of a local authority. That board is responsible only to its ratepayers who pay water rates. I do not believe that that board receives any direct Government financial assistance by way of loans or grants; it raises money purely from its own ratepayers in the areas it services. It has a fine track record of accountability and efficiency. It employs a private auditing firm to carry out its audit—a well-known auditing firm with a fine reputation. It seems a little curious to me that that water board should be brought under the supervision of this new legislation.

I would stress once again that the three water boards have registered their concern with me, particularly the Busselton Water Board. They feel extremely strongly about this situation, so much so that although I have not indicated any amendment on the Notice Paper in that regard, I am sure that during the Committee stage we can take a look at that particular provision. Certainly I have to—on their behalf, and on behalf of the Bunbury Water Board in particular which contacted me directly and the Harvey board which contacted me indirectly—express grave concern that these boards should be brought under this arrangement. It has been suggested to me that it is hard to quantify the actual additional costs that may be incurred through the accountability system that may be imposed upon these water boards. Again one could argue that there has to be correct accounting, and if there is a small cost associated with that, I guess it is a small price to pay. It may be an additional cost to these boards, and they are very cost-conscious, especially the Busselton Water Board which has a very fine record of providing water services more cheaply to its customers than any other water board in Western Australia. Not only that but it has looked after its people in other ways, for example, pensioners who receive concession rates. Thus the board is very keen and very jealous of its fine track record and reputation, and it is natural that it would want to know the reason why it has been brought under this umbrella. It is also worried that this may impose further financial constraints upon its resources.

I have also had an approach from the WA Trotting Association which is querying the inclusion of the Totalisator Agency Board in the schedule. The trotting association in a letter to Hon. Des Dans says—

> . . . no good purpose can be served by embracing the Totalisator Agency Board as a respondent to the proposed new Act. Under the existing administrative and financial structure. W.A. T.A.B. has achieved the highest standard of efficiency being the envy of all other States of Australia. New Zealand and internationally. This high standard of management and operational function has achieved an ever-increasing return to our State Government, being a total turnover tax and government revenue of $23.053 million for the 1984/85 financial year.
>
> The W.A.T.A. Committee cannot envisage any advantage for T.A.B. to be within the ambit of the Bill currently before the Parliament . . .

That is a comment made by a responsible association. The WA Trotting Association appears to be well run indeed. It is concerned that the TAB may be disadvantaged by being included in the schedule.

Here again I would invite the Attorney General to comment on that when he has the opportunity to reply shortly. Other boards are listed in this schedule, including such august bodies as the National Trust. The National Trust is a well-respected organisation and, whereas it does have some connection with governmental activities, it could hardly be regarded as a highly motivated Government agency. My understanding is that it has always been very well run and has abided by auditing provisions in the past. I am not sure that it will have a reasonable claim for exclusion from this legislation, but it is one which caught my eye as being an organisation that perhaps might not need to be included.

Another matter which concerns me is what I refer to as the third tier; that is, the terms of the Treasurer's instructions. We all know that Acts can be interpreted in different ways. Regulations flow from most Acts and they can be subject to disallowance by the Parliament. The third tier or Treasurer's instructions is causing some apprehension in the community in respect of the auditing provisions.

I suppose that in practice the Auditor General will recommend to the Treasurer that certain amendments be approved and new provisions incorporated in his instructions from time to time in light of the circumstances of modern practices. I am in two minds about this proposal. We need to be flexible to meet the modern needs in auditing, but if I were an auditor I would want to know with some consistency what the instructions would be.

Clauses 79(1) and 81(4) refer to action taken in accordance with auditing standards and practices. The clauses do not state what these standards are or on what the standards and practices are based. I ask the Minister who will make that judgment. Will it be someone's personal judgment or will it be in accordance with the Australian standards or international standards? I wonder whether it would be worthy of consideration to word these clauses in such a way that they will read, "in accordance with proper Australian or international standards and practices". That would identify the standards which auditors would have to follow. If the clauses were left to read, "in accordance with auditing standards and practices", it would be very open. I guess that auditors would be well aware of the acceptable Australian standards or international standards and it would be of guidance and comfort to them if the wording of these clauses were changed. This point is worthy of examination.

I refer now to clause 83(1)(a) relating to access to accounts. The clause suggests that the Auditor General will determine the accounts and such information, documents, and records as are necessary for the purpose of this Bill. In other words, it allows the auditor to examine any other factors which, in his judgment, he believes he should have in order to carry out his work. If those parameters are not laid down in the Treasurer's instructions, I guess the auditor would have to go back to the Auditor General and say, "Your instructions are not wide enough. Give me the parameters which I believe are necessary for me to thoroughly examine this particular situation." I suggest to the Attorney General that he examine this position in order to determine whether it is too narrow. Perhaps it needs to be widened a little to allow greater scope and investigative mechanisms for an auditor to do satisfactorily the job he believes should be done.

Hon. J. M. Berinson: It seems to me that the terminology of the Bill actually provides a wider power than the terminology you are suggesting. You are suggesting that he should have the necessary records. The Bill states that

he should have the records he considers necessary. This would appear to give him wider discretion than to what you are referring.

Hon. V. J. FERRY: I am raising these matters to ascertain whether the proposals in the Bill are reasonable or whether they should be improved.

I have covered a sufficient number of points at this stage. This is one of those Bills in respect of which one could go on and on, but I believe I have covered the major points and perhaps I have covered some of the minor ones.

There will be one or two further contributions made to this second reading debate and certainly during the Committee stage we will have the opportunity to consider it more thoroughly. It is a complex and very important Bill and is certainly deserving of thorough investigation.

After 81 years it is a major undertaking to overhaul the Audit Act. It is of great significance to Western Australians. It is unfortunate that we do not have a proper Standing Committee within this Parliament to examine this Bill in a reasonable time frame. The committee would have the benefit of calling upon expert advice. Perhaps representatives from organisations and people in the community, in general, would welcome the opportunity to appear before the committee to give their opinion of this legislation. In view of the fact that we do not have that vehicle through which to work, the Opposition is handling the Bill in the best way it can.

**HON. P. G. PENDAL** (South Central Metropolitan) [8.29 p.m.]: I want to make a few general comments on the Bill before the House and I express my general support for it.

I extend my congratulations to the Government for bringing to the Parliament what has been described to members as perhaps the most comprehensive review of the audit and accountability procedures and practices within the public sector for the last eight decades.

I agree with the previous speaker that one would be taking one's political life in one's hands if one did not give broad and general support to that principle that the public sector must at all times be accountable in a detailed way and must have its practices subjected to the most rigorous and sophisticated modern audit techniques available. To that extent, Mr Ferry was right when he described the principle of the Bill as being a bit like motherhood itself. I support Mr Ferry's remarks that it is a shame that the Bill comes to the House in the dying days of this session, at least so far as the upper House is concerned.

We accept that in the main the Bill presents a bipartisan approach. However, the Bill ideally lends itself to being introduced in the first days of a parliamentary session. It could have been allowed to remain on the Notice Paper or been referred to an appropriate Standing Committee or Select Committee. Members should at least have been given the opportunity to make a reasonable scrutiny of its provisions. After all, is it not ironic that the Bill itself intends to tighten those scrutinising processes, yet the Parliament is being denied the chance to scrutinise properly and closely the contents of the Bill?

Something in excess of 160 Statutes of this Parliament will be affected by the passage of this Bill. In addition, the Bill impinges on the work and practices of dozens, scores, if not hundreds of public agencies, statutory bodies and departments. That raises the spectre of the demand in many quarters for particular bodies or departments to be asked to be exempted from the scrutinising eyes of this legislation. That is part of the human trait that says a law is appropriate in its application to everybody else but oneself.

Mr Ferry, in his speech on the second reading, mentioned a couple of those public bodies which have taken exception to being included. In the course of my brief contribution, I will add a couple to his list in the hope that the Attorney General will give us some better explanation than has been provided in the second reading speeches on these two Bills.

Before I go on to those matters of substance, I draw attention to another human trait that comes out in this Bill. I note that there is a brief reference at the end of the Minister's second reading speech for the Audit Department, as currently structured, to disappear and be replaced by the office of the Auditor General. If that change has any substance, it has not been apparent to me. In the absence of any explanation to that effect, I can only conclude that, as is becoming increasingly regular in this Parliament, we are altering the name of something and giving it a new suit of clothes when it is intended to do no more nor less than carry out the functions that it already carries out under a different name. That is not an observation of substance, but it amuses me that we act in this way because I doubt very much that it ad-

vances the cause of the public in their bid to have public moneys audited more effectively and made more accountable.

My two concerns touch, in the first place, on the Lotteries Commission and, in the second place, on one of the tertiary institutes set up by Statute of this Parliament. I have some concern about the inclusion of the Lotteries Commission within the Act, for reasons which I will outline. I am not sure whether the Bills deal only with those twin questions of auditing and accountability. If the Minister is able to give us the assurance that they are confined to those questions, I will be prepared to accept his assurance. My concern, however—one expressed to me by a number of outside bodies which are in receipt of Lotteries Commission funds—is that the Bill goes further than those aspects of auditing and accountability.

It has been put to me that the amendments that will be brought about to the Lotteries Control Act of 1954 will alter the statutory basis upon which the Lotteries Commission has distributed funds to community and charitable organisations. I am willing to concede that I have had conflicting advice on the matter, but I have been told that this will affect the capacity or the role of the Lotteries Commission to distribute funds. To some extent, that role in part or in full will be transferred to officers of the Treasury. One could be cynical enough to say that in the ultimate the Treasurer of the day then holds the whip hand in the distribution of many millions of dollars.

Hon. J. M. Berinson: Could I just get this question clarified? You are asking whether this Bill might have some effect in limiting the present discretion of the Lotteries Commission to distribute its proceeds?

Hon. P. G. PENDAL: That is almost my concern in its entirety. There are a couple of peripheral matters, but that is it in substance. In developing that theme, I refer to some of the Statutes themselves. If the Lotteries Commission is affected in any way, I would be most concerned, as would a number of bodies in receipt of Lotteries Commission funds in this community. I do not want to be part of anything that may well be a disguised way of politicising the distribution of lotteries funds.

The Bill before us purports to impose stricter audit procedures with respect to all statutory bodies and departments. It is somewhat ironic that in the case of the Lotteries Commission those auditing or reporting procedures will be watered down by this Bill. I make this observation: It is proposed that the Lotteries Commission, under the provisions of the Bills before us, be required to make an annual report to the Parliament. As Mr Ferry told us earlier, on the face of it that is a question of political and financial motherhood. No-one could suggest that a body was being imposed upon if it were asked to report annually to the Parliament.

But under the Lotteries (Control) Act the commission is already required to report to its Minister not on an annual basis but on a monthly basis. Therefore I want to make reference to that part of the Lotteries (Control) Act which is one of the Acts being affected by this Bill. I refer specifically to section 11(1) of the Act, which reads—

> The Auditor General shall make continuous audit of, and report to the Minister from month to month upon, the affairs of the lottery or lotteries conducted or in the course of being conducted by the Commission during the monthly period to which the report relates.

It seems to be a retrograde step to seek to have a statutory body to report on an annual basis when it currenty reports more regularly.

It therefore concerns me, and on that point I would not put it any higher than that, that we appear to be reducing the fairly strict requirement on the Lotteries Commission to provide monthly reports to the Minister. Incidentally, those reports then find their way into the Parliament under that section of the Lotteries (Control) Act. In order to bring in the provisions of the new Bill which will require the Lotteries Commission, along with the other 100 or 200 agencies, to make its annual report, I refer to section 11(2) of the Lotteries (Control) Act, where we are told this—

> Every monthly report of the Auditor General made in accordance with subsection (1) of this section shall be tabled in each House of Parliament within fourteen days after it is received by the Minister if Parliament is then in session, or, if Parliament is not in session, within fourteen days after the commencement of the next session of Parliament.

So it is clear from that that it is not just a tradition or good practice or good housekeeping which has developed for the Lotteries Commission to make available monthly reports of its activities; it is clearly a statutory require-

ment which we are being asked to withdraw or repeal from that Act in favour of annual reports.

I accept that the Minister may well say it has been done in the cause of uniformity. I tried to assume that might be the argument; that the Government, in a very comprehensive piece of legislation, wanted to bring in some level of uniformity so that all bodies report on an annual basis. In many cases that has a lot to commend it, but surely what we should be seeking to do in legislation of this kind is to set minimum standards.

The significance of that is that if we were to repeal this section of the Lotteries (Control) Act we would certainly achieve uniformity, but we would be short-changing ourselves in so far as those annual reports would then take the place of the monthly reports.

That is only part of a general and overall concern that I have which I expressed earlier about the possible politicisation of the disbursement of lotteries funds. Indeed one fairly large charitable organisation has been in touch with me on this matter because there has been considerable concern amongst these groups in the past 12 months about another review being carried out by the Government. I refer here to that social welfare review which was carried out under the auspices of the Minister for Community Services. A lot of information circulating in the community suggested that the Lotteries Commission was not the appropriate body to disburse and distribute the funds to charitable and community organisations. A suggestion was put forward that a community services board of review or some such body should take over that function of disbursing lottery funds and that the Lotteries Commission would then confine itself to the task of merely raising the millions of dollars it makes available to these community groups.

On the face of it that occurrence in the last year or two under the Minister for Community Services ought not to have anything to do with the Bill before us. Indeed to the best of my knowledge that department is not mentioned in the amending Bill. It becomes significant and even a little sinister, I suggest, if the intention is to interfere with the role of the Lotteries Commission.

I mentioned earlier in fairness that one piece of advice I had is that the Bills do not alter the capacity of the Lotteries Commission to distribute its funds as it has always done. That, alongside the advice that I have to the contrary, makes me worried. But in addition, on page 13 of the new Bill is a clause which talks about the transfer of excess funds out of a trust account of an organisation in such a way that it indicates to me that it then puts those funds neatly into the hands of the Treasurer of the day. That worries me a little. I would like to identify that passage for the Minister for Budget Management. Clause 14 provides—

> Subject to this Act and any other written law, if the Treasurer is satisfied that there is available in an account of the Trust Fund a credit balance in excess of the amount reasonably required for the purposes of that account, the Treasurer may direct that the whole or a part of that Excess be credited to the Consolidated Revenue Fund or to the General Loan and Capital Works Fund.

I repeat that that clause raises the concern that through a back door method we are allowing the Treasurer of the day the chance of access to, in this case, lottery funds "in excess of the amount reasonably required for the purposes of that account". The account, of course, is that of the Lotteries Commission.

Hon. J. M. Berinson: They hold it in trust?

Hon. P. G. PENDAL: I must admit that I am not sure if the Lotteries Commission holds its funds in a trust account. The Minister would agree it is a complex Bill and it may well create provisions whereby each of the 150 or 160-odd bodies has to create its own trust fund, and, if so, clause 14 is the vehicle under which my fear can become a reality. That in fact may not be the Government's intention and, if it is not, I would welcome an assurance in that regard from the Minister for Budget Management.

If it is the Government's intention, however, I would particularly demand some detailed answers as to why we would have such a drastic change in policy for the Lotteries Commission which, to my knowledge, has been fairly, effectively and honestly distributing many millions of dollars since it came into operation. That is my serious concern.

I might add for the benefit of members who listened to that part of my contribution, that the deletion of section 11 of the Lotteries Control Act would do away with the requirement for monthly reports, and would do away also with the requirement in this context for reporting to Parliament via the Minister; and that section would then be replaced by the all embracing clause within the Government's Bill which says that the provisions of the Financial

Administration and Audit Act 1985 regulating the financial administration, audit and reporting of statutory authorities applies to and in respect of the Lotteries Commission and its operations. That is the scenario to that point. I would not have felt any concern if all the advice I obtained was to the effect that those fears could be allayed. Indeed, I repeat that one piece of advice said A and another source said Z. Therefore I put it to the Minister that we are entitled to have some serious reservations about that matter.

The only other comment I want to make is that I did receive from Murdoch University a brief resume of the Bill as the university sees its application. I want to make a couple of references to that matter.

Hon. J. M. Berinson: Have you seen the amendment on the Notice Paper affecting universities? I think it meets their requirements.

Hon. P. G. PENDAL: The Minister tells me that his amendment on the Notice Paper may well meet the concerns expressed by Murdoch University, and if it does I am delighted. But in case it does not do so, let me make these observations. At least as of 23 October the Murdoch University and the Deputy Vice Chancellor (Professor Nairn) told me the university had only very recently become aware that this Bill was before the Parliament. He wrote to me as follows—

> Having only very recently become aware that this Bill was before Parliament we have quickly reviewed its likely or possible consequences to this University. It is unfortunate—

I would like members to listen to these words in the light of what Hon. Vic Ferry said in opening the Opposition debate. Professor Nairn said—

> —that we did not have the opportunity to participate in the development of the legislation or to make prior comment upon the effect the Bill might have on the tertiary institutions.

It, of course, is the very point Hon. Vic Ferry made in his remarks, and it was one of the points I made when I opened my remarks a little while ago; that one would have expected that a Bill of such consequence would have been introduced, not in the dying hours of a parliamentary session, but in the first hours of a new session and then allowed to languish on the Notice Paper or lie on the Table of the House, and those circumstances allow for the very sort of consultation that Professor Nairn refers to in his letter to me.

I want to make a couple of other general observations. I am advised that in clause 21(1) of the Bill the Treasurer must approve the opening of any bank account subject to such terms and conditions as the Treasurer approves. I ask myself why that sort of provision is needed within the scope of an otherwise commendable Audit Act. I do not purport to be any sort of financial whizz kid, but we are talking about audit procedures and accountability and surely not about the way in which an organisation opens its bank accounts. It would seem to me, in the most charitable mood, to be bureaucracy perhaps gone a little bit mad, in having the Treasurer of the State approve the opening of a bank account. "On the terms and conditions that the Treasurer approves" are words which are perhaps a little too heavy-handed and indeed may well provide extra work for Treasury officials and the Treasurer himself.

I would like to make mention of another part of Professor Nairn's letter which reads as follows—

> The necessity to obtain Ministerial approval for University budgets could further delay timely responses to rapidly changing situations resulting in inefficient financial administration. There is no evidence to suggest that the University or the Senate have performed irresponsibly in these matters with our present system and certainly nothing to suggest that the very complex budgeting requirements of University operations could be better assessed by the Treasury.

I am not sure that that criticism made by Professor Nairn is as valid as others which he has made and to which I have made reference, but he does seem to have a commanding argument when he says that no evidence has been put forward in the past to show that these bodies have not done the correct thing within their budget auditing and accountability procedures. One could suggest that we are dealing with something other than setting minimum standards which most members, if not all, in this House would be able to agree to.

Hon. J. M. Berinson: I believe that that point is met by the amendment on the Notice Paper.

Hon. P. G. PENDAL: I welcome the Attorney General's interjection. Again it underlines the need for the Government to consult with organisations of this kind before the legislation is lobbed into the House.

I would like to make reference to a comment for which I have some sympathy but not a lot of regard. Professor Nairn, in his letter, informed me that—

> The point needs to be made that the moneys administered by the University come from the State only in a technical sense, i.e. through the States Grants (Tertiary Education Assistance) Act. These are Commonwealth grants augmented by research grants from a variety of sources.

What Professor Nairn is rightly saying is that, since the early days of the Whitlam Government, sadly, in my view, the funding of our tertiary institutions throughout Australia is now effectively in the hands of the Commonwealth Government. That is more the pity, and only 10 years after the event the tertiary institutions themselves are learning that they were given the wrong end of the stick in accepting what they thought was an open cheque. Professor Nairn's point, nonetheless, is a valid one.

Hon. J. M. Berinson: Is it really?

Hon. P. G. PENDAL: Let me follow it through and the Minister can query it later. I assume that Professor Nairn is saying that the bodies will be made accountable under the State Audit Act or the new Act, yet the money has to come not from the State's coffers, but is merely channelled through the State and originates from the Commonwealth. That is not to say for a moment that the tertiary institutions should not be as accountable as any other public body, but I would have thought, and perhaps I am wrong, that in any case Commonwealth moneys paid out via the Tertiary Education Commission would be paid to all those tertiary institutes throughout Australia, subject to the audit provisions of the Commonwealth in any case.

Hon. J. M. Berinson: They are not.

Hon. P. G. PENDAL: I am surprised to learn that they are not. In that case, that last comment of mine has less validity because the public are entitled to know, therefore, that these funds, even if they are coming from Commonwealth sources, are going to be accounted for within the terms of this Bill we are presumably about to pass.

With those comments, and with those expressions of concern, I would again congratulate the Government on what has been in the main a monumental task to make the public bodies of this State more accountable and to allow their auditing procedures to be finetuned to 21st century conditions. I support the Bill.

**HON. N. F. MOORE** (Lower North) [9.06 p.m.]: I want to make a couple of comments on this Bill from the point of view of my membership of the Standing Committee on Government Agencies. Members will know that in March of this year the Under Treasurer sought comments from the Standing Committee on Government Agencies on the draft of this legislation.

The committee was requested to make comments on what it considered to be the virtues, or otherwise, of the draft proposals. In April the committee sent a seven-page report to the Under Treasurer which listed its recommendations and suggestions as to what ought to go into the Bill. I would just briefly comment on some of the views expressed by the principal adviser to the Standing Committee to indicate the impact of the Standing Committee's views on the subsequent legislation. I think it is important to assess the value of Standing Committees such as this one being involved, in this case, in the actual drafting of the legislation. Bearing in mind that I have been arguing that the Standing Committee ought to be involved in legislation which contains new Government agencies after the legislation has been drawn up, this is an interesting change of events. I commend the Government on making information available to the committee so it could comment on the draft.

Members will be aware that the Standing Committee has been most active in the field of accountability and its major report—the sixth report—is on the subject of the accountability of Government agencies. Since this Bill is largely involved with the question of accountability, it was appropriate and very sensible of the Government to refer it to the committee. In the view of the principal adviser, the committee has been successful in having most of its recommendations accepted in the Bill. I would like to quote a couple of points from his report to the committee so that members will be aware of what the committee's view is, both then and now.

The briefing note from the Standing Committee on Government Agencies reads as follows—

> The Committee recommended that the Bill should contain a definition of 'statutory authority' to which the Bill would apply rather than a Schedule which will need constant amendment. This recommendation has not been implemented. However, the Bill does provide that amendments to the Schedule will be by way of regulations and not Orders in Council. This is in accordance with the Committee's recommendations.
>
> The Committee strongly recommended that accrual accounting, rather than cash accounting, should be made the standard for financial statements. This recommendation has been implemented.
>
> The Committee recommended that the minimum standards for the content of annual reports should be set out in the Bill and not left to directives by the Treasurer. This recommendation has been implemented in part only.
>
> The Committee recommended that late annual reports should be automatically referred to the Committee, or either the Committee or the Public Accounts Committee, depending upon in which House the relevant Minister was sitting. This recommendation has not been implemented, although the Minister will be required to report any extensions of time to the Parliament.
>
> The Committee recommended a procedure for the release of annual reports through the Clerks of the Council and the Assembly when Parliament is not sitting. This recommendation has been implemented.
>
> The Committee recommended that the Bill should set out which financial statements are to be included in an annual report. This recommendation has not been implemented, however, there are strong indications that this matter will be dealt with by the regulations or Treasurer's Instructions.
>
> The Committee recommended that financial statements should be certified by at least two board members and the principal accounting officer. This recommendation has been implemented.

The second reading speech pays tribute to an interdepartmental committee. It was patted on the head by the Minister introducing this Bill, who commended that committee for doing a good job. I would like to read out what the principal adviser of the Standing Committee on Government Agencies thinks about the committee's contribution. He says—

> The Committee would be justified in taking considerable credit for the contents of the legislation at least as it relates to annual reports.

So at least one person whose opinion I hold in very high regard thinks the Standing Committee on Government Agencies is of some value. It is regrettable that there are other people in the Parliament who do not share that view about the Standing Committee.

The principal adviser also makes the point that he considers one significant defect in the Bill to be that annual reports are not required to be tabled in Parliament within any fixed period, merely within 21 days of the Minister receiving the Auditor General's opinion on the relevant authorities' financial statements. He says that given the delays which currently exist in auditing of financial statements, unless the Auditor General's resources are increased, there may be no real improvement in the delays which currently exist in tabling annual reports. That is a view of the principal adviser of the Standing Committee on Government Agencies with respect to annual reports.

We have made many comments about annual reports and we hold the very strong view that annual reports of Government agencies need to be improved. This legislation goes down the path of ensuring an improvement in that area.

I will conclude by saying that the Standing Committee was grateful for the opportunity of being involved in the drafting of this legislation. It is very pleasing that most of its recommendations have been accepted by the Government and it sees this area of consultation between the Executive and the Parliament as being a significant start in what could be future activities of this sort. It certainly is a credit to the Standing Committee on Government Agencies that it is able to convince the Government that it has the capacity and the ability to be involved in legislation in this way.

With those remarks, I support the legislation.

**HON. A. A. LEWIS** (Lower Central) [9.14 p.m.]: I wish to make a few remarks about this Bill. I guess if one wants to generalise it is not a bad Bill, but I am afraid I do not go along with the motherhood theories of my colleagues.

Hon. J. M. Berinson: You are not in favour of motherhood?

Hon. A. A. LEWIS: Not for the Attorney or me. The Attorney can use any expression or argument he wishes, but I am more worried about what the Bill says and what the schedule leaves out. I will run through the Bill to highlight the various things that I think could give this State trouble in future.

The first is the definition of bank. I was very interested to hear Mr Pendal's comment on banking. On page 3 of the Bill, in the definitions clause, a bank is described as—

> in relation to a bank not in Australia, a bank approved by the Treasurer.

Throughout the Bill reference is made to the fact that the Treasurer may open accounts and close accounts, seemingly at will. I hope the Attorney General can put my mind at rest about that. It seems the Treasurer can open an account and close it as he wishes. According to clause 19 the Treasurer may open and maintain a public bank account in the name of the Government of Western Australia.

Hon. J. M. Berinson: That is the Treasurer's own account, though.

Hon. A. A. LEWIS: The clause says—

> ...with such bank or banks and under such subdivisions as the Treasurer determines.

A little further on the Bill provides that the Treasurer can close that bank account. It means that the Treasurer—or in other words the Government—can, on behalf of numerous bodies, open and close a bank account. It gives no limit of when, where, or for how long the Treasurer, at his whim, may open and close these accounts.

Under clause 8(3) the Treasurer can draw three-quarters of the amount left in the public bank account for his use. As I understand subclause (3), he can draw up to three-quarters of the amount authorised by the Treasurer's Advance Authorization Act of the previous year.

So out of that account he can draw three-quarters of the limit he was given.

I have drawn to the Minister's notice the Coal Mining Industry Long Service Leave Act, which is funded by Federal moneys which the coal industry virtually pays for because it pays into a Federal fund so much per person. That amount is then distributed. The amount for this year was included in the papers tabled by the Minister for Budget Management in this House.

Hon. J. M. Berinson: I know about it.

Hon. A. A. LEWIS: I am glad the Attorney knows about that amount. It is better than the $96 million he did not know about.

I wonder which account that money will go into under this legislation. I would like the Minister to explain to me whether it will go into Consolidated Revenue. I would not imagine that it would go into the General Loan Fund. Perhaps it will go into the Treasurer's advance account or the trust fund.

Subclause (3) of clause 7 is very interesting. It states—

> There may be credited to the General Loan and Capital Works Fund—
>
> (c) interest derived from short-term investments under section 39(b);

Clause 39 provides—

> Moneys received by the Treasurer in respect of any investment made pursuant to section 38 that are—
>
> (b) in excess of the amount invested under that section shall be deposited into the Public Bank Account and credited to the Consolidated Revenue fund or such other account or fund as the Treasurer may direct.

I understand that it is now the Government's policy that the Western Australian Development Corporation handles 48 per cent of the short-term money market. At least, it did so for the six or seven weeks in which the Government made the $12 million error in answer to a question from me. If we turn to the schedule to the Bill we find that the Western Australian Development Corporation is not mentioned. It is solely owned by the Government, a little like the Rural and Industries Bank and the State Government Insurance Office. With respect to the State Government Insurance Office, when legislation passed through this House we were assured that it would be run on commercial lines.

Hon. J. M. Berinson: And so it is.

Hon. A. A LEWIS: Yes, and so is the WADC, I suppose?

Hon. J. M. Berinson: That is what I am talking about.

Hon. A. A. LEWIS: The State Government Insurance Office is also, I suppose?

Hon. J. M. Berinson: But there is a difference between them. The WADC is subject to the Companies Code and the SGIO is not.

Hon. A. A. LEWIS: But when we discussed the insurance Bill in this place, did we not wish to make everything lovey dovey and fair and above board? We were going to make the State Insurance Office compete fairly in the marketplace.

Hon. J. M. Berinson: That's right.

Hon. A. A. LEWIS: And the Rural and Industries Bank?

Hon. J. M. Berinson: That's right.

Hon. A. A. LEWIS: And the Western Australian Development Corporation?

Hon. J. M. Berinson: The difference there is that the WADC is subject to the Companies Code which the SGIO and the R & I Bank are not.

Hon. A. A. LEWIS: They are subject to the relevant industry codes, are they not? Has not this Government tried to make them subject to the various banking and insurance Acts so that everybody works on an equal plane? Do I understand the Attorney to be saying that maybe the WADC which, under the Financial Administration and Audit Bill will invest short-term money for the Government despite the fact that the Government is the primary shareholder—

Hon. Neil Oliver: The only shareholder.

Hon. A. A. LEWIS: It need not be the only shareholder, but it is at the moment. The Government has not yet found any other suckers.

Thus under this Bill the investment of short-term moneys will be subject to financial audit. The Government is pushing out those short-term moneys to the WADC. If I appear a little sceptical, it is because I am; I do not trust the Government. I quite frankly admit that I do not trust the Government to handle this money. I ask whether Madam Deputy President would blame me for not doing so when within six to eight weeks it told me that the amount raised from the short-term investment market was two different figures. Those two figures were $12 million apart. Would anybody expect me to trust a Government that gives an answer in this House that is wrong by an amount of $12 million? I could probably wear it if the entire amount was $1.2 billion or so, but the amount involved here was $63 million or $64 million. For the figure to be $12 million out it means it was out by about 17½ per cent or 18 per cent. I will have to speak a little more in the Estimates on this subject. I just do not believe that the Government is dinkum. I would not like to believe that the directors of WADC and the Government may be liable under the Companies Act, which the Minister handles, because of the amounts of money it is borrowing and lending, because this House has put certain restrictions on it.

Thus when I look quickly through this Bill a little shudder goes down my very thin frame and I worry about where this Government is going.

Hon. Kay Hallahan: It is going to stay in office.

Hon. A. A. LEWIS: Hon. Kay Hallahan says that the Government will stay in office. If it gives answers on money matters that are 17.5 per cent out, I do not think the public will allow the Government to stay in office. I do not think that you, Madam Deputy President, would expect the public to accept that kind of misrepresentation before this House.

I wonder what the answer can be and where the Government will go next with regard to clause 39(b), bearing in mind that clause 38 states—

> 38. (1) Notwithstanding the provisions of any other Act, but subject to this Division, the Treasurer may withdraw so much of the public moneys standing to the credit of the Public Bank Account as he thinks fit and from time to time invest those moneys and may for that purpose deal in any securities—
>
> (a) representing that investment; or
>
> (b) furnished by way of security under subsection (2) (e).

I will not go through all of the subclauses, but in subclause (2)(a) reference is made to any securities in respect of which repayment of the amount secured and payment of interest on that amount is guaranteed by the Government of the Commonwealth or the Government of any State, whether or not those securities are to be held until maturity. We have a situation in which this Government can guarantee the Western Australian Development Corporation and give it moneys on a short-term basis because it is guaranteeing the WADC, and the Treasurer is responsible for this matter. This is the same Treasurer who has made the $12 million, 17.5 per cent mistake.

Hon. Kay Hallahan interjected.

Hon. A. A. LEWIS: If it happened in the motorcar trade or in any other business, the Minister for Consumer Affairs would be after him for ripping the public off, and so would

Hon. Kay Hallahan if a middleman was making this sort of money or mistake. When a legitimate businessman does it, he is clobbered with all the might of consumer affairs legislation. If he makes a simple mistake he is in trouble. However, this good man, this honest, trusting, upright, flying-to-Fiji gentleman is allegedly to be allowed to get away with it. He will not get away with it in this place because I will be very interested to find out how the Minister ties up clauses 39(b), 38(1), and 7(3)(c) and still can make an argument to keep the WADC. I will not cover Exim, and the marvellous tractor manufacturing show in which it sold one four-wheel drive tractor to Saudi Arabia but has not yet been paid for it. There is some profit in that—the manufacturer sent the tractor overseas and now has to wait to be paid.

I want to know what sort of excuse the Government will give. The corporate affairs argument does not wash. In this place we shall have to come to some accommodation as to whether Exim and WADC are to be included in the schedule, otherwise we shall wield the axe. I think the public would be scandalised if we passed a Bill of this nature giving one man or his delegate that power.

I will give the Minister a rest so that he will not have to look through the Bill and I will deal with the philosophy behind this action of centralising these accounts. Some of us, including Hon. Fred MacKenzie, have made suggestions in the past, as members of various committees, that some of these funds would be better pushed further out to let other people deal with them. I will give one classic example; the roll-over fund for the National Parks and Wildlife Service in New South Wales. It is the best national parks and wildlife service in Australia at the moment. Hon. Fred MacKenzie and I are doing our damnedest with Hon. Vic Ferry to make Western Australia the leader within a few years. With this roll-over fund the National Parks and Wildlife Service in NSW invests its own money, collects profits on the sale of its publications and from other entrepreneurial exercises it engages in, and reinvests the money at source back into its parks. This Bill appears to be doing exactly the opposite. It appears to be centralising rather than regionalising these accounts.

I have always found when dealing with people that groups should be allowed to control their own funds. For example, in the case of a junior football club that is sponsored by a senior football club, the junior club should be responsible for its own funding and performance and if it has a surplus, it can make a donation to the senior body. I have always found in my dealings in public life that giving people responsibility such as that makes them feel part of the whole scene. I know that you, Madam Deputy President, feel exactly the same way as I do because you have dealt with people in the community—not in a cold financial way—and you are aware that people can handle these responsibilities and get the most from their money.

I am very worried that this might be a big takeover action by the Government. Let us consider the worst possible connotation we can give to this and imagine that the Treasurer in his wisdom invests in a bank in America in Australian dollars and that, as has happened under the Hawke Government, the value of the Australian dollar plummets. We must then refer to clause 36 which, in the words of the oracle, mentions "all care but no responsibility". Unless we can prove negligence or fraud or something of that nature, it is all care and no responsibility. We are left with a Bill, a very wide-reaching financial document, that will be of little benefit to the State. That is why I hold a somewhat different opinion to that held by my friend, Hon. Vic Ferry.

I believe the audit provisions in the Bill are extremely good, but when it comes to the financial provisions I believe the Government cannot be dinkum, especially having seen the Government's performance so far in answer to questions and in its handling of moneys. My concern is not just with this Government in this respect, because I have been concerned with the activities of successive Governments. As I said to someone earlier, I tend to be a little independent in these matters. No Government should be vested with the powers contained in this Bill. The powers it confers on the Government are in the form of a signed blank cheque. I cannot understand how the Government, in imposing all these audit provisions, can have allowed the sorts of drafting slips contained in this measure, especially with respect to the investment of moneys on the short-term market.

Another body that could benefit from the roll-over fund approach is the Perth Theatre Trust; it could do a good job with such a fund.

I tend to look at auditor's reports with a jaundiced eye. Can an accountant really give us a guarantee with an audit? I do not think so. Auditing of public companies has become so

difficult that public companies cannot afford to do a proper audit, and the Government is a far bigger enterprise than most public companies.

I am quite happy to go along with the audit provisions, but I believe the Government has been extremely unwise with respect to the investment provisions and the non-inclusion in the schedule of the WA Development Corporation and Exim. I hope the Attorney has a better answer than that the Government wanted those two bodies to run like it thought it could allow them to run under the Companies Act. Such an answer will not wash with the other bodies the Government has included in the schedule. Other than that I have no complaints. I am happy with the audit provisions, but I will leave the rest of the Bill to Hon. Vic Ferry. The investment provisions worry me greatly.

**HON. NEIL OLIVER** (West) [9.46 p.m.]: This Bill is very much a Committee Bill and I will make most of my comments during the Committee stage. In view of the attitude of the Leader of the House about being asked questions during second reading debates, my questions would best be deferred until the Committee stage. However, I do have some brief comments to make now.

I am pleased the Treasurer has provided explanatory notes. Nevertheless, it does appear that both Bills seem to be preoccupied with the accountability of public moneys. That is a very commendable aim nonetheless.

On page 5, the interpretation clause talks about people charged with any duty relating to the purchase, receipt, issue, sale, custody, control, management or disposal of or the accounting for public property. That is very much what an auditor is all about. I can recall doing my audit unit years ago. One of the reference books I used then, by Yorston Smythe and Brown, still sits on my shelf in my office. That particular unit covered internal auditing and external auditing. I have a concern because internal auditing is an independent appraisal function established within an organisation. An internal audit examines and evaluates an organisation's activities from the inside as a service to that organisation. This legislation does appear to take on a Big Brother approach by bringing everything together, which is quite contrary to the new format going on within the commercial world now.

I have always found great difficulty in reconciling the method of public accountability with the commercial system.

**[Quorum formed.]**

Hon. NEIL OLIVER: I am referring very much to the manner in which the Public Service treats fixed assets. I well recall the occasion when I joined the board of the Churchlands College of Advanced Education and was serving as chairman of the finance and general purposes committee particularly during the period when it developed a School of Business Management. At that time we did not have a budget officer. We were subject to the Auditor General but there was nobody within the organisation with expertise in the area of accountability apart from the staff we had engaged in that school. It is interesting that the lecturer we engaged to place the college on a proper footing in regard to accountability is now the Deputy Under Treasurer. I am certain the principal of the college at the time (Dr Doug Jecks) who is now the principal of the Western Australian College of Advanced Education would not be concerned about the comments I am making this evening.

It is very difficult to understand Public Service accountability when it takes into account fixed assets such as carpets, furnishings, and general office equipment. Those items are kept under the heading of current assets, and in some instances are used as expense items and are written off in the current financial year. It really is quite astounding because there is no difference in the way the finance committee operated when it was under the control of the Auditor General, but on the committee I had the senior partner from Peat Marwick Mitchell (Mr Bill Lutz) now retired, and a senior officer from the Rural and Industries Bank. Those two gentlemen shared my concern at the manner in which fixed assets were treated.

Therefore, although I can see in this Bill the Government's endeavours to streamline operations, it nevertheless lacks the essence of what is required, and that is not only a preoccupation with the manner in which funds are provided, but generally the overall internal auditing. The objective of internal auditing is to assist members of an organisation in the effective discharge of their responsibilities. For various officers of all departments internal auditing furnishes them not only with a look over the shoulder to ensure there is no misappropriation of funds but should provide counselling and assure them that the activities of the operation are under review.

The head of the internal auditing department should not be responsible to a principal accounting officer. That is not the way the commercial world operates in relation to auditing.

An auditor is responsible directly to the principal officer in the organisation. One never sees in any vertical organisation the chief internal auditor being responsible to anyone else except the head of the department. That is the direction in which the line of responsibility flows. I am a little uncertain as I read this Bill because the principal accounting officer seems to be the person to whom the auditor is responsible. It is essential that the auditor has sufficient authority and is able to have the independence to ensure there is a broad audit coverage.

A broad audit coverage means not only having regard for the appropriation of funds but also that an auditor is never seen to be a person who is overbearing in the organisation. He is there constantly working with officers at all levels in the department. The head of the department should have direct communication ultimately with the Treasurer or the Minister for Budget Management.

The auditor is not only reporting to the Treasurer of Western Australia, but budgets are drawn up—and I do not know whether they are covered in the legislation—which obviously go to the department of the Minister for Budget Management. It is a responsibility of internal auditing to see that budget targets are kept within restraints and that any excesses to budget requirements have the approval of heads of department. I have not been able to study the legislation as it is so all-encompassing, but the role of the Minister for Budget Management is very much equal to that of the Treasurer of Western Australia.

It is easy to control public moneys but more difficult to make certain that departments operate within budgets, and I do not mean the current expression, "We are on target; we have a deficit of $4.5 billion, and we are on target." What we are interested in is the internal auditing section of each department—the sectionalisation of the accounts being such that each particular item of the budget is not exceeded without the appropriate authority. I do not know whether the Bill goes that far. It seems to be far too preoccupied with the application of funds.

I would like to give the Minister my views of the ideal situation. The senior internal auditor should report to the highest level of management and should be free of any other operating responsibilities. No constraints or restrictions should be placed on his work by management, and his work should be carefully evaluated.

Another important point is that the internal auditor should be free to communicate with the external auditor. I do not know how that would operate within the confines of the legislation. So, not only would there be a vertical communication between the senior internal auditor and the departmental head, but also there would be a horizontal communication between the senior internal auditor and the Auditor General's department and specifically with the officer responsible for that department's operation.

The schedule to the Bill is very cumbersome. My concerns are the same as those expressed by Hon. A. A. Lewis. It places a high priority on the investment of funds and refers to the Consolidated Revenue Fund. It seems there is some endeavour to marshall all the funds held in trust, held against prepayment for the University of Western Australia through the Government, Commonwealth Government prepayments to the Western Australian Institute of Technology, and various other trust funds. The Bill appears to bring these together and hold them on investment, because it refers to the registration of firms or banks which operate on behalf of the Treasurer for investment of moneys, not only in the short-term money market, but also it goes on and mentions bonds, securities, and other negotiable instruments.

I feel there is a Big Brother attitude about this legislation. I want the Minister to tell me that is not so. I believe that the greatest efficiency can be achieved by what is called decentralisation at profit centres. That means that once budgets are established for various departments and organisations to be encompassed by the legislation, those departments and organisations should be expected to perform within those budgets. If the prepayment funds became available tomorrow, it would be up to them to invest the funds at the best possible interest rate. There is no requirement today, as the Minister knows, to marshall large sums. The money market is such that small amounts of money are marshalled to be invested in the short-term money market and to obtain advantages available to large investors. However, I am concerned that the Treasurer can approve of the investment of funds in overseas banks. I do not know what that means.

Hon. J. M. Berinson: From memory, I do not think it is a question of investment in overseas banks, but deposits in overseas banks.

Hon. NEIL OLIVER: That is correct. I meant investment of funds on deposit in overseas banks. I do not know how that operation would work or how that circumstance would arise.

Hon. J. M. Berinson: The use of overseas deposits is usually for the purpose of meeting overseas commitments, especially in the case where money is borrowed overseas, to pay for purchases overseas, and to avoid the double conversion of currency by bringing it back to the State.

Hon. NEIL OLIVER: What the Minister is saying is that, under the semi-Government security borrowings offshore, it may well be the underwriting bank.

Hon. J. M. Berinson: It is a matter of borrowing overseas to make payments overseas, and avoiding the double conversion of currency by bringing it back to the State first.

Hon. NEIL OLIVER: There are some fairly large banks these days. Australian banks have their offices overseas. The ANZ Bank, through its subsidiary, Barclays Bank, will give the Minister the facility he requires.

Finally, I wish to refer to the Western Australian Development Corporation. Today, I was looking through the Development Corporation's annual report for the year ending 30 June 1985, not for the purposes of this legislation but just for perusal. In doing so I noticed that there is an unqualified audited statement and a statement of the directors of the WADC. When I looked at the paid-up capital of the WADC I noted that the issued shares totalled $10 million. Having looked at the Estimates for the year ending 30 June 1985, I found the amount allocated was $5 million under the Treasurer's advance. Here I am not referring to advances through the Rural and Industries Bank of WA; I am referring to the Treasurer's advances. I noted that in the previous year we allocated, for the first time in the General Loan Fund, $5 million to the WADC. Now that we have introduced this legislation I am interested to find out how, in the same period, we approved in this Parliament an amount of $5 million, but the Treasurer took up a further $5 million. The Minister may be able to reply to my concern in the Committee stage. Obviously the Minister has received a fair amount of input about this matter. I would expect that these sorts of things should not occur. One would wonder, once the General Loan Fund Budget is passed by the Parliament and audited by the Auditor General, how the WADC could finish up with an additional $5 million worth of paid-up shares.

That is a mystery to me because it has not gone through the Parliament, so I do not know how it would occur. To my mind some doubts exist as to the activities of the Audit Act and the Auditor General. I am bringing this forward in the context of the WADC; I am bringing it up in the context that we are introducing this legislation which is to streamline and, I hope, bring greater accountability to the Public Service. I used the WADC as an example in that sense because I may have picked up some other report this afternoon and examined it against the provisions of the General Loan Fund and found that that body had drawn more than it had been budgeted for.

Apart from this I would be very interested—I will be speaking during the Committee stage—to draw the Minister's attention, if he has the opportunity, to the Public Finance and Audit Act 1983, No. 152 of the New South Wales Parliament, assented to on 29 December 1983. It bears out some of my thoughts regarding internal control and auditing. It has provisions for management policies and requirements, sound practices for the efficient, effective, and economical management of functions by each organisational branch or section within the authority.

I will not elaborate further. I have asked the Minister to examine clause 11(a) and (b), which very clearly spell out the head of an authority, and his responsibilities, and the manner in which he has internal control.

Finally, on the basis that we are to proceed to the Committee stage this evening, I will leave the points I wish to discuss to that stage.

**HON. J. M. BERINSON** (North Central Metropolitan—Minister for Budget Management) [10.04 p.m.]: Because this Bill is relatively technical, it would be easy to become bogged down in the detail and to overlook the importance of the measure. The fact is that this is a very important measure. While it is not all that easy to argue with Mr Ferry's view that accountability might now be acquainted with motherhood, it is also true that praising the virtues of motherhood, while perhaps stressing now trite, does not make the praise any less right. Similarly, stressing the importance of accountability is no less relevant because it has come to be widely recognised. On the contrary,

the fact that it has come to be so widely recognised is an indication of the importance of the effort.

The need for effective accountability is universally recognised in industry and commerce, and whatever its importance there, I would have to say that it is even more important in the public sector where the scope and scale of Government involvement makes management that much more difficult. It creates special problems of efficiency. All of these are relevant to the issues addressed by this legislation.

This Bill looks not only to auditing, for example, in its traditional sense of making sure that the debits match the credits, but looks also to auditing in its more recently developed sense of a service going to the measurement and improvement of efficiency.

Internal auditing seems to be developing almost a life of its own. It is a distinctive professional occupation, and the Government, not only by this Bill but by its attention to the appointment of internal auditors in appropriate departments and authorities, is recognising the need to bring every possible aid to efficiency into the public sector. With this Bill I believe it is reasonable to suggest that not only is the public sector in this State being put in a position of matching anything in the private sector, but to an important extent it can be suggested that the public sector will be leading the way.

A number of speakers in this debate expressed some regret that the Bill had not been introduced so as to allow it to stay on the Table of the House for three months with sufficient time to have it examined by a committee of the House. I would be the last one to suggest that longer consideration would not have been desirable. In fact, the Government has indicated its recognition of the desirability of allowing maximum attention to the Bill by the time that has already been devoted to it. In the Legislative Assembly the Bill was given about three weeks from introduction to passage. It has already been in this House for three weeks, as compared with our normal delay of seven days after introduction. That, I believe, indicates our recognition of the need to provide more than the usual period for consideration. If we have not been able to go to a longer period, that is for purely practical reasons.

This Bill has been in the course of consideration for almost three years. Its drafting has been a very difficult exercise, and the completion of that drafting was only possible at a date very close to its introduction in the Legislative Assembly. The Government has been very anxious to have the Bill come into the Parliament this session because if it were left to the beginning of the next session the implementation of these provisions would be prevented until the 1987-1988 year. We would lose a full year by a delay from this session to the next, and that was regarded as highly undesirable. That, I might add, would be the effect, even if, contrary to past practice, the Parliament were to sit in an autumn session following the election next year.

I agree very much with Mr Oliver that this is essentially a Committee Bill. In fact, members may have noticed I had more than a little difficulty in keeping up with the number of clauses that were being referred to and in obtaining relevant advice in time for this reply.

Hon. D. J. Wordsworth: Why did you reply tonight?

Hon. J. M. BERINSON: Because I believe it is desirable to give a reply tonight and I am confident that I can reply adequately. I am saying that it has involved some greater effort than usual but I do not begrudge that. I am delighted to accommodate Mr Wordsworth to the best of my capacity and to the extent that that capacity does not extend to a full and adequate reply at this stage, we shall have ample opportunity in the Committee discussion. I will address as many of the matters raised as I find it practical to do at this stage and invite members to raise other issues in the Committee stage later this evening.

I was asked at an earlier stage of the debate by Mr Ferry why we have not automatically brought all future authorities within the scope of this Bill rather than provide for their inclusion by regulation. I suppose the answer is to be found in the fact that it has not been thought necessary to include all statutory authorities now. It is accepted that a very large number of authorities should be omitted from this Bill because for one reason or another a useful purpose would not be served by their inclusion. The regulations will permit this action to be considered on a case-by-case basis. The answer to this question is that it is thought that is the better way to proceed rather than have a blanket cover.

I was also asked by Mr Ferry whether clause 3(2) could in any way operate to impinge on the administration of the Parliament and its committees. In fact, I think Mr Ferry put the

question the other way round and asked for an assurance that this Bill would not impinge on the administration of those bodies. I am happy to give that assurance; it is not intended to, nor will it, impinge on the administration of the Parliament, or its committees, or the Ombudsman. I go further to make the point that it will not impinge either on the administration of the business of other authorities with which it is concerned. It is not the role or purpose of this Bill to interfere with the administration of these bodies. The Bill is designed to cover the appropriate accounting, auditing and reporting practices of these organisations.

I suppose that the question was put in its most direct form by one honourable member who stressed the importance of ensuring the continued independence of the Lotteries Commission and its discretion to distribute funds. Mr Pendal raised that matter and again I am happy to provide the assurance that there is nothing in this Bill, either by way of intention or effect, that would limit or alter the existing discretion of the Lotteries Commission to distribute the funds it collects.

I turn now to another fear that was expressed, to the effect that the Bill might give the Treasurer authority to syphon off surplus funds from organisations rather than allow investment income to be retained. Again, I should say that there is no intention here to move from current practices nor, as we find on an examination of particular Acts or authorities, would the Bill permit that.

Reverting to the question of the Lotteries Commission, which was stressed in this context, our attention was drawn by Mr Pendal to clause 14 of the Bill which, subject to certain qualifications, provides that if the Treasurer is satisfied that there is available in an account of the trust fund a credit balance in excess of the amount reasonably required for the purposes of that account, the Treasurer may direct the excess to be credited to one or other of the named funds.

The Lotteries Commission is specifically protected against any syphoning off of its funds by the proviso to this clause making it subject to any other written law. The Lotteries (Control) Act specifies the use to which lotteries trust funds can be put and these provisions are exhaustive. There is no capacity for the suggestion that any of its funds can be surplus since all of them must be directed in the specified manner.

Hon. P. G. Pendal: Does it mean that the clause does not apply to the Lotteries Commission?

Hon. J. M. BERINSON: It applies to the Lotteries Commission but in a way that protects it from any syphoning of funds from its trust accounts. I will put it the other way around: The provision applies to all departments and statutory bodies but it cannot have the feared effect because of the proviso to the clause which gives the Lotteries (Control) Act the overriding effect.

Hon. V. J. Ferry: Can you give another example of a body that may have funds invested by the Treasurer?

Hon. J. M. BERINSON: I do not have such examples readily available to me. If I can obtain them at short notice I will do so, but I suspect they will be reasonably difficult to find given that the purposes of the fund would be paramount.

Hon. P. G. Pendal: I am relieved by that assurance.

Hon. A. A. Lewis interjected.

Hon. J. M. BERINSON: I can only put it to the House that that is the way it is intended to read and that is the way it reads to me. To tell the truth, I cannot see how it can reasonably be read differently.

Several speakers also referred to the possibility of provisions of this Bill leading to a delay in reporting. This was based on the requirement that reports be tabled within 21 days of the auditor's report. The response to that concern must take account of the fact that the timing of the tabling of reports is part of a whole process which must be taken together. In this respect it is necessary to look at clauses 60, 61 and 93 in conjunction.

Clause 61 requires the Treasurer to prepare and submit the Treasurer's annual statements to the Auditor General by 31 August in each year. Clause 93(1) empowers the Auditor General within two months of receiving the statements to prepare, sign and transmit to the Treasurer his opinion on the audit of those statements. Clause 63 requires the Treasurer to table the statements together with a copy of the Auditor General's opinion within 21 days of receiving the Auditor General's opinion. Clause 61 requires the Treasurer, if he is unable to table the statements and opinions by 31 October in any year, to inform both Houses by that date of his inability to table the statements and opinion, and the reasons for that inability.

I cannot be certain at the moment as to whether this focussing of attention on the absence of tabled reports was one of the recommendations of Mr Moore's committee, but my memory is that it was. It serves to put quite a different emphasis on the requirement for tabling in time than existed before.

Mr Ferry also commented on the exemption of various bodies from the requirements of this Bill. Most of the bodies, as I took them down quickly, were in the nature of professional or trade tribunals. We can perhaps deal with that in more detail during the Committee stage.

Mr Ferry himself provided the essential answer to the question of why the Western Australian Development Corporation does not appear in the schedule. I say in advance that I recognise Mr Lewis does not much like the answer, but the answer which Mr Ferry provided to his own question is in fact the appropriate answer, and that is that unlike all other organisations listed in the schedule, the WADC is already subjected by its own Act to the provisions of the Companies Code.

Section 4(5) of the Western Australian Development Corporation Act reads—

> (5). The Corporation shall in all respects comply with the provisions of the Companies Act 1961, and the *Companies (Western Australia) Code*, as if it was a public company incorporated under the Companies Act 1961, and the *Companies (Western Australia) Code*.

This of course includes the audit provisions which would otherwise be looked for in this Bill.

The corporation's annual report is required by this Act to be tabled in Parliament each year and it must disclose its audited bank statement, its operation reports and its directors' report. All these are in line with the Companies Code reporting practice.

In this annual report the WADC discloses many other things such as its profit, shareholders register and the statutory dividend payable to the State.

The WADC has comprehensive audit requirements and it is distinguished from all other groups in the schedule, even those engaged in commercial activities, by that factor. The R & I Bank and the SGIO are I suppose somewhat comparable in respect of their commercial activities, but no such special audit provisions are required as in the case of the WADC.

Hon. A. A. Lewis: They are covered by the codes applicable to banks.

Hon. J. M. BERINSON: The honourable member is referring to the provision in the State Government Insurance Office Act which says it must comply with the requirements of the Commissioner of Insurance in respect of liquidity and so on. That is a different matter from accounting and auditing. Even if Mr Lewis is able to tell me something I do not know, namely that the Commissioner of Insurance also requires the provision of audited statements, nonetheless the standard of the statement and its initial preparation in the case of an organisation caught by the Companies Code is in line with the Companies Code. Having prepared that, the auditor's statement is provided, if such is the case with the Commissioner of Insurance, in the same way as it is tabled in the Parliament.

What I am trying to say is that the audited accounts of the WADC are not prepared because a report must be tabled in Parliament. The audited statement is prepared because the WADC is required, by its Companies Code obligations, to prepare it, and then having that statement prepared it is incorporated in the report which is required to be tabled here.

Hon. A. A. Lewis: You have supported my argument.

Hon. J. M. BERINSON: As long as the member's argument and mine are supported by the same facts I am happy.

Hon. A. A. Lewis: I think is should be inserted.

Hon. J. M. BERINSON: I believe it has met the member's argument and it need not be inserted. In fact it would be inconsistent to do so.

Quite an important question was raised—and again I think it was by Mr Ferry—in relation to the Harvey, Bunbury and Busselton Water Boards. The argument there was that we do not provide the funds so why do we look for auditing and accounting requirements? That might be said of a number of statutory bodies.

For the purposes of this reply, I take a further question raised by a member who referred to the National Trust. I use this example only because the issues are the same. As it happens I had occasion to respond to an inquiry about the National Trust, and it might help if I quote this reply to the House now.

The inquiry was originally directed to me by Hon. Ian Medcalf, I replied, in part, in these terms—

> I can only conclude that the Trust, like many similar agencies, should be included, in that it meets many of the criteria used by the Review Committee in the course of its selection process.
>
> Basically the reason for inclusion is the fact that the Trust is responsible for public assets and receives government funding, both Commonwealth and State, and therefore should reasonably be expected to meet a certain standard of accountability for reporting in respect of these.
>
> The new legislation will not place any onerous requirements on the Trust, as your present legislation already covers some of the ground in respect of annual reporting and audit, although not in the same detail. However, I would not see that any extra staff would be required in order to meet the new requirements.

I interpolate here to make the point that reference is made to State funds going to the National Trust. It might be said that funds do not go in the normal course of events to the water authorities. Some closer examination will possibly reveal that one way or another, whether by meeting certain proportions of their loan obligations or in other ways, or in the alternative, by way of periodic assistance, if not regular assistance, there is a State contribution to these bodies as well. Even if that were not the case, the requirement for compliance with this Bill is justified by the fact that these authorities owe their corporate existence to the statutory authorities of the State. The State has set them up and the whole philosophy, I suppose, of this Bill is that, that having been done, there ought to be an authority somewhere to ensure that proper standards of accountability are applied.

To continue with my earlier comment in respect of the National Trust, I also advised Hon. I. G. Medcalf in the following terms in response to his concerns that these provisions would somehow lead to additional and excessive costs. That is not a realistic fear. I put that advice in these terms—

> Under the provisions of the new Act the Council of the Trust (collectively) will comprise the "accountable authority" and an appropriate member of the existing staff will be designated the "principal accounting officer".
>
> I can assure you that the content of the Financial Administration and Audit Bill is not intended to interefere with the running of the Trust nor the authority of the Council in this regard. What the Bill seeks to do is to ensure a certain minimum standard of accountability and reporting among agencies entrusted with the care of public assets and in receipt of government funding.

Much the same might be said of the argument which has been quoted in support of the interests of some people in having the TAB exempt. In summary, the reasons for the inclusion of the TAB are twofold. Firstly, the board has access to considerable revenue and holds substantial assets as a result of legislative provisions and consequently should be highly accountable to Parliament in its financial administration. Secondly, as the board already has a general reporting responsibility to Parliament it is considered a natural progression to extend its requirement to conform with accepted standards in respect of accountability and reporting. I add to that only that I have no reason to doubt the claims made on behalf of the TAB that its accounting is indeed of a very high standard. That itself is an indication that its compliance with the Bill would not involve it in any substantial degree of expense or cause it any additional difficulty or expense. The existence of a high standard of reporting at this stage would go a long way to precluding that possibility.

Other questions were put to me in respect of clause 79 of the Bill. This clause refers to the duties of the Auditor General in respect of audits. Clause 79 requires the Auditor General to perform the audits "in such manner as the Auditor General thinks fit in accordance with auditing standards and practices . . ." Hon. Vic Ferry asked whether the particular accounting or auditing practices should not be specified or identified in some way. That is not regarded as appropriate for a number of reasons. I am advised that the Australian auditing standards are supplemented by Australian audit practice statements. These statements are not yet all-embracing and there may be circumstances where it is appropriate to have recourse to international auditing guidelines to cover situations not yet addressed in Australia or to depart from Australian audit practice statements which may address Companies Code matters but not public sector matters. My further advice is that it would be premature to restrict audits undertaken by the Auditor General to

matters explicitly addressed in Australian auditing standards and audit practice statements, given the current state of development of both accounting standards for public sector entities in Australia and Australian audit practice statements.

Hon. Phillip Pendal raised a number of questions concerning the position of Murdoch University. I should point out that an amendment is on the Notice Paper which I understand meets the point about which Murdoch University is concerned. The amendment is in similar terms to another amendment in respect of the University of WA and it was prepared after consultation with representatives of the University of WA.

Finally I refer to clause 20(1). Concern was again expressed at the requirement that bank accounts of statutory authorities should be subject to the Treasurer's approval. I bring it to the attention of the House in this respect that this in fact mirrors the general position now associated with the major statutory authorities. For example, section 99(4) of the State Energy Commission Act provides that "The Commission may open, maintain and operate with a bank approved by the Treasurer an account to be called the 'State Energy Commission Account'." Section 25(2) of the Western Australian Coastal Shipping Commission Act provides that "The moneys referred to in subsection (1) of this section shall be paid into, and be placed to the credit of an account at the Treasury or at a bank, approved by the Treasurer, to be called the 'Western Australian Coastal Shipping Commission Account'." Section 62(2) of the Housing Act is to the same effect, as is section 24(2) of the Western Australian Tourism Commission Act and section 58(2) of the Fremantle Port Authority Act. These examples can be multiplied. It only remains to be said that these provisions are not in fact used to interfere with the proper discretion of these authorities to act in a manner convenient and suitable to their operation, and the new Bill should have no effect on that capacity at all.

In spite of this fairly lengthy reply I propose to deal with that matter in the Committee stage because the position of Exim and WADC was introduced into the debate by reference to interrelated sections.

I would prefer to deal with that at a later stage. Mr Lewis can be assured that the question will be not overlooked as I am sure that he could assure me that the question will not be overlooked. For the moment, and to avoid an excessively long reply at this stage, given that we will shortly be proceeding to the Committee discussion, I think it might be appropriate to leave my own comments at this point.

Questions put and passed.

Bills read a second time.

## FIRE BRIGADES SUPERANNUATION BILL

*Receipt and First Reading*

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

*Second Reading*

**HON. J. M. BERINSON** (North Central Metropolitan—Attorney General) [10.54 p.m.]: I move—

That the Bill be now read a second time.

This Bill makes better provision for the management of the existing Fire Brigades Superannuation Fund and the Fire Brigades Disablement Fund. It also provides for greater employee participation in the management of the funds, and widens the scope of investment powers by the funds to provide performance returns in keeping with market opportunities.

Both funds are currently governed by regulations made under the Fire Brigades Act 1942-1982 which provides for the Fire Brigades Board to be sole trustee in both cases. Under existing legislation there is no provision for the members of the funds to be involved in decisions made relating to benefits or investments other than by way of advisory committees, and there is no requirement for the funds to report to the members on performance returns or other matters.

The purposes of this Bill are as follows—

(a) To establish two separate boards as corporate bodies independent of the Fire Brigades Board, to administer and manage the Fire Brigades Superannuation Fund and the Fire Brigades Disablement Fund;

(b) to provide representation on both boards by an equal number of employer-appointed and employee-elected members. In both cases, the boards will comprise six members, three of whom will be elected by the members of the respective funds by secret ballot, and three of whom will be appointed by the Fire Brigades

Board. Appointment or election to a board will be for a period not exceeding three years and in the case of elected members, one position will become vacant each year. This move to employee representation is in keeping with the Government's objective of a greater degree of employee participation in decision-making on matters which concern them and is in line with a national trend amongst superannuation schemes;

(c) to widen the scope of investment opportunities available to the funds and remove the restrictions imposed by the current regulations which limit investments to those authorised by the Western Australian Trustees Act. This limitation makes it difficult for the funds to maximise their returns and to provide optimum benefits to our retiring firefighters and other staff participating in the scheme. The removal of this limitation will give greater flexibility to the trustees and their investment managers to take full advantage of market opportunities in order to provide performance returns which better correlate with those achieved by other like funds in what is a highly competitive market;

(d) to provide membership in the superannuation fund to employees of certain associated employers—

Western Australian Volunteer Fire Brigades' Association;

Fire Brigade Employees' Credit Union Society;

Fire Brigade Employees' Union.

Membership available to these employees will be identical to that available to fire brigade employees and contributions will be fully paid by those employers and employees with no additional costs to the Fire Brigades Board;

(e) to formalise and improve procedures for reporting to members on the performance and financial situation of their funds and other matters which may interest them. Currently, no such formal arrangements exist and this has been a continual source of irritation amongst the members. This move is in line with current trends towards greater interest amongst fund members in the disposition of money which they have invested in superannuation and like funds;

(f) to secure and maintain all existing benefits and current levels of contributions from both employers and employees participating in both funds.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. Margaret McAleer.

## ROAD TRAFFIC AMENDMENT BILL

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. Peter Dowding (Minister for Employment and Training), read a first time.

*Second Reading*

**HON. PETER DOWDING** (North—Minister for Employment and Training) [10.58 p.m.]: I move—

That the Bill be now read a second time.

The provisions of this Bill will honour an undertaking by the Treasurer in his 1985-86 Budget speech to provide aged pensioners with a free motor drivers' licence. This Bill will extend to those aged pensioners who currently receive a 50 per cent concession on the fee for their motor drivers' licences a total exemption from the prescribed fee.

All male pensioners who have attained the age of 65, and female pensioners who have attained the age of 60 and who hold a pensioner health benefits card, will be entitled to the 100 per cent concession. The new concession will apply to the licences issued on or after 1 January 1986 and to renewals due on or after that date.

Other eligible pensioners such as invalids, widows, and supporting parents who currently receive a concessional motor drivers' licence will continue to receive a 50 per cent concession.

To obtain the issue or renewal of a licence subject to a concession an eligible pensioner will merely be required to submit an application form and upon receipt of an application the Traffic Board will issue or renew a "free licence" or "concessional licence".

I commend the Bill to the House.

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

## BLOOD DONATION (LIMITATION OF LIABILITY) BILL

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon. Peter Dowding (Minister for Employment and Training), read a first time.

*Second Reading*

**HON. PETER DOWDING** (North—Minister for Employment and Training) [11.01 p.m.]: I move—

That the Bill be now read a second time.

This Bill has been made necessary as a direct result of the disease, acquired immune deficiency syndrome, or AIDS as it is more commonly known.

Honourable members will be well aware that AIDS has become one of the most serious health problems to face our community in recent years. In particular, the disease has presented formidable challenges to the operations of a vital health care resource—the blood transfusion service.

While a great deal remains to be discovered about the nature and cause of AIDS, medical science has identified blood as being one of the means through which the AIDS virus can be transmitted from person to person. The problem is compounded by the fact that it can take a considerable period of time for symptoms of the disease to develop. This Bill seeks to limit the legal liability of the Red Cross Society in claims concerning the transmission of the AIDS virus through the society's blood transfusion service, provided the society complies with certain specified requirements.

The Bill will also protect hospitals providing services similar to the blood bank. This protection will also extend to persons administering blood, and blood products derived from blood supplied by the society and the hospitals, again provided that the specified requirements are met. The proposed legislation will especially safeguard the interests of donors to the blood bank.

At the outset I want to assure the House that as a result of a number of measures that have been introduced in recent months to fight the disease, the chances of contracting AIDS through the blood transfusion service operating in Western Australia are remote. Not only are intending donors required to complete statutory declarations, but donations of blood are also not accepted from people in a high-risk category. As well, every blood donation is tested by the blood transfusion service for the presence of AIDS virus, or its antibodies.

Nevertheless, the national insurers of the Red Cross Society have taken the view that the risk is unacceptable and have withdrawn the society's public liability cover as from 30 June last in so far as it relates to AIDS. Honourable members will appreciate that this puts the society in an untenable position. The blood transfusion service is vital to the community but without insurance cover, the ability of the Red Cross Society to continue to provide this essential service must be considered in jeopardy.

Accordingly this Bill will establish a defence to any action brought against the society or a hospital by or on behalf of a person who claims to have contracted AIDS, provided the society or hospital has complied with the requirements prescribed in the Bill. These requirements are that the society or hospital obtains a statutory declaration from a donor prior to a donation of blood stating that he or she is not in one of the specified groups at risk of contracting AIDS. In addition blood or a blood product must not be supplied by the society or hospital unless a sample of the blood shows a negative result for the AIDS virus using an approved test.

Similar defences are established concerning the administration of blood or a blood product to a patient at a hospital or by a medical practitioner or other person involved, provided that the blood or blood product used carries a certificate that the approved test for AIDS was negative. Furthermore, the Bill provides that no such person shall be found guilty of negligence or wilful misconduct in respect to the taking, testing, storage, handling, labelling or administering of that blood or blood product to that patient.

No proceedings, either civil or criminal, will lie against a blood donor unless the donor has been found guilty of knowingly making a false statement in the declaration made to the society or hospital. If a person is found guilty of knowingly making a false statement in the declaration, he or she not only loses his or her protection from claims given by this Bill, but also becomes liable to be prosecuted under the Criminal Code for this offence, which carries an imprisonment sentence of a maximum of three years with hard labour.

The defences I have outlined will not be available if the society or hospital fails to take reasonable steps to prevent the administration of blood or a blood product which it has

reasonable grounds for believing may be contaminated by AIDS, or if a hospital or medical practitioner has been informed of likely contamination before the blood or blood product is administered.

The overall effect is that the society, hospitals, doctors and persons acting on their behalf will be protected from claims relating to the transmission of AIDS if all due diligence and care have been exercised in providing and administering the blood or blood product.

Absolute protection will be given by this Bill to blood donors disclosing all requested information to the society in the statutory declaration. This will provide donors with a continuity of protection whether under the society's previously existing public liability insurance cover or under this proposed legislation.

The blood transfusion service depends upon the goodwill of the public for a continuation of blood donations and the society's image in the eyes of the donors must never be clouded by any deterrent to them donating their blood when they are not in an at-risk category.

This Bill will be retrospective to 30 June of this year, which is the date when the national insurance cover for the Red Cross Society expired.

Part II of the Bill specifies the existing requirements of the statutory declaration and the testing of blood to provide a retrospective defence and part III introduces an additional requirement for a signed laboratory certificate to be attached to the blood container.

Similar legislation is now in the process of being enacted in New South Wales, Victoria, and South Australia. Tasmania intends to introduce its legislation in its next parliamentary session. The Australian Capital Territory has passed an Ordinance which all of the other States mentioned have used as a guide in preparation of their legislation.

This Bill follows generally along the lines of the ACT Ordinance except that provisions had to be made for emergency situations relating to the supply of tested blood which sometimes occurs because of the huge distances between the hospitals in the north of this State and Perth. This is a situation which would not occur in other States.

The problem was illustrated in the recent case at Port Hedland which the Minister for Health reported to the Legislative Assembly on 17 September in response to a question. In that particular case the supply of tested blood of a particular type on hand at Port Hedland Hospital ran out. Blood had to be obtained from regular donors whose blood had been previously tested and found to be free of AIDS antibodies, for transfusion into a badly injured industrial worker from Karratha. Transfusions given at Karratha and Port Hedland exhausted local supplies of that type. There was insufficient time to fly tested blood from Perth or any other major centre and no facilities existed for AIDS testing at Port Hedland. The decision had to be made to use untested blood.

All donors completed statutory declarations and so every precaution was taken to ensure that, in those given circumstances, the risk of transmission of AIDS was at an absolute minimum. Medical authorities in Perth later confirmed that without that transfusion of whole blood, the worker would have died.

Because of the remoteness of these major industrial centres from Perth and the limited life of whole blood, it is unlikely that adequate stocks of every type of blood could be stocked at each centre to handle major industrial accidents. To recognise and provide for such circumstances, an exemption has been placed in the Bill. This states that a defence to a claim will not be defeated by using blood, untested for AIDS antibodies where, in the opinion of not less than two medical practitioners, a person will likely die, unless blood is administered and where tested blood is unavailable or unobtainable in time.

In seeking support for this Bill, I reaffirm how crucial it is to our health care system in this State that Parliament puts beyond doubt the capacity of the Red Cross Society to provide a blood transfusion service. Our hospitals and our doctors must also be unhindered in providing a service so vital to our community. As well, it is essential that the State indemnifies the many public spirited people who support the service through blood donations.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. Margaret McAleer.

## CRIMINAL INJURIES COMPENSATION BILL

*Assembly's Message*

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

## COMMERCIAL ARBITRATION BILL

*Returned*

Bill returned from the Assembly with an amendment.

## ACTS AMENDMENT (SEXUAL ASSAULTS) BILL

*Assembly's Message*

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

## APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL

*Consideration of Tabled Paper*

Debate resumed from 31 October.

**HON. P. G. PENDAL** (South Central Metropolitan) [11.12 p.m.]: I support the motion and, as is customary, I will make a number of comments on matters both financial and non-financial, the latter being to do with my electorate.

Much has been said in the last few weeks by the Government, by way of Press release and paid advertisement, about its alleged achievements in regard to the State Budget. Indeed, members would be aware that the Treasurer and other Ministers have tended to draw as much attention as possible to their feat in bringing about not only a balanced Budget—which has been customary in Western Australia for at least the last decade—but a Budget which registers a small surplus.

On the face of it, that is no mean achievement, but if anyone gives even a cursory glance at the Budget papers it is not surprising at all to see that the Government has budgeted next year for a small surplus. I say it is not surprising because in the months ahead I think more and more Western Australians will become privy to the fact that in three short years there has been a phenomenal increase in the State taxation revenue received by the Burke Government. Indeed, it has been a period of unprecedented growth in the wrong area; that is, unprecedented growth in State taxation revenue.

Hon. Peter Dowding: Jobs.

Hon. P. G. PENDAL: We will come to jobs in a moment. Everything that has been "achieved", has been achieved at a cost. In the three years since Mr Burke became the Treasurer, there has been a 52 per cent increase in State taxation revenue; and I repeat that if it is unprecedented in the past 40 years, as the Government claims it is, to bring about a Budget surplus, so too is it unprecedented in the past four decades to bring about an increase in the State tax take of a massive 52 per cent in such a short period. That is worth examining in some detail.

Of course, it fools no-one and as each week goes by fewer people are being fooled, even by way of the lavish paid advertisements with which this Government is swamping the media, metropolitan and country, throughout the length and breadth of the State.

In 1982-83 the income received from land tax in Western Australia was a shade over $35 million. Three years later, under Mr Burke, that estimated revenue from land tax is running at something like $54 million. That is a 50 per cent increase in land tax revenues since this Government took office.

If that is not bad enough, I invite members of the Government to look further down the list of State taxation to stamp duty. In 1982-83, when Mr Burke became responsible for the State's finances, the revenue from that source was $123 million. Three years down the track that figure has blown out to a massive $226 million, which is something like an increase of 95 per cent in stamp duty income alone.

Hon. Peter Dowding: Do you know why?

Hon. P. G. PENDAL: The Opposition knows why—it is because the Government is hungry for revenue and the Government is milking the cow to the point where the cow has no more milk to give. Not only has the cow no more milk to give, but the Government is not even bothering to feed it.

Hon. H. W. Gayfer: And there are no more tits to pull.

Hon. P. G. PENDAL: I would not have put it that inelegantly but I think Mr Gayfer's frustration makes the point most adequately and I agree with his sentiments, if not his expression. But I go further down the list of State taxation.

The PRESIDENT: Order! I just remind the Minister about the rule regarding the reading of newspapers in this House. I understand that in the other place the rule does not exist but in this place it does.

Hon. P. G. PENDAL: I touched briefly on land tax and stamp duty incomes in the last three years.

Hon. Mark Nevill: Tell us about economic growth.

Hon. P. G. PENDAL: We will come to that in a minute, Mr Nevill. Indeed, if anyone likes to watch the tumble of the Australian dollar, there are more answers that can be provided in that than we would have time to discuss tonight.

Three years ago the financial institutions duty simply did not exist and therefore it is not possible to make the sort of comparison that we have with other areas of State taxation.

Today, three years down the track, and after several allegedly generous reductions in the rate of the financial institutions duty, the people of WA are still paying $25 million a year into the State revenues. In the three years that FID has been collected, if my memory serves me correctly, the revenues have gained by something in the order of $76 million, which is $76 million unnecessarily raised from the people in the first place. Having come from a position over 3½ years ago when Mr Burke was the Leader of the Opposition and gave a written guarantee that a financial institutions duty would not be introduced by a Labor Government, we are now in a situation where that tax has not only been introduced by a Labor Government but has benefited the Government to the tune of something like $76 million.

The "generosity" of the payroll tax reductions is also reflected in the Budget figures of the past three years. Today we are in a position where the State Government, which promised in 1982-83 to abolish payroll tax, is now receiving the unprecedented level of $301 million, which is in itself up 20 per cent on the receipts when Mr Burke came to office, and that was but a few months after he gave a firm promise that payroll tax was to be abolished.

If that is not good enough, I turn now to those areas which the Government members interjecting say are a reflection of the growth in business activity. One of the important areas of State taxation in 1982-83 came under the broad heading of licences, and in that year a little over $38 million was collected by the State Government. Three years down the track under this Government, with all of the so-called concessions it gives to the business community, that same source will bring into the State's coffers this year a massive $78 million. That is in excess of a 100 per cent increase in the revenue from that source alone.

A couple of less spectacular but nonetheless important increases include the betting tax revenue, which has gone from $16 million when Mr Burke took office to $22 million now, an increase in the order of 45 per cent. What that says overall about this Government—and this is what members opposite are apt to forget—is that in that three-year period we saw a massive increase in State taxation revenue of something like 52 per cent. Yet the Government has the temerity to advertise in the Press to give the people of the State the false and misleading impression that all is well within the realms of State taxation and State finances. I will pay a little more attention to that in a few minutes.

If all of that is not sufficient to bring home to the Government members the fact that they are in a leadership position of being the most greedy Government in the post-war era of WA, the following figures may be instructive to them. So far I have given an illustration of what has happened in a three-year period, but the same position is as dismal when we look at the annual growth figures.

For example, the stamp duties to which I referred earlier on a three-year basis have gone up by no less than a figure of 12 per cent in the last 12 months. Land tax revenues in the last year, despite the alleged reductions, provided a revenue increase of 91 per cent in this year alone.

Hon. Garry Kelly: What about the revaluation?

Hon. P. G. PENDAL: Still we hear those sorts of remarks we are now hearing from Mr Kelly, which totally disregard the point I am trying to make, which is that the Government has presided over that period in our history when the economy could least afford these massive increases.

Hon. Garry Kelly: The economy is a lot better now than when you were in power.

Hon. P. G. PENDAL: I mentioned a few minutes ago the massive increases in business licences and other licence revenue. It is also now worth looking not at the macro figures but very quickly at some of the detailed figures. In the area of consumer affairs, where we have in this House the Minister presiding over that portfolio, the income derived from the real estate and business agents of this State itself has risen in one fell swoop by 47 per cent. How can the Government claim that it is interested in promoting economic growth while at the same time it is not containing that range of taxes and charges that are at the very least irritants to the small businessmen of this State and in some cases the difference between whether they survive or not? The amount of real estate and business agents licence fees for the last full year

was a little over $307 000 and now this year the projected figure is something like $585 000, representing an increase of 47 per cent.

I will touch briefly on a few other areas of the Budget that seem to demand some explanation from the Government. I refer now to page 17 of the Estimates of Revenue for the year under the heading of Government Stores where we find an alarming figure related to petrol sales and repairs within the Government Stores. Last year no such estimate was made, yet this year we are looking at a projected figure in excess of $3 million. Page 17 certainly provides no explanation why there was no estimate last year, yet suddenly we have a figure this year of over $3 million. Again, I suggest this is part of the overall scene within a typical Labor Government wherein we see it saying, "If we need to make any 'progress' we need to spend up big because only then can we make it look as though we are actually making some economic progress."

No evidence is available to show that this Government is exercising any economic restraint, which would surely be shown from the top; but I invite members to look at the Estimates of Expenditure covering those departments under the Premier's control as both the head of the Government and as the Treasurer of the State.

Last year's figure under the Treasurer's control was approximately $27 million. This year the figure under Mr Burke's control is over $40 million, again a massive 33 per cent increase in the space of one year. The Public Service Board's allocation has jumped from $5.2 million to $9.2 million. The allocation for the Office of Redeployment and Retraining has increased from a miniscule $75 000 to in excess of $2.6 million. I repeat that the amount allocated to the Premier and Treasurer in his various portfolios has increased in one year from $27 million to $40 million, an increase of 33 per cent. This reveals no evidence whatsoever of any restraint being shown by the Premier in the departments that he administers.

Hon. N. F. Moore: How many people are employed in the policy secretariat, 32?

Hon. P. G. PENDAL: I want to touch on some of those areas under the Miscellaneous Services section administered by the Attorney General and Minister for Budget Management who sits in this House. I want to make only brief reference to it because I believe that the Government, apart from showing a lack of restraint in the areas I have already mentioned, refused to acknowledge the legitimate claims of those community groups which could well do with even a fraction of the money that is being splashed around in a very lavish way by the Premier and his Ministers.

Hon. Peter Dowding: Here we go. This is your lobby list, is it?

Hon. P. G. PENDAL: If Mr Dowding likes, it is my lobby list. Is there anything wrong with that?

Hon. Peter Dowding: Nothing at all. All the other lobby lists should be cut, should they?

Hon. P. G. PENDAL: No. I will come to that matter and I will tell Hon. Peter Dowding how expenditure could have been cut.

Hon. Garry Kelly interjected.

Hon. Peter Dowding: Pull the other one.

Hon. P. G. PENDAL: As for Hon. Garry Kelly's puerile contribution by way of his silly little interjections, I suggest that he confines himself to something a bit more basic so that even he can follow what he is saying.

Hon. Kay Hallahan: Don't be so pompous.

Hon. P. G. PENDAL: I will be as pompous as I like if I have to put up with such puerile comments as that which came from the back bench by Hon. Mark Nevill a few minutes ago.

Under the heading of Miscellaneous Services to which I referred, a community group in my own electorate and that of Mr President, known as Southcare, asked the Government for a modest sum of approximately $26 000 to assist in the provision of welfare services in the suburbs of Manning, Como and South Perth. Its request was refused. But look at the sum that was allocated on the same page of the Budget to the Australian Bicentennial Authority. I ask the Parliament: What has the Australian Bicentennial Authority got to do with the Western Australian Government? It is a Federal statutory body and, the Lord only knows, it is hard enough for the Federal Government to control—

Hon. Peter Dowding: Who set it up, Mr Pendal? Do you remember who set it up?

Hon. P. G. PENDAL: The Fraser Government set it up and the friends of Hon. Peter Dowding allowed it to blow out so that the Hawke Government is now giving the $500 000 golden handshake to people who were never entitled to it. Do members know why? The Solicitor General—

Hon. Peter Dowding: Who appointed him?

Hon. P. G. PENDAL:—in the Federal sphere disputes that that sort of money should ever have been lavishly given around. My point is that the State Government should not be giving any money to the Australian Bicentennial Authority.

Hon. Garry Kelly: Why not?

Hon. P. G. PENDAL: It should not do so because it is a Federal agency.

Hon. Mark Nevill: Under the Act we are supposed to contribute to it.

Hon. N. F. Moore: They get enough money as it is.

Hon. P. G. PENDAL: It is a national initiative intended to be funded by the Federal Government.

Hon. Peter Dowding: And the States.

Hon. P. G. PENDAL: For Hon. Garry Kelly's benefit, there is a difference between Federal and State Governments within Australia and we may well save huge sums of money in this country if those Governments, as has been suggested on many previous occasions, learnt to confine their activities to the areas in which the Constitution says they are entitled to operate.

There are other examples on the same page of the Budget which indicate quite clearly that some community-based organisations such as Southcare will not get a look in while this Government is in office. Rather, the Government would prefer to spend money on its PR machine and other bodies such as the ABA. There is no question at all about that.

Hon. Peter Dowding: You know that is not true.

Hon. P. G. PENDAL: I do know it is true because in relation to the Victoria Park Association for the Blind, a group which is entitled to say, "We are the meek of the earth who are entitled to get some help", a small allocation requested for the purchase of talking books was denied. Yet the Government insists upon heaping lavish amounts of money on bodies such as in this case the Australian Bicentennial Authority.

Several members interjected.

The PRESIDENT: Order!

Hon. P. G. PENDAL: Hon. Garry Kelly is like a yapping terrier. I suggest it is a case of the Government having its priorities in the wrong order. The Government should adopt the old maxim that charity begins at home because it is those small community groups, some of which I have referred to tonight, which are entitled to State funds, not bodies such as the Australian Bicentennial Authority.

There seemed to be some doubt in the minds of Government members in the last 10 or 15 minutes about the impact of Government charges and taxes on the small business sector in this State. If members will not take my word for it I will read details of a letter sent to the Premier by the Managing Director of Eurocars Pty Ltd, a small business employing in recent days about 25 people in South Perth. Some members who have listened to question time will be aware that I placed questions on the Notice Paper as the result of the original letter sent to the Premier by the managing director of this suburban firm. Of course, this man got no joy in that instance. The company was taking the Government to task for its false and misleading advertising in the *Sunday Times* some few weeks ago, when the Government was bragging that it was doing things for these small firms. This is not only misleading but also blatantly untruthful. The Premier and the Minister concerned ultimately should get back and make an effort to respond to this senior executive. But it clearly was not enough to satisfy that person because by way of a letter of 5 November—

Hon. Peter Dowding: This was part of your speech, was it?

Hon. P. G. PENDAL: Certain matters were brought to the attention of the Premier. That letter was unsolicited by me. I have not met the individual who wrote the letter. I have spoken to him on the telephone once when he conveyed some of those facts to me. Again it reflects the level of frustration that exists among the business community of this city who are being asked to swallow the untruthful statements this Government is making about its economic policies. The letter begins, "Dear Premier", and is headed, "The question remains Mr Burke, is it the truth?" It reads as follows—

> Thank you for your letter of 16th October in response to the questions raised in our letter of October 14th.
>
> Whilst admiring your leadership style, and your personal attention to tax payer's concerns, we do not admire your attempt to avoid the question.
>
> We asked was it the truth? That question remains as yet unanswered.

We thus re-iterate the question. Was the statement contained in the 4 page Sunday Times advertisement of October 13th, 1985, the truth, when under the bold heading of 'TAX REDUCTIONS' it stated:

> "An across the board 10% reduction will be made in land tax assessments, benefiting about 90,000 tax payers."?

We suggest that standing alone, as the advertisement did, without your explanatory letter to the 90,000 tax payers, the advertisement was intended to convey to the reader that you had in fact reduced land tax; where in fact you had firstly INCREASED and then subsequently DISCOUNTED the land tax. Unfortunately the majority (of readers of the advertisement) who were not the recipients of your explanatory letter, would be misled into believing that you had reduced land tax, when in fact it had increased.

As State tax payers, we feel justified in again asking, did the advertisement convey the truth?

Your faithfully,
R. SLATER
Managing Director
J. J. BARRETT-LENNARD
Director

That is the level of frustration that has developed in the business community of this State because of the false and misleading advertising that is not only endorsed by the Treasurer, but by the Minister for Consumer Affairs in this House who presides over one of the Acts of Parliament under which people are prosecuted if they try to put out that sort of false and misleading advertising.

Hon. D. J. Wordsworth: The Minister did not reply to you.

Hon. P. G. PENDAL: No, indeed he did not. One always knows when Mr Dowding is embarrassed and when the truth hurts.

Hon. Peter Dowding: You are quite misleading yourself, Mr Pendal. If anyone were to be in trouble for misleading it would be you.

Hon. P. G. PENDAL: I turn now to another matter that has been of obvious concern to a large number of people in Western Australia; that is, the question of sporting links with South Africa, a matter that this Government is increasingly embarrassed about, and one I referred some time ago to Mr Hayden in his capacity as Minister for Foreign Affairs. It is significant that for the first time in any letter or correspondence I have had with the Minister for Foreign Affairs he has declined to comment.

Much has been said about the decision by Kim Hughes and others to proceed with their so-called rebel sporting tour of South Africa. We have seen adverse comments across the nation and attempts by the Labor Party and its stooges to stir up hatred where it need not exist in order to prevent people from having those legitimate contacts with people in South Africa. The significant thing is that the same rules, standards, and sense of outrage do not apply to the Labor Government's invitation to those nations which took part in the World Cup athletics in Canberra earlier in October.

Hon. Mark Nevill: Is this your defence of apartheid?

Hon. P. G. PENDAL: I have never been an apologist for apartheid. I have said that in itself it is a rotten system, but I have said on many occasions here that it ill-becomes us to be giving advice to the South Africans about how to solve their internal problems.

I wrote this letter to Mr Hayden because I thought it drew a legitimate parallel between the Labor Party's actions in regard to sporting links with South Africa and its attitude towards having Russian, East German, and other sportsmen and women from notably undemocratic countries visiting this country early in October for the World Cup athletics. In my letter of 11 September I said—

> You along with your colleagues and, indeed, people from several parts of the political spectrum, have recently been heavy-handed in your condemnation of Australian Cricketers taking part in a tour of South Africa.
>
> I would appreciate your early advice on what action is proposed by your Government towards intending participants in the World Cup athletics scheduled to begin in Canberra early in October.
>
> This gala international sporting event will, I understand, have teams from several regions of the world. I am led to believe that sportsmen and women will come from countries like the Soviet Union, East Germany, Uganda and Ethiopia, to name but a few.

Hon. Mark Nevill: Any blacks from South Africa?

Hon. P. G. PENDAL: Let me break in and remind Mr Nevill who interjected with that puerile comment that none of the nations I have mentioned is known for its notable contribution to human rights. My letter continued as follows—

> To my knowledge, none of these countries are known to be bastions of human rights.
>
> There may well be other such fiercely democratic' countries taking part. Certainly, in the official propaganda I sighted on the World Cup Athletics earlier this year, there was considerable pride in advertising the fact that 'Eastern Bloc' athletes were competing.
>
> I should be interested to know what steps, if any, have been taken by you to dissuade these athletes from Communist/totalitarian countries from coming to Australia. After all, if it is good enough to berate the South Africans and seek to humiliate and cripple them internationally, it ought to be good enough for those countries taking part in the Canberra fixture.
>
> Personally, I take the view that all sportsmen and women should be welcome to Australia. Similarly, our sportsmen and women should be free to compete anywhere in the world—without hindrance or harassment from politicians. Indeed, last year, I publicly suggested that we should send a Western Australian Sheffield Shield team to South Africa, notwithstanding my own public opposition to apartheid.
>
> It has often occurred to me that sportsmen, entertainers, academics and businessmen can sometimes achieve for peace and goodwill those things that political leaders and diplomats are unable to achieve.

Hon. Garry Kelly: Would you say the sporting ban has been successful in drawing the plight of black South Africans to the world's attention?

Hon. P. G. PENDAL: I am trying to get through to the member who has just interrupted, the inconsistencies of the policy that says we should treat the South Africans like outcasts and not have any sporting links with them because of their apartheid policy, but still permit athletes from communist countries which are known oppressors of human rights to enter Australia to take part in sporting activities with our people. Where is the consistency in that? No-one has been able to answer that question. I am not surprised that Mr Kelly cannot because even his ex-Federal Leader, Mr Hayden, is unable to find an answer to that question. The letter continues—

> After all, the thaw in U.S.-China relations was assisted materially by a few ping-pong players.
>
> It is plain nonsense on your part, or on the part of anyone else, to imply that a visit by sportsmen to South Africa would be seen as an endorsement of the policies of the South African Government.

Hon. Garry Kelly: The blacks want the ban.

Hon. P. G. PENDAL: The only people I would like to ban would be people like the member interjecting. The letter continues—

> If this were true, then a visit by a Soviet leader to the Pope could equally—but just as absurdly—be taken as Russia's endorsement of Catholicism.
>
> It is the double standard in this which deeply concerns me. You have done everything to 'bucket' Kim Hughes and his colleagues without having lifted a finger on the participation of Eastern Bloc athletes in the Canberra Games.
>
> Before it is too late, I strongly urge you to refrain from your abuse of Kim Hughes or, alternatively, take immediate action to prevent the issue of entry visas to athletes from countries in the Eastern Bloc which also repress human rights.
>
> Yours sincerely,

Hon. D. J. Wordsworth: A very good letter.

Hon. P. G. PENDAL: I thank the member. Mr Hayden has chosen not to respond to that letter, notwithstanding the fact that every other letter I have written as a member over the past few years has been answered and answered in some considerable detail. The Labor Party is hoist with its own petard. It is on the horns of a dilemma. It does not know which way to turn. It has the hypocrisy to tell us that we should not have contact with South Africa, but it does not lift a finger to prevent people entering this country from countries which have the worst and most abysmal record on human rights one could possibly imagine.

I wish to touch very briefly on another matter to do with the State Family Court. I am disappointed with answers given to us by the Attorney General who, after all, is the Minis-

ter who administers the Family Law Act and the Family Courts. Some time ago, I asked a question in this House on behalf of a constituent who, like most people experiencing these sorts of problems, was utterly distressed because he did not know what was going on. He was faced with having had some form of restraining order issued against him by a Local or Police Court. As well, he was the subject of a separate but related order issued by the State Family Court. He was in the unusual position of not knowing which court order took precedence and which order he should obey. Paragraph (4) of my question No. 237 on Tuesday, 15 October asked—

> If so, what court or order has precedence—a State Family Court or a Police and/or Local Court?

The best the Attorney General could do in those circumstances was to say—

> It is not appropriate to give legal advice by way of an answer to a parliamentary question.

I was not asking for legal advice. If the Attorney General or his department care to look at the question they would see that a legal opinion was not being sought by this individual and nor was it being sought by me as a member of Parliament. The person simply wanted to know, as a matter of fact, not as a matter of law or legal opinion, which court and which order had precedence. He was in a most frantic situation of being denied access to his child and was then being denied access to the most basic form of information available and that is whether or not a Family Court order takes precedence or has priority over a restraining order issued out of one of the lower courts within the State system. It seems no-one in the Government cares a jot for that person. It is no wonder that people resort to blowing up buildings and other equally horrendous acts.

Hon. Mark Nevill: That is how the blacks feel in South Africa.

Hon. P. G. PENDAL: I think there is something wrong with the member from the way he is carrying on. These sorts of people are asking for information which should be provided and which, in most cases, they are paying an arm and a leg for if they seek legal advice. That information lies within the province of the Minister in this place to provide.

Finally, I wish to touch on a budgetary matter in my province. Como Senior High School is in my electorate. In recent times it has been provided with facilities which were denied to that school for a long time. Approaches were made by officers of the school parent groups to the casino developers who, at that time, were looking for a considerable amount of landfill for the Burswood Island Casino. It occurred to a parent group leader, Mr George Jones, that it would be possible to do a deal with the casino which was ultimately sanctioned by the Education Department whereby a great deal of sand would be removed from the Como Senior High School and transported to the casino site. The very agreeable outcome has been that the school was able to sell sand totalling $40 000 which was matched by the Education Department. The parent group was able to allocate that $80 000 to provide new ovals, cricket pitches, goal posts and reticulation of the school grounds.

Even up to that point, students at the school had not had a place to sit during their lunch breaks, but almost overnight, as a result of that parent involvement, the pennies dropped out of heaven.

The school sees the next stage of the programme as being the provision of a gymnasium. Approaches were made to the local authority—the South Perth City Council—and to the Department of Education and the Department for Sport and Recreation. The upshot of those approaches is that it would appear that there is some chance that in the foreseeable future the two State Government departments would be prepared to make available sums of money to the order of $200 000 each, thereby providing a total of $400 000 towards a cost of $600 000. It is hoped that the remaining $200 000 will come from the City of South Perth. That matter is still being pursued by the councillors and officers of the city. Because it represents a substantial investment on the part of the local authority, it is not a decision that will be made lightly. However, I have made representations to the council so that the City of South Perth and the students of Como Senior High School might come by a modern gymnasium worth about $600 000 for a very minimal cost to local ratepayers.

I simply put the plea to the Government and to the Ministers responsible that they ensure that any low-level commitment that has been made at this stage by the Education Department and by the Department for Sport and Recreation towards providing a combined total

of $400 000 might not be abandoned before the South Perth City Council has the chance to make a decision about whether it will provide the other $200 000. It will be a tragedy of the first order to those local people and the students if we spend months persuading the City of South Perth to find the $200 000 as its contribution, only to find that the two State departments had decided that their commitments had worn thin and that the money was no longer available. I did seek that assurance from the Ministers by way of questions in the Parliament. At this stage the commitments have not been very strong.

I urge the Ministers at least to take back the message that time is required to allow the South Perth City Council to decide whether it is in a position to make a contribution of $200 000. With those comments, I support the motion.

Debate adjourned, on motion by Hon. Margaret McAleer.

## FINANCIAL ADMINISTRATION AND AUDIT BILL

*In Committee*

The Deputy Chairman of Committees (Hon. P. H. Lockyer) in the Chair; Hon. J. M. Berinson (Minister for Budget Management) in charge of the Bill.

**Clause 1: Short title—**

Hon. V. J. FERRY: All honourable members will realise that this Bill is somewhat complicated. It is a shame that we are dealing with the Committee stage at this hour of the morning. Notwithstanding that, we will do what we can.

It was mentioned during the second reading debate that this Bill was somewhat complicated and that it would have been preferable to have had the benefit of thorough examination by at least a Standing Committee. There should also have been at least three months for public examination. That contention has been borne out. We have some amendments to consider and many questions will be raised during the Committee stage.

It is obvious, by the very nature of the foreshadowed amendments to this Bill and the cognate Bill, that the Government did not have the time to discuss it with the appropriate agencies, authorities, or bodies as listed in the Bill. That is a great shame because, as the Minister for Budget Management himself said in reply to the second reading debate, this is an important Bill. It is a very important Bill indeed for Western Australia and it has already been through another place of the Parliament in somewhat of a hurry. Certainly it has been on the Notice Paper for some little time.

Notwithstanding that, only today the Government placed another amendment on the Notice Paper. It seems incredible that the Government's management programme is such that it cannot get its act together enough to put the Bill in decent order so that this Parliament, especially this Chamber, can consider it in the proper order. It is acknowledged that the Government has the benefit of technical advice. It has the benefit of quite a number of staff at its disposal. That sort of advice is not so readily available to members of the Opposition or any other member of this Chamber. Therefore, we are under some disability in giving it the appropriate and thorough examination that it deserves.

Hon. D. J. Wordsworth: The Government will probably criticise the Legislative Council for amending these Bills.

Hon. V. J. FERRY: People do have a habit of criticising this Chamber for the work it does, but members of the Legislative Council do tackle the problems and fulfil the responsibilities that they have to give their best in considering legislation. Accordingly, the Legislative Council has a very proper and rightful role in that respect.

I emphasise that the Government must be held responsible for allowing this to happen in its legislative programme. It has indicated it is necessary for the Bill to proceed this year. Obviously it must, but that does not excuse the Government's mismanagement of this measure.

There has been a lack of consultation. I refer, as I did in an earlier contribution, to the water boards in Harvey, Bunbury, and Busselton. My information is that none of those boards was consulted in any shape or form. I have also sampled one or two other agencies listed in the schedule. They were not consulted. I have sampled others which were. Obviously there was consultation and a great deal of research; I

acknowledge that. But when a Bill has as far-reaching implications as this one, the Government should have performed much better.

**Clause put and passed.**

**Clause 2 put and passed.**

**Clause 3: Interpretation—**

Hon. V. J. FERRY: The first point I wish to raise is the interpretation of the accounting manual. The explanation is reasonable enough. This will be amended from time to time. I hope that the material contained in the accounting manual will be amended properly and made available to the public at large—certainly to the accounting and auditing profession—so that people can be brought up to date as soon as possible when these manuals are amended.

If the Government's performance continues in line with its accountability in dealing with this Bill, for the sake of uniformity, I hope the amendments to the manual will be made expeditiously and efficiently.

Hon. J. M. BERINSON: I stress that the accounting manuals are for internal use and will be developed internally within the departments and statutory authorities to meet the specific requirements of each. This will not necessarily be a uniform exercise, though basic requirements will be established by the general framework of the Bill. It should not be expected to be uniform because of the great variation in the nature of the departments and authorities which will be complying.

Hon. V. J. FERRY: There will be some changes in the operation of the accounting practices, be they internal or otherwise, and directions will have to be given. They will be approved of. If they are not approved of, there will be some accounting to be done by those firms or auditors who do not carry out their tasks in the approved manner. The Government must be brought to book on that.

Hon. A. A. LEWIS: I agree with Hon. V. J. Ferry. I want to know how many of these authorities' books or procedures are out of kilter now. We are going to set up an accounting manual. The Bill virtually gives directions to those authorities that these sets of books will be set up under the Auditor General. How many of these authorities do not comply now with the wishes of the Auditor General in the accounting manuals they are using?

Hon. J. M. BERINSON: As I understand it, the departments and authorities which document their systems now do not necessarily bring those documents in a comprehensive form such as that contemplated by the requirement for accounting manuals.

Hon. A. A. LEWIS: The Minister for Budget Management is telling me that the various authorities will have to do some work to make them all uniform so that they comply with this Bill. Has any calculation of the costs of these adjustments been made?

Hon. J. M. BERINSON: Some initial work will be necessary in compiling the initial manual. No calculation of that cost has been made.

Hon. A. A. LEWIS: The Minister is telling me he is bringing this Bill to the Committee without knowing what the cost to the various authorities will be.

Hon. J. M. BERINSON: This Bill seeks to implement a most important principle and practice. The aim of this exercise is to ensure the greatest possible accountability of all departments and authorities. It is not expected that over any period at all that will involve substantial additional cost. If additional work is needed at the outset it may well involve some additional cost, but advantages will be gained which will far outweigh the disadvantages. I would have thought that would receive general approval, given the similar practices in commerce and industry and the recommendations to that effect by this Council's own committee.

Hon. A. A. LEWIS: If this is the case, take one small section, the Collie Mine Workers' Pension Fund. It is a cost to that fund. Who will make up the money the pension fund loses? Will the Government, the Auditor General, or the Minister for Budget Management provide that money?

It would be nice and uniform and everything would be running along the same socialistic lines that the Government wishes, but have there been any problems in the past? Why impose extra conditions if there has been no problem?

Hon. J. M. BERINSON: In the absence of what are regarded as appropriate and fully adequate accounting, auditing, and reporting measures, it is not possible to say what costs may have been incurred. The costs arising from the absence of proper administration could far exceed the modest initial costs which might be involved in putting the manuals together and otherwise complying with this Bill. Neither the

costs nor the benefits can be quantified, and I really do not know in how many different ways that can be expressed.

Hon. A. A. LEWIS: In other words, the Government has not done its homework. It cannot say that the fund instanced has not managed its pension funds properly, or can it? Has the pension fund operated poorly; and, if it has not, why do these additional accounting methods have to be put on top of it? I repeat what I asked the Minister previously: Who will make it up to the pensioners who contribute to this fund? Let us not forget the companies in that regard. It is an extremely high-handed attitude for the Minister to just say, "Well, bad luck Joe" or "Bad luck pensioner. We require this", when he has no evidence that the accounting and auditing methods used by that fund have been anything but accurate and that that fund has been working in a proper fashion.

Hon. J. M. BERINSON: I cannot add usefully to my previous comments other than to perhaps again stress that whatever costs Mr Lewis contemplates in this respect will be very modest and will be met by precisely the same means as current accounting, auditing and reporting conditions are met.

Hon. A. A. LEWIS: The Government has asked the bodies to build up their current accounting and auditing methods. Now we are changing the ground rules. Surely the Parliament realises that there is a change and there will be a cost involved. If there is not a cost involved, let the Minister tell me so, but if there is a cost involved he says it will be a modest cost. I ask the Minister to tell me what is a modest cost. Give me a ballpark figure of what the cost will be.

Hon. J. M. BERINSON: The basic material already exists. It is the compilation of that material which will involve some initial effort added to which will be the requirement to ensure that the full range of requirements of this Bill are met. I really do have to say at this stage that I cannot possibly add anything useful to this part of the discussion.

Hon. A. A. LEWIS: It is obvious that the Government has not done its homework on that matter. I do not know whether Hon. V. J. Ferry has anything further to say on this clause. I presume the Minister wants to go through it in alphabetical order?

Hon. V. J. FERRY: Undoubtedly there will be an additional cost to the statutory authority or whatever body may be concerned. In fact, that was one of the matters that was raised with me by the Busselton Water Board. The board specifically mentioned the unknown cost arising from this legislation. If the board was not responsible it would not be concerned about the extra cost involved.

Hon. A. A. Lewis: Water in Bunbury and Busselton will be more expensive.

Hon. V. J. FERRY: That will be an added cost to their overall operation. They wanted to know where they were going. They have to account, of course, to their ratepayers and be responsible in that way, so the matter is worthy of discussion. Every change to the administration does incur added costs. It has been suggested to me that not only will this clause incur added costs for the board, but also other clauses of the Bill may cause these authorities to incur added administrative costs, in which case they may have to employ another staff member. This will not be entirely due to this Bill, but will be necessary to handle the added work. That office has been working on a very fine margin. It is a very efficient operation which meets all the requirements of the auditing provisions and satisfies the ratepayers. If they are forced to employ somebody else it will mean an added cost burden. This sort of accounting is part of the additional cost that needs to be registered.

Hon. J. M. BERINSON: I am of course aware that fears of this nature have been expressed—invariably they have been grossly exaggerated—and no organisation substantially meeting the basic requirements for accounting, auditing and reporting should face the prospect of these requirements with any fear of substantial additional costs. Certainly in the case of relatively small authorities the prospect of an additional officer being required to allow the authority to comply with the provisions of this Bill is not supported by the considerations and reviews of the interdepartmental committee which has been working on this matter.

As to the question of any additional costs, even modest costs, one can only say that what the Government is moving towards now is universally accepted in the private sector as the right way to go and the way in which the private sector itself is moving. It is sometimes said that the private sector, because of its profit motivation, is a better test of efficiency than Government operations and procedures. I will not enter into that argument now, but I have heard it said often by members of the Opposition. If that is correct, the universal view of the private sector in these matters ought to be taken as a reasonable guide.

Hon. V. J. FERRY: I refer to the wording of the definition of bank on page 3.

I now quote from the Commonwealth Banking Act of 1959 because I think it needs to be placed on record just what is the position in regard to the specific banks that are being authorised. That Act reads as follows—

> "bank" means a body corporate authorized under Part II to carry on banking business in Australia, and includes the Commonwealth Trading Bank, the Commonwealth Savings Bank, the Commonwealth Development Bank, the Australian Resources Development Bank Limited and the Primary Industry Bank of Australia Limited.

A spate of Government sponsored banks is being set up. Of course, in addition to that paragraph (b) of the definition in this Bill says "... a Bank not in Australia, a bank approved by the Treasurer;". In this day and age of international banking and deregulation it is very appropriate that there should be a provision for a bank not in Australia to be approved by the Treasurer. The international monetary system, demands that we must have this relationship with banks or financial institutions overseas, call them what we may. Therefore it means, "with my approval"; and we just take it for granted that the Treasurer, as the person responsible for looking after the interests of Western Australia, would hopefully not draw the conclusion that any bank authorised overseas would in fact be a sound and proper one for the purposes of this Bill.

Hon. A. A. LEWIS: I understand, from what Hon. V. J. Ferry said when he quoted from a section of the Banking Act of 1959, that these banks are called Government-sponsored banks and not private banks.

Hon. J. M. Berinson: The first part of his definition referred to authorised banks.

Hon. A. A. LEWIS: In my second reading speech I asked the Attorney General to explain to me the set-up. I quoted the clauses of the Bill and the Attorney General has yet to answer my queries in this respect. I was concerned about the opening and closing of bank accounts of the Treasurer. I refer to clauses 15(1), 19, and 34 with regard to overseas banks and the opening and closing of accounts. We can talk about a bank approved by the Treasurer, and his approval is in normal times something which would not worry me one iota. However, with a Treasurer who cannot get a simple thing like the short-term money market within 17½ per cent, I wonder whether this approval is warranted. I think the Attorney General has to answer where this Government thinks it is going. Its record is bad.

Hon. J. M. Berinson: I think our record is excellent.

Hon. A. A. LEWIS: The Treasurer could not keep the figure within 17½ per cent.

Hon. J. M. Berinson: What exactly does that indicate about the Government's record?

Hon. A. A. LEWIS: It indicates to me that if I were to make a 17½ per cent mistake in my budget there must be some accountability. No doubt the Minister finds that humourous and perhaps $12 million to the Minister is a mere bagatelle.

Hon. J. M. Berinson: It was not $12 million lost.

Hon. A. A. LEWIS: We do not know, do we, Mr Minister? We have had no answer because the Minister did not have the courtesy to say that he had made a mistake.

The DEPUTY CHAIRMAN (Hon. P. H. Lockyer): Order! The honourable member will ignore the interjections which are highly unparliamentary.

Hon. A. A. LEWIS: The Attorney expects the Chamber to take him on trust but there is absolutely no trust when he can come back and tell me that the Treasurer has made a mistake. Until I asked another question some weeks later I did not find out that this was wrong because the Attorney General said, "That figure is not right, we posted it the wrong way." The credibility of the Government does not exist; so why should the Chamber believe the Attorney General?

Hon. J. M. Berinson: You are on a triple rating.

Hon. A. A. LEWIS: I do not care if the Attorney General is on a quadruple rating. I am concerned about the Government's performance in this Chamber for which the Minister for Budget Management, representing the Treasurer, must take responsibility.

Hon. J. M. Berinson interjected.

Hon. A. A. LEWIS: No, it was a question to the Premier but as the Minister is the only Minister in the Chamber at present he must take the belt for it. The Minister expects the Chamber to take him on trust.

Hon. J. M. Berinson: In what respect?

Hon. A. A. LEWIS: In respect of the Treasurer handling these accounts. He cannot handle one simple one like the short-term investment market. The Minister has not answered my query and I do not appreciate being laughed at by other people—

Hon. J. M. Berinson: Oh, come on.

Hon. A. A. LEWIS: No, the Minister should come on.

Hon. J. M. Berinson: I am entitled to discuss matters with my adviser at the Table. I think it would be reasonable to return to the matter under discussion.

Hon. A. A. LEWIS: It would, but I do not think that the Minister's adviser should be the recipient of asides; they do not do the Minister any credit.

Hon. J. M. Berinson: My asides to my adviser are my business.

Hon. A. A. LEWIS: Are they! I think they are of some interest to members of the Chamber.

The DEPUTY CHAIRMAN: Order!

Hon. A. A. LEWIS: The business of the Chamber—

The DEPUTY CHAIRMAN: Order! The honourable member will resume his seat. When I call for order, I expect him to show some courtesy. I would be very keen for both members who are talking to one another to resume discussion on clause 3.

Hon. A. A. LEWIS: I ask your guidance, Sir, because I understand that advisers are a courtesy that this Chamber gives to Ministers.

Hon. J. M. Berinson: You ought to be ashamed of yourself.

The DEPUTY CHAIRMAN: Order! The honourable member's point is taken. I think the Chamber would be better served if we returned to clause 3.

Hon. A. A. LEWIS: I ask for the Minister to give me an answer to a question I asked in my second reading speech: How are all of these things tied in together? I have not yet had an answer to that. I am quite prepared to sit down and let the Minister give me an answer.

Hon. J. M. BERINSON: In an important respect, I think we are approaching the question I understand Mr Lewis to be putting the wrong way around. Nonetheless, I will try to respond to what he has asked. All that we have in clause 3 is a definition of bank and part of that definition relates to a bank not in Australia. Questions as to the use of overseas banks for one purpose or another may well be raised peripherally by clause 34.

Hon. A. A. Lewis: I have said that I do not mind which way you take them.

Hon. J. M. BERINSON: I think that since the question has been raised, it should be disposed of at this point. I am not sure that I understand the question but I will restate it, as I do understand it and Mr Lewis can correct me if I am wrong. We start on the basis of a definition of bank which includes a reference to overseas banks. We move, if I can just take clause 34 instead of the various clauses he referred to, which refers to the deposit of moneys to the public bank account. That relates to a great deal of money received and expended on a day-to-day basis. Mr Lewis seems to be postulating a situation where these daily funds so to speak could be brought into the public bank account and deposited in bank accounts established overseas.

Hon. A. A. Lewis: Rather than in Western Australia.

Hon. J. M. BERINSON: That, if I may say so, is simply not a practical possibility. The purpose of referring to overseas banks in this definition of bank is to make clear the procedures which should be adopted to meet the State's overseas banking service requirements.

The fact of the matter is that we have overseas banking requirements now and they are being served. We are using overseas banks now. The Agent General uses an overseas bank, the SEC has used overseas banks in the circumstances I alluded to earlier this evening. The SEC was both borrowing overseas and purchasing overseas, and it suited its purposes and was more economical to retain the funds overseas without bringing them back into the State temporarily. There is nothing new in this Bill in respect of what the State has been doing and has been able to do.

The specific reference in this part of clause 3 is in fact to introduce an element of caution to ensure that neither departments, statutory authorities, the Agent General, nor anyone else can go off on a jaunt involving the use of overseas banks which do not meet our proper, prudential requirements.

All this part of the definition does is require the Treasurer's approval and give statutory effect to the requirement of his approval. That is the limited purpose and effect of it. This will not increase by one jot the ability to deposit

funds overseas but just as this has not happened as a matter of course in the past, neither would it happen in the future.

There are questions on the one hand of the inconvenience concerned, even with modern technology, in having one's daily funds based overseas. As well, there is the question of risk that Mr Lewis was talking about; that if one puts money overseas or transfers it into foreign currency, one is likely to lose money. The Treasurer, after all, even though he may not be an expert in all the relevant matters, would simply not be acting except on the advice of his Treasury advisers who are expert in such matters. There would be no legitimate State interests served by depositing all our funds overseas; and it simply would not be done any more in the future than it would have been done in the past. The reference to overseas banks in this definition is simply irrelevant to the basic principle.

Hon. A. A. LEWIS: I think the Attorney General has missed my point. I am sorry to do this but we might get over the problem sooner and dispose of it in numerous other clauses. It is either go forward or go back. With your indulgence, Sir, I will keep going.

The DEPUTY CHAIRMAN (Hon. P. H. Lockyer): I am the servant of the Chamber.

Hon. A. A. LEWIS: Clause 34 says "... to deposit those moneys to the credit of the Public Bank Account ...". Clause 35 says—

> 35. All public moneys collected or received and deposited to a bank account in accordance with section 34 shall be credited to the Consolidated Revenue Fund, the General Loan and Capital Works Fund, the Treasurer's Advance Account or the Trust Fund, or, where it is not possible to determine the proper fund or account, to the Consolidated Revenue Fund.

Clause 7(3)(c) sets out what may be credited to the General Loan and Capital Works Fund, and we have a reference to interest derived from short-term investments under clause 39(b). The Government has stated with much glee that the WADC is to have a great proportion of its short-term money invested as a matter of Government policy. If that is to happen, then the WADC and WA Government Holdings as totally wholly-owned State bodies, have also to be responsible under this. The Government may call it a double audit but if it is going to invest its funds in this way there is no way the Auditor General can control the funds on the short-term money market if the Treasurer passes them out to WADC. There is no way that the public can see how that money is being handled, and so we would be foolish in the extreme to allow this to go through without that double audit provision because we are talking about investing public money.

I do not know whether the Attorney understands, but I am trying to show him—and I know the Attorney holds a great brief for the Treasury investing funds—that once the money has gone to the WADC the Treasurer has no power over it. That is what worries me because the WADC is not responsible to this Parliament. I will hammer on that point until I get an answer because we cannot seem to get an answer. The answer to the last question related to the 48 per cent of the moneys being invested with WADC, which is then guaranteed by the Western Australian Government so it becomes a security under this Bill. Once it gets into the hands of WADC, neither the Government nor this Parliament have any real control over it unless the audit is done under this Bill.

Hon. J. M. BERINSON: Mr Lewis prefaced his comment by saying that I missed the point of his question; and if I did I have to say quite seriously, and not as a debating point, that that is not surprising since his first question related to the definition of bank in which he emphasised in particular the reference to overseas banks. He linked that by way of example to clause 34. At best I could understand the connection he was drawing, I then responded.

In elaborating on this question in order to show I had misunderstood his earlier comment, Mr Lewis has now moved to clauses 35 and 19 and clause 7(3)(c). I have to confess that rather than being helped to a better understanding of his original point, I am really left very much more confused.

Perhaps I can make some general comments on some of these clauses which will help to clarify any further attempts to link them together. First, I refer to clause 7(3)(c) which says there may be credited to the General Loan and Capital Works Fund interest derived from short-term investments under section 39(b).

Clause 7(3)(c) is merely descriptive of the General Loan and Capital Works Fund's possible sources of funding. Short-term interest earnings are one possibility, but it is difficult to see what relevance that has to the further expression of concern by Mr Lewis. Clause 7(3)(c) simply indicates the nature of the General Loan and Capital Works Fund in one respect.

I accept that Mr Lewis has a special brief against the WADC. He says that I have a special brief for it and I can accept that he has a special brief against it. However, I have this terrible problem that at many parts of this Bill Mr Lewis simply says, "WADC", as though it indicates something bad and dangerous and it should be attended to.

References to the need to bring WADC within the audit provisions of this Bill appear to be quite separate from any question of the Government's use of the WADC for purposes of investing available funds. The WADC, for these purposes, is dealt with as a registered dealer. Once it receives the funds in that capacity it acts in the same way as any other registered dealer.

Hon. A. A. Lewis: How many registered dealers are totally owned by the State?

Hon. J. M. BERINSON: That again, with respect, is not a relevant consideration. The fact is that it is a registered dealer and it will act as a registered dealer in accordance with the requirements of its own enabling Act.

Having traversed five or six separate clauses, all I can say is that we are left in a position where it is perfectly clear that Mr Lewis' antagonism towards the WADC has not been diminished by the passage of time. Other than that, there is no problem either in respect of the general audit requirements or the definition of "bank" in clause 3, which was our original starting point, that can usefully take this discussion further at this point.

Hon. A. A. LEWIS: I will give the Attorney some pleasure. I am more worried about what is happening to public money under this Bill. I could not give a damn about the WADC because, as the Attorney would realise, I am using it as an example of what can happen. I would not put the emphasis, if I were the Attorney General, on the WADC, but I suggest to him that I am showing total concern for the funds of this State, which does not seem to be evident from the Government.

I spoke to the Attorney General before I mentioned this matter in my second reading speech, but I received no answer. My question may have been convoluted and the Attorney may not have understood it. Perhaps it would have been a good idea if, when he stood up, he had said, "I do not understand what Mr Lewis is talking about and could he advise me again when debating the short title so I can understand?"

I am prepared to leave this definition as it is. We will probably start arguing when we reach the schedule and then we can deal with the registered dealer and go backwards instead of forwards. I had hoped that we could have gone forward, but I now see that the Attorney is not following my argument very well.

Hon. J. M. Berinson: I have tried.

Hon. A. A. LEWIS: I am not doubting that and perhaps at this time of the night I am not putting it as well as I should. I will wait until we proceed a little further and if I see the opportunity I will interrupt the discussion between the Attorney and Mr Ferry.

Hon. V. J. FERRY: I would like to clear up the question of banking investment, and funds. I do not think there is any argument about the definition of "bank" as described in the Bill. The record shows which banks those are, and they deal with funds whether it be public or private money.

It has been disclosed by the Attorney's admission that funds are invested in other avenues, and he has used the example of the WADC. Those funds are public funds and the WADC has a responsibility to the State.

If funds are invested on the short-term money market—for example by the WADC—and the investment depreciates and results in a loss, is the WADC guaranteed by the State and will the State pick up the tab?

Hon. J. M. BERINSON: The State does not rely on its own guarantee in these matters. The fact is that Treasury investments with the WADC are fully secured. The security is in the form of a deed of charge over assets of the corporation, which results in the investment of Treasury funds by the corporation. The assets under the charge are instruments such as bank bills of exchange, bank negotiable certificates of deposit, and cash held on deposit in a bank account.

Hon. V. J. FERRY: It has been an interesting exercise to explore the possibilities of funds and where they are invested. There is no doubt about it; the public is extremely concerned about the handling of public funds. As Hon. A. A. Lewis pointed out, the answer he received to the question he asked was in two parts and there was a conflicting reconciliation concerning that figure.

It was a simple example, but if this Parliament cannot be given the correct responses and information, it does cast some doubt on the

ability of the Government, through the Treasurer or whoever is investing funds, as to what is happening to public money.

For reasons we went into earlier, the WADC and others are not included in the schedule, but some mechanism must be set up so that the funds are more identifiable and acccountable in the public's mind.

I now refer to the definition of statutory authority. I referred to this point in my second reading speech yesterday. The Opposition is grateful to the Government for the explanatory memorandum supplied with this Bill, and I commend the Government for that. It has been useful and helpful and the explanations given are good as far as they go. However, with regard to clause 3 the explanatory memorandum states that it is self-explanatory. I suppose that is great but something else follows from that definition. I ask the Minister to explain to the Committee the mechanism for adding or deleting statutory authorities in schedule 1.

Hon. J. M. BERINSON: The point is covered by clause 4(2) which provides that the Governor may, by regulation, amend schedule 1.

Hon. V. J. FERRY: I appreciate that comment, which is now clearly on the record.

I refer now to subclause (2) which deals with the two Houses of Parliament and certain committees within the Parliament. The Minister has answered some of the queries I raised on this matter, but a further point comes to mind. One would hope that the provisions of this Bill will affect only the administration of these committees. Could the Bill have an effect on the actual funding of these committees, or would any direction be given on the funding of them? Can any recommendation flow from the audit that the funds should be depleted or increased?

Hon. J. M. BERINSON: Funding in the future, as at present, will be by appropriation, and decisions in that respect are not affected one way or the other by the provisions of this Bill.

**Clause put and passed.**

**Clause 4: Application—**

Hon. A. A. LEWIS: When shall we get the regulations? It could be that Parliament will not sit until the middle of next year and the regulations will not be tabled until then, by which time they could have been in force for seven to eight months.

I am a little worried about the Government's ability to amend schedule 1 by removing any of the bodies set out in that schedule. We are currently debating what should be included in the schedule but the Government has the ability to amend that schedule. Is it a little risky to give the Government that authority?

Hon. J. M. BERINSON: The main work on regulations will be in respect of development of the form of Treasurer's statements. I am advised that the target date for having these prepared is about the end of February, and the need to meet that timetable arises from the fact that the aim of the exercise is to have these new provisions in place for the year beginning 1 July 1986. It is thought that it will take about four months to distribute the forms and to get the departments and statutory authorities in a position to comply with the new requirements from the beginning of the next financial year.

Hon. A. A. LEWIS: That answers my question; we shall not see the regulations once we have passed this Bill.

Hon. J. M Berinson: They are not ready now.

Hon. A. A. LEWIS: If normal procedures are followed, members will not see the regulations until the provisions of the Bill have been put into operation. I wonder whether that is a dangerous situation. I am not saying that it is, but I make that comment. I am concerned that by regulations, which would be available at the end of February, the Government could remove before 1 July some of the boards and authorities contained in the schedule. It is a funny way of going about things.

**Clause put and passed.**

**Clauses 5 to 7 put and passed.**

**Clause 8: Treasurer's Advance Account—**

Hon. A. A. LEWIS: My question relates to subclause (3). During the second reading stage I asked the Minister about the Treasurer's use of the Public Bank Account. I remind him that I would like an answer.

Hon. J. M. Berinson: I was unable to answer at the time because I found my notes to be inadequate. Could you repeat the question in more detail?

Hon. A. A. LEWIS: Is the Treasurer to be able to draw from the Public Bank Account no more than three-quarters in aggregate of the limit authorised by the Treasurer's advance in the previous year? If the amount this year were $100 million, would it be that the Treasurer could not take more than $75 million?

Hon. J. M. BERINSON: That is correct, but subclause (3) is subject to subclause (4).

The CHAIRMAN: Order! I refer Hon. H. W. Gayfer to Standing Order No. 69.

Hon. NEIL OLIVER: Would this cover the example I gave of the WA Development Corporation where it suddenly had an additional share capital of $10 million, and where that $5 million came in?

Hon. J. M. BERINSON: Hon. Neil Oliver was referring I think to the WADC accounts for the year ended 30 June 1985 and indicated that subscribed capital at that point was listed at $10 million and he was unable to account for $5 million of that sum. The position is that $5 million was appropriated to the WADC by its initiating Act and a further appropriation of $5 million was made by the Parliament in 1984-85.

**Clause put and passed.**

**Clauses 9 to 13 put and passed.**

**Clause 14: Transfer of excess in Trust Fund—**

Hon. V. J. FERRY: This clause raises the possibility of the siphoning off of funds from various departments and authorities. Can the Minister give any examples of a department or an authority where this has occurred? Is it common practice? Are excess funds likely to be transferred in future from the CRF?

Hon. J. M. BERINSON: Firstly, I take this opportunity to correct some aspects of my earlier statement about clause 14. Thinking about it further, I have come to the conclusion that Mr Ferry and I fell into the same trap when reading this clause as referring to trust funds generally. In fact it applies to "the" Trust Fund, which is one of the elements of the State's accounting system. We have four such accounts—the Consolidated Revenue Fund, the General Loan Fund, the Treasurer's Advance Account and the Trust Fund. We are dealing here with the Trust Fund and that is made up of balances to which there is a beneficial entitlement by a whole host of authorities.

I have not been able to find an example of a present balance in the Trust Fund which would open the way to the transfer of excess funds. I am also advised by my officers that they themselves cannot recall any recent instances of a fund in this position. In the circumstances, the clause can really be understood only as a reserve power if such an occasion arose.

**Clause put and passed.**

**Clauses 15 to 17 put and passed.**

**Clause 18: Accounting manuals—**

Hon. NEIL OLIVER: I believe this clause precludes anybody outside the department from actually preparing the accounting manuals. Clause 44(1) is similar in wording and also precludes another party from preparing the accounting manuals. I believe these clauses are in conflict with another clause in the Bill that I cannot find at the present time, which says that the Auditor General may engage people from outside the department or recommend people outside the Public Service to do such work.

I would not have thought it necessary for the accountable authority to prepare the manual. He may prepare it or it may be prepared under contract by a consultant. I ask the Minister to examine this clause because I believe it is in conflict with another clause in the Bill.

Hon. J. M. BERINSON: This question has been raised specifically with Parliamentary Counsel and I am advised that the terminology here does not preclude the work being contracted out, nor does it preclude it being delegated downwards in the same organisation. In other words, the words that he "shall prepare" are to be understood in the same sense as he "shall prepare or shall have prepared". There is not a personal obligation on the officer to do that work himself.

**Clause put and passed.**

**Clauses 19 and 20 put and passed.**

**Clause 21: Departments and statutory authorities may open and maintain bank accounts—**

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

Page 15, line 30—To delete "forms" and substitute—

does not form

Mr Chairman, you will be aware that the circulated amendment to clause 21 appears on the same form as a proposed amendment to clause 35. These are in fact linked and with your indulgence I propose to indicate their combined effect.

I point out in the first place that these amendments were drafted as a result of a point raised by the Opposition in the Legislative Assembly. The Opposition there expressed concern that the provisions of the Bill relating to banking arrangements may require all statutory authorities to deposit their funds with Treasury, in contrast to the current situation where many of them operate through bank ac-

counts outside Treasury. The Treasurer indicated there was no intention to alter current banking practices and that, as far as he was concerned, the existing arrangements for statutory authorities would continue.

Since then the Government has had Treasury officers re-examine the relevant provisions of the Bill and they have recommended that, to put the issue beyond doubt, the two amendments to which I have referred be introduced.

The two amendments are related in that firstly, the amendment to clause 21(2) provides that bank accounts of departments and statutory authorities will not form part of the Public Bank Account, unless the Treasurer determines otherwise: and secondly, the amendment to clause 35 provides that only moneys deposited in the Public Bank Account are to be credited to the Consolidated Revenue Fund, General Loan Fund, Treasurer's Advance Account, or the Trust Fund.

The overall effect of the amendments is that moneys deposited in departmental and statutory authority bank accounts, which do not form part of the Public Bank Account, will not be credited to the Treasurer's accounts.

Hon. A. A. LEWIS: I thank the Minister for the information and the explanation given. I do not doubt it is correct. However, I would have appreciated having the amendments when the Bill came in. The Bill reads totally differently without the amendments. I can understand the reason for the amendments but it does leave the Chamber a little short of information when amendments arrive in this place so late. The amendments under discussion arrived about 12 hours ago. We have been preparing for this debate, but the amendment was agreed to as a result of a debate in another place. Members would have appreciated the amendments being brought to their notice when the Bill came in, at least by being notified by way of the Notice Paper that they had been agreed to.

It makes it extremely difficult for members who do not have huge staffs to research the Bills. In future, I hope that the Attorney takes note and that we get a little more courtesy at any time when a definite change is to take place, as in the case of these two amendments.

Hon. J. M. BERINSON: As always, there was no lack of courtesy in this. If it is any consolation to the honourable member, he had notice of this amendment almost as soon as I did. It arose from what might be called a last-minute, final review of the various matters raised in the Legislative Assembly. As in many other cases, it is better to be late than to leave something inadequately dealt with, and that is the basis on which I moved the amendment.

Hon. V. J. FERRY: I accept the Minister's explanation. This is another example which must be noted. Quite frankly, I overlooked the sheet containing the amendment now before the Chair. We do have a paper which circulates all amendments at the beginning of the day—the Supplementary Notice Paper. I admit that I overlooked this late amendment and I do not hold the Minister responsible for that.

However, I wonder what is the purpose of continuing with this Committee stage. Here we are, at almost 1.30 in the morning, considering amendments to a Bill which could well be left until next week, when we could continue our investigations of the provisions. Who knows, next week we could have the Bill recommitted to put in some further amendments. That is possible. It seems mighty strange to me that here we are, battling on the best we can, putting bits and pieces in a jigsaw. It is not good enough and the Government is lacking.

I say this in the most kindly way, but for goodness sake, the Government should get its act together. We do not want to spend all night here and then find we must come back to the Bill, perhaps later on today, because of things that come too late. I know these things do occur but it is happening too frequently. It is the purpose of this House to make amendments—and we will get the cane for it, don't worry. It will be known, and the Government will blame us for all sorts of things, but we are trying to help the Government with its legislation.

I implore the Minister to report progress now so that the Government can take stock and we can take another look at the Bill to satisfy ourselves that there are not other errors and oversights in the Bill. Hon. Sandy Lewis is quite right; had the amendment been noticed a little earlier we would have appreciated it because of our lack of facilities and the time restraints.

Hon. A. A. Lewis is right in saying that, had the amendments been known about earlier, we could have appreciated the input. Because of the lack of facilities that we have available to us, I guess everyone omitted to see the problem with the clauses which are affected by the proposed amendments. There could well be other omissions.

At this time of the morning I ask the Minister to consider reporting progress so that further time will be given to us to consider this measure.

Hon. J. M. BERINSON: I do not know that there would ever be a persuasive argument for what Mr Ferry has said, but if there was it would now be behind us with the amendment I have moved. All other amendments have either been on the Notice Paper or have been introduced by members of the Opposition. I have not complained about the Opposition's leaving its amendments until three weeks after the date on which the Bill was brought to the House. It is within its capacity to do so. I do not believe that what is involved in these amendments is so difficult as to justify our reporting progress. The only other amendments that the Government has have been on the Notice Paper and, I assume, have had appropriate attention. In any event, their effect is very simple.

Hon. V. J. FERRY: The point I am trying to make is that we are aware of the amendments before us. However, who is to know that there will not be further errors or oversights in the legislation before they are picked up and corrected? It seems to me to be sensible to report progress so that we can have another look at this legislation in the cold light of day.

Hon. J. M. BERINSON: I am confident there will be no proposals for amendments from the Government other than those that have been on the Notice Paper for distribution.

Hon. A. A. LEWIS: Although the Minister said our amendments came in late—I apologise that he did not get my amendment earlier—he must realise that he has a department behind him and some of us are handling a number of Bills and trying to assist the Government. Our amendments sometimes do not get on the Notice Paper as soon as we would like because we do not have the research facilities. I take the point raised by Mr Ferry that the Government has a number of people working on the project. Twelve hours is not really good enough. However, if the Minister wishes to press on let us press on until daylight.

**Amendment put and passed.**

**Clause, as amended, put and passed.**

**Clauses 22 to 34 put and passed.**

**Clause 35: Public moneys to be credited to an account or fund—**

Hon. J. M. BERINSON: I move the following amendment—

Page 20, lines 22 and 23—To delete "a bank account in accordance with section 34" and substitute—

the Public Bank Account

As I have previously indicated, this amendment goes with the earlier amendment to clause 21 for the reasons which I have set out already.

**Amendment put and passed.**

**Clause, as amended, put and passed.**

**Clauses 36 and 37 put and passed.**

**Clause 38: Investment of public moneys in certain securities—**

Hon. V. J. FERRY: I reinforce my concern about the investment of public moneys in securities. In the public's mind there is tremendous concern about Governments investing funds and handling those funds. This is a very important provision. It sets out the method by which investments may be made. I trust that the words in the clause will do the job. The public will be watching very closely.

Hon. NEIL OLIVER: With respect to subclauses (4) and (5), dealing with the application by dealers to be registered, I would like to know whether there is already a register and, if so, whether I could have some indication of the people who are on that register? I have received complaints from people who have sought to be on the register. There seems to be some unusual way of going about obtaining approval.

Hon. J. M. BERINSON: I am advised that there are approximately 30 names on the register.

**Clause put and passed.**

**Clauses 39 and 40 put and passed.**

**Clause 41: Revenue on private moneys held in trust—**

Hon. NEIL OLIVER: I refer the Attorney General to the terms of subclause (1) which provides that interest derived from trust moneys be paid into the Consolidated Revenue Fund subject to subsection (2). I refer the Attorney General to the terms of subclause (2), which would allow the Treasurer to make certain agreements with respect to the payment of interest on moneys held in trust. For example, the real estate agents fidelity fund trust account would derive revenue. I presume that that revenue would be credited to that real estate trust; I think it is called an indemnity fund. Therefore, the Consolidated Revenue Fund would not benefit from it. The indemnity fund would benefit from it.

Hon. J. M. BERINSON: Clause 41 is effectively divided into two parts. Firstly, in the absence of a requirement to pay interest to a particular account or person specified by Statute or trust statement, the Treasurer may pay interest up to the amount of interest earned to that person or account. Secondly, if the Treasurer does not exercise such discretion, interest earnings are to be paid to the Consolidated Revenue Fund. I point out that clause 41 deals with revenue on private moneys held in trust. This would therefore not involve trust funds on the real estate agents indemnity fund, which is something in the nature of a statutory body. This clause relates to private moneys held in trust.

An example of private moneys which are not credited with interest is unclaimed moneys. The Unclaimed Moneys Act 1912 does not include a requirement for moneys to be invested, or interest earned to be credited. Currently the balance of the unclaimed moneys account is invested in accordance with the Public Moneys Investment Act and interest earnings are paid to the Consolidated Revenue Fund.

**Clause put and passed.**

**Clauses 42 to 52 put and passed.**

**Clause 53: Duties of accountable officer of department—**

Hon. V. J. FERRY: This clause sets out what the accountable officer shall do and what he shall be responsible for. Paragraph 53(e) provides that the accountable officer shall be responsible for the effectiveness of accounting and financial management information systems. I suggest to the Committtee that there are other information systems apart from financial ones which the accountable officer should be responsible for. It seems to me that this subclause might be improved if we were to add two words "and other". The paragraph would then read—

> the effectiveness of accounting and financial management and other information systems.

In other words, management information systems could apply to any medium of management in addition to just financial management. I offer that suggestion for the consideration of the Minister in an attempt to improve that subclause.

Hon. J. M. BERINSON: The thrust of the Bill is to provide the foundation to regulate public sector financial administration practices, with clauses 53 and 55 specifying the obligations of the accountable officers and accountable authorities with respect to the administration of services for which they are responsible. Paragraphs 53(e) and 55(e) are concerned with the effectiveness of accounting and financial management information systems. The concept is extended through paragraphs 53(a) and 55(a) to efficiency and effectiveness of operations and through paragraphs 53(g) and 55(g) to control achievement of programme objectives.

The provisions of clauses 53 and 55 thus embrace internal control of financial operations as well as the primary operations which generate and influence financial transactions and resources.

Hon. V. J. FERRY: I thank the Minister for his explanation. I believe that my suggestion is probably covered in the printing of the Bill but I thought it worthwhile suggesting the possibility of that change but in view of the Attorney's explanation and the hour of the morning, I think that that should be accepted.

I refer now to subclause (f) which provides that the accountable officer shall be responsible for the development and maintenance of an effective internal audit function. The question is, to whom does the accountable officer report? All his duties are set out in clause 53, but no direction is given as to whom he shall report. It seems to me that subclause (f) could read, "the development and maintenance of an effective internal audit function which shall be directly responsible to the accountable authority". The accountable officer has to report to somebody. As far as I can see, no provision has been made for him to report to anyone. He is responsible for all these duties, but any reports on them can be left on his desk. I do not think that that would happen in practice, because we are laying down all sorts of other provisions. But there is no specific direction as to whom the accountable officer will report.

Hon. J. M. BERINSON: I am afraid that I have to ask Mr Ferry to either repeat the question or elaborate on it. I am not clear whether the member is asking whom the accountable officer should report to or whom the internal auditor should report to.

Hon. V. J. FERRY: The duties of the accountable officer are listed in clause 53 but it does not state that he shall report to anyone.

Hon. J. M. BERINSON: As I now understand the question, the answer is contained in clause 62(1) which states that the accountable officer shall cause to be prepared and submitted to the Minister an annual report containing

the itemised contents. In other words, the accountable officer shall account to the responsible Minister.

Hon. V. J. FERRY: I appreciate that the accountable officer shall report to the Minister. I would have thought there should be another mechanism by which the accountable officer could report to the head of the department rather than directly to the Minister.

Hon. J. M. BERINSON: The accountable officer in the normal course of events is the head of the department and that is provided by clause 52(2).

**Clause put and passed.**

**Clauses 54 to 78 put and passed.**

**Clause 79: Duties of Auditor General as to audits—**

Hon. V. J. FERRY: I refer to the comments I made in my second reading contribution, with regard to the auditing standards and practices. No qualification is given as to the basis for the auditing standards and practices. The Minister touched on this point briefly but I am not clear how those standards and practices are arrived at and I believe we should have some idea of the rules involved. I suggest that the standards and practices might be in accordance with the appropriate Australian or international standards and practices.

Hon. J. M. BERINSON: I do not know that I can go beyond my comments made in the course of my second reading reply. The position is that the Auditor General now applies international or Australian auditing standards and practices depending on the circumstances. Many have been specifically developed for the private sector and a number of aspects applicable to the public sector are not directly addressed. At present the public sector accounting standards board is in the process of developing accounting standards applicable to the public sector and the auditing standards board is considering development of specific auditing standards for the public sector as well.

**Clause put and passed.**

**Clause 80: Power to investigate—**

Hon. NEIL OLIVER: This clause almost comes to the real crux of the Bill, in which it is stated that the Auditor General may carry out examinations of the efficiency and effectiveness of departments and statutory authorities. I would like to know at whose cost these will be carried out. If the Government wishes to make a department responsible and to streamline it under the provisions of this Bill, the Auditor General will be involved in carrying out the external audit and the Bill should clearly set out who will pay for that audit, as in normal commercial practice.

Hon. J. M. BERINSON: The cost of the Auditor General will be met in the same way in respect of this work as it is now met for his current duties. The position is that transfer of payments between departments is not permitted by current arrangements and is not proposed to be implemented. The cost of his work in respect of departmental audits will be made by appropriation.

Hon. NEIL OLIVER: I am disappointed because I believe that Government departments should be accountable for their expenses. It is the same with the State Energy Commission providing electricity to Government departments—an account should be rendered which should be part of the departments' expenses.

I know that the services of external auditors are expensive and it would be logical to consider the costs incurred by a Government department with regard to the Auditor General's staff. The internal auditing activities of a department are an indication of its efficiency. It would be a measure of the effectiveness of the internal audit within that department.

Hon. J. M. BERINSON: It might well be a measure but it is only one of the measures available. The primary method of checking on the effectiveness of the internal audit is by the Auditor General's external audit. Whether or not that is paid for, the efficiency of the internal audit should show up. In principle there is some attraction about the proposition of setting up all costs of a department in a way that would more accurately identify its costs.

This aspect is only one of many. For example, we are still in the position where departments are not accountable for their own rents, electricity, and a number of other expenses. Even if on the face of it this is an attractive proposition, we are a long way from being able to implement what I think Mr Oliver is aiming for.

**Clause put and passed.**

**Clauses 81 and 82 put and passed.**

**Clause 83: Access to accounts—**

Hon. NEIL OLIVER: Does the Minister consider this provision in regard to delegation cumbersome? I refer him to the clause. Is it possibly unworkable? May it require the person appointed to refer back again for executive powers, or are the powers unlimited?

Hon. J. M. BERINSON: This is another of those cases where I do not see the problem which Mr Oliver sees.

Hon. Neil Oliver: You are not an auditor.

Hon. J. M. BERINSON: Perhaps so, but this seems to provide a delegation in a clear form. I am not sure what further measures Mr Oliver is alluding to.

**Clause put and passed.**

**Clauses 84 to 89 put and passed.**

**Clause 90: Protection from liability—**

Hon. NEIL OLIVER: Once again the intention is to streamline and in some way introduce commercial practices into the accountability of public accounts. This is a very commendable aim.

When one comes to the final crunch, and that is the Auditor General, he is protected from liability. This protection is not available to any auditor in the commercial world. At the present time a claim is being settled against a large group of public accountants in Australia for the collapse of Cambridge Credit. The partners of that firm are making a contribution of $94 million.

I am not suggesting chasing round the Auditor General's Department, but the Auditor General and anyone acting on his behalf or with his authority should not be acting under the protection from liability this affords. Under the National Securities Commission and under the Companies Code, auditors are not excluded from liability. I am disappointed in this protection.

Incidentally, I notice the internal auditor is not excluded from liability. The Auditor General's exclusion in this instance defeats the whole purpose of the Government's intention.

Hon. J. M. BERINSON: The basic reason lies in the difference Mr Oliver has identified in the negative, if I may put it in that way. The Auditor General is not in the sphere of private services and the auditing of private investments. The protection provided for him here is analogous to the protection provided for a number of other public offices. It is appropriate that the Auditor General should have similar protection here.

Hon. NEIL OLIVER: It is about time we made a start in respect of accountability by the Public Service, and this is a step in the right direction. The internal auditor is not given protection from liability; he is made fully responsible, exactly as in the commercial field. The Auditor General is given another right. He is what might be commonly called asbestos. Asbestos is something that cannot be fired. If he does not do his job properly he carries on merrily. Somebody says, "Bad luck, you did not do your job, we missed out by $48 million, but do not do it again because I shall have to reprimand you."

Hon. J. M. BERINSON: This is not an asbestos occasion, to adopt Mr Oliver's description. This protection of liability goes only to claims for damages; it does not go to questions of disciplinary action, or dismissal, for that matter.

**Clause put and passed.**

**Clauses 91 and 92 put and passed.**

**Clause 93: Opinion on financial statements—**

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

> Page 61, lines 32 to 35—To delete paragraph (dd) and substitute the following—
>
> (dd) the performance indicators are relevant and appropriate having regard to their purpose and fairly represent indicated performance.

Consideration has been given to the recommendation from the Joint Legislation Review Committee of the Australian Society of Accountants and the Institute of Chartered Accountants in Australia with regard to clause 93(dd) which requires the Auditor General to express an opinion as to the accuracy and validity of performance indicators.

The Joint Legislation Review Committee expressed the opinion that because the identification and quantification of many appropriate performance indicators would contain a high element of subjective judgment, and the use of the words "accurate and valid" imply an inherent precision which will often not be present, this subclause should be replaced by the amendment I have moved.

The Auditor General has been consulted in regard to the amendment and has confirmed that existing clause 93(dd) should be replaced by the amendment advanced by the Joint Legislation Review Committee.

**Amendment put and passed.**

**Clause, as amended, put and passed.**

**Clauses 94 to 98 put and passed.**

**Schedule 1—**

Hon. A. A. LEWIS: I move an amendment—

Page 66—To insert after the item "Western Australian Building Authority" the item "Western Australian Government Holdings".

Hon. J. M. BERINSON: The inclusion of Western Australian Government Holdings is inconsistent and almost incompatible with the whole pattern of the Bill. The Bill is directed specifically to departments and statutory authorities. Western Australian Government Holdings is neither; it is clearly not a department, nor is it a body constituted by Statute. It is in fact a company and its whole identity is governed by its registration as a company pursuant to the Companies Code. It is subject to all the requirements of the Companies Code and it has nothing in common with departments or statutory authorities which are the subject of this Bill.

Hon. A. A. LEWIS: As I understand it, Western Australian Government Holdings totally uses Government money—the taxpayers' money. Will the Auditor General of this State not have the right to audit all Government moneys in this State? It would appear that the Government's argument and, if I may be so bold, that of the Western Australian Development Corporation is that, "Yes, we put this under the Companies Act." So the Companies Act deals with the law. Members will remember when we did not have the courtesy or the benefit of debating Western Australian Government Holdings. A Western Australian Government Holdings Bill did not come before the Chamber; it is just something the Government set up that this Parliament had nothing to do with. The Government cannot control the moneys that are given to it. It cannot control anything about it. Now the Government is saying we cannot even audit it.

Hon. J. M. Berinson: You don't need to audit it.

Hon. A. A. LEWIS: I believe anything that is fully Government funded should be audited. Under this Bill we are dealing with many authorities that are only partially Government funded; some are not funded by the State Government at all and are funded by the Federal Government; some are funded by miners and mining companies, and not a bob is put in by the State Government, yet look at what happens in regard to bodies such as Western Australian Government Holdings and the Western Australian Development Corporation. What a hide this Government has. It does not want the Auditor General to audit the books of these bodies.

I made a comment, I think, yesterday afternoon about the auditing provisions of companies and indicated how worried I was about that matter. I think Hon. Neil Oliver brought up the matter again because an auditor has a very stiff task in front of him. He has to get to the truth of the matter. If the officers—I am not saying they do—of either Western Australian Government Holdings or the WADC want to hide things, an auditor, as the Minister knows, has a very difficult job because of the limitation of time and funds to really get to the bottom of the matter in relation to both private companies and even Government instrumentalities. I just wonder why the Government is so worried about these two fully funded bodies. The Minister told us people were going to take out shares in WADC. However, we have waited now for 15 months and nobody has taken out any shares in it. Obviously either the Government does not want them to do so and has got something to hide, or the marketplace does not want to invest in it. I would think it is a combination of both.

We know nothing about Western Australian Government Holdings. No reports have come before the Parliament.

Hon. J. M. Berinson: It is registered with the Department of Corporate Affairs and is open to public scrutiny in the same way as is any other company registered with that office.

Hon. A. A. LEWIS: Very good, but it is funded totally with Government finance, with Western Australian taxpayer finance. We should examine anything that is totally Government funded and into which we are expected to allow money to be injected.

I can imagine the Attorney, if he were on the other side of the Chamber and we were in Government and set up a company, would want to know all the details, and I would probably side with him. In my opinion, and I believe in the opinion of this Chamber, the Auditor General should be responsible for all the organisations—whether public companies or not—that are funded by taxpayers' money. If it is a meld of taxpayers' and private enterprise money, I would say "No" because we would be affecting the private individuals involved in those companies. But when it is totally taxpayers' money the Auditor General should have a final look at those organisations, despite what the Attorney has told us.

It appears to me something has been hidden from this Chamber, certainly with regard to WA Government Holdings, because no

answers are being given in this or the other place about that body. The Attorney is telling me I can go to the Corporate Affairs Office and search the company's accounts.

Hon. J. M. Berinson: Not only its accounts, but its reports.

Hon. A. A. LEWIS: That is very sweet of him. In every other situation when Government money is involved the body is responsible to the Houses of Parliament, and the reports have to be made to Parliament. The auditing provisions come back to this Parliament, and the Auditor General's reports cover those matters. The Government is trying a shonky trick. I notice that in this morning's paper the Premier is reported as saying the Opposition is insulting the people involved. I am not doing that. I am not saying the people involved are not doing the right thing, but we should open these matters up and let them come back to this Chamber. The Auditor General should look at these companies so that we know they are doing the right thing by the taxpayers' money.

Hon. J. M. BERINSON: I have to repeat that the inclusion of WA Government Holdings in this Bill would be inconsistent with the Bill itself. There is a fundamental difference between WA Government Holdings and all other organisations listed in the schedule. They are either departments or statutory authorities; WA Government Holdings is neither. It literally has no place in this Bill. Perhaps that is emphasised even more by taking up Mr Lewis's comment about WA Government Holdings being Government funded.

The fact is there are no appropriations for WA Government Holdings. To the extent that we have an interest in it, it is because the State bought the shares in the company. In fact the State bought shares in its precedessor, Northern Mining Corporation, and we bought shares in the same way as various instrumentalities such as the SGIO and the MVIT buy shares in public companies. Mr Lewis says there is a difference between owning all the shares and owning some of the shares. There is no difference; one is either a shareholder or one is not. That is the distinction to be drawn. The Government is a shareholder in WA Government Holdings.

I am not here to go to the barricades on behalf of the auditing profession but it seemed to emerge from what Mr Lewis was saying about the unreliability or the insurmountable difficulties of the profession that private auditors somehow cannot make adequate reviews of the private institutions which they audit. That sits very strangely with calls we have had in the course of this and other debates that the auditing of Government institutions should be done by private auditors. An auditor is an auditor, and a professional auditor can be relied on, whether private or in public service, to perform his professional duties.

Again I say I understand Mr Lewis' preoccupation with WA Government Holdings and WADC. I do not argue against that; that is his point of view, and it is understood even though it is not agreed with. But this is not the place to vent his antagonism on either of those organisations. We have a clear situation here: There is a public listed company, that company is registered with the Corporate Affairs Office and it is required to comply and does comply with all the provisions of the relevant legislation. Those provisions include auditing and reporting, and it would be quite inconsistent with the nature of WA Government Holdings to try to introduce it into the quite different situation which is contemplated by the schedule to this Bill.

Hon. A. A. LEWIS: I think the Attorney twisted my words somewhat about auditing procedures. I will leave that on one side. I still think it is an extremely difficult job, and for a number of years I have been extremely worried about both Government and private enterprise auditing.

I challenge the Minister for Budget Management—because these are the people's shares in WADC and WA Government Holdings—to say when the Government will put some on the market so individuals can buy them. The Government makes loud protestations when it is attacked. I have some very good friends on the boards of both companies although probably after tonight I will not. As both those companies are totally financed with taxpayers' money they should be responsible to the Parliament. Whatever the conclusions about the SEC being a totally different sort of body—it may be different in structure in some ways—or the bank, or the SGIO—

Hon. J. M. Berinson: It is fundamentally different.

Hon. A. A. LEWIS: It is fundamentally different because WA Government Holdings is speculative.

Hon J. M. Berinson: No, it is not.

Hon. A. A. LEWIS: Of course it is; it must be, it is typical of this Government. I have made my point. The Government will not front

up on these matters. It is not prepared to have its own Auditor General to audit the books. The Attorney can use any excuse he likes; I think we have both said enough. I make the final point that it is obvious that the Government is not prepared to front up in relation to either of these companies. Members asking questions about the taxpayers' investment in these companies are not answered. Both companies are totally funded by the State. When we ask the Government to call in the Auditor General, the answer is, "No way."

On both counts the double standards of this Government are still riding high. It is a fact, and the Government cannot deny it, that it does not want anybody to know what these two organisations are doing. The Government will not even let its own Auditor General look at them. I find it fairly insulting to be told that although taxpayers' money is involved I have to go down to the Corporate Affairs Office, pay my own money and search the records to find the company report and the details of the company's finances.

It is fairly insulting to a member of Parliament who is representing the taxpayers of Western Australia to be told in a cavalier manner to buzz off and go to the Corporate Affairs Office and find out what is in the report.

Hon. NEIL OLIVER: I support some of the remarks made by Hon. A. A. Lewis.

Under the General Loan Fund Budget the Western Australian Government Holdings Pty Ltd will receive $5 million of taxpayers' funds.

Hon. J. M. Berinson: Are you talking about—

Hon. NEIL OLIVER: I am talking about WA Government Holdings and the WADC. Both organisations will each receive $5 million. The amount has been hidden away in the Treasury Advance Account. I expect that the Auditor General would audit the books of both organisations.

I am concerned about the WADC because on reading the directors' report dated 26 September I found that it holds so many shares in the Western Australian Diamond Trust. They are fully paid shares with a book value of 98c. The market value of those units was 89c on 26 September. The directors did not regard the devaluation as being permanent and no provision was made for a loss. Today they are worth 68c.

I believe we should report progress and examine the requirement concerning both these organisations. They should be subject to the Auditor General's financial administration. I cannot see any reason why they should not form part of this schedule. If the two organisations were to be publicly listed they would need to comply with the Companies Code but in this instance the Government is using taxpayers' funds.

The two organisations should be covered in the same way as the use of taxpayers' funds is covered by the Auditor General. I cannot accept what the Attorney General has said and I cannot accept double standard arrangements.

Hon. J. M. BERINSON: It is not a question of double standards. The question is that the Bill is proposed to cover Government departments and statutory authorities, but WA Government Holdings is neither. The issue is as simple as that. I have been through that issue at some length previously and I at least agree with Mr Lewis, if on nothing else in this respect, that having exhausted our points of view we should ask the Chamber to express its opinion.

**Amendment put and negatived.**

Hon. V. J. FERRY: I referred earlier to the Bunbury, Harvey, and Busselton Water Boards. I ask the Minister if he would consider having those three boards deleted from the schedule.

Hon. J. M. BERINSON: I am not able to accommodate the member in this respect. A number of submissions have been put to the Government on this matter and I have referred to several of them, including the TAB and the Lotteries Commission.

The general principle involved is that statutory authorities do have a special status by virtue of that fact, and that irrespective of the degree of financial support, which admittedly in some cases is minor, it justifies the Government's interest in ensuring that proper standards are exercised.

The Bill has been drawn up after careful consideration of individual cases and that is the reason that not all statutory authorities appear, but certainly the water boards to which Mr Ferry refers do come within the general framework contemplated by this legislation.

**Schedule put and passed.**

**Schedules 2 and 3 put and passed.**

**Title put and passed.**

*Report*

Bill reported, with amendments, and the report adopted.

*Third Reading*

Bill read a third time, on motion by Hon. J. M. Berinson (Minister for Budget Management), and returned to the Assembly with amendments.

## ACTS AMENDMENT (FINANCIAL ADMINISTRATION AND AUDIT) BILL

*In Committee*

The Deputy Chairman of Committees (Hon. P. H. Lockyer) in the Chair; Hon. J. M. Berinson (Minister for Budget Management) in charge of the Bill.

**Clause 1: Short title—**

Hon. V. J. FERRY: I place on record my objection to the timing of this legislation and the magnitude of the amendments. I have been consistent with my objections throughout the course of the debate. I do not disagree with the legislation but with its timing. I object to the Government's tardiness in bringing it to the Parliament.

**Clause put and passed.**

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

**Schedule—**

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

Page 48, second column, passage relating to Murdoch University Act 1973—To delete "The provisions" in line 1 of the proposed section 34(1) and substitute the following—

Subject to subsection (4), the provisions

To insert after the proposed section 34(3), the following—

(4) Notwithstanding the provisions of the Financial Administration and Audit Act 1985—

(a) sections 21, 22, 42 and 44 of that Act shall not have effect in relation to the University; and

(b) section 58 of that Act shall have effect in relation to the University as if it had been enacted in the following form—

**Treasurer's Instructions.**

58. (1) The Treasurer may prepare and issue and amend instructions, in this Act called the "Treasurer's Instructions", with respect to the annual report required to be prepared under section 66, including instructions with respect to accounting standards and other requirements for the preparation of financial statements required under section 67, but instructions issued under this section shall not be inconsistent with this Act or the regulations.

(2) Without limiting the generality of subsection (1), the Treasurer may issue instructions relating to—

(a) the establishment and keeping of the accounts of statutory authorities including accounts of subsidiary and related bodies;

(b) the form and content of financial statements and reports on the operations of statutory authorities and their subsidiary and related bodies; and

(c) the preparation of performance indicators of statutory authorities and their subsidiary and related bodies.

(3) The Treasurer's Instructions may be issued—

(a) so as to apply—

(i) at all times or at a specified time;

(ii) to all statutory authorities and their subsidiary and related bodies or to specified statutory authorities or subsidiary or related bodies;

(b) so as to require a matter affected by the instructions to be—

(i) in accordance with a specified standard or specified requirement;

(ii) approved by or to the satisfaction of a specified person or body or a specified class of person or body;

(c) so as to confer a discretionary authority on a specified person or body or a specified class of person or body;

(d) so as to empower the Treasurer by written direction issued generally or in a particular case to supplement the requirements of the instructions; and

(e) so as to provide, or to empower the Treasurer to provide by written direction, in a specified case or class of case for the exemption of persons or things or a class of persons or things from the provisions of the instructions, whether unconditionally or on specified conditions or conditions additionally imposed and either wholly or to such an extent as is specified or otherwise determined.

(4) Subject to this Act, every accountable authority and officer shall comply with the Treasurer's Instructions.

(5) In subsection (3) "specified" means specified in the instructions.

(6) The Treasurer shall cause to be published in the *Gazette* notice of the making or amendment of Treasurer's Instructions, but notices under this subsection need not include the text of the instructions or the amendments.

The proposed amendment and the one which will follow in a moment in respect of the University of Western Australia are designed to recognise the unique degree of independence which our universities enjoy under existing legislation. Currently the Senate of Murdoch University has wide-ranging powers in respect of both academic policy and financial administration and it is not subject to ministerial direction, being required to report only to the Governor. The proposed amendments are designed to reflect this special autonomy. To this end, the amendments will remove the requirements under the Financial Administration and Audit Bill for the University to be subject to the Treasurer's approval for banking under clauses 21 and 22, and ministerial and Treasurer's approval for annual estimates within clause 42. Further, the application of Treasurer's instructions in clause 58 will be limited to those instructions relating to accounting standards, preparation of financial statements and reporting.

Hon. V. J. FERRY: I am constrained to say once more that the need for this amendment and the one that follows results from a lack of Government perception about what was required. The Government did not talk to people at the universities and perhaps it did not talk to others who may be involved. I suspect that a further amending Bill to this legislation will be introduced in the near future because of the lack of cooperation with and consideration for the universities.

It is scandalous that the Government did not consult with the universities in a proper way and get reactions from such organisations. The Government stands condemned.

**Amendment put and passed.**

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

Page 75, second column, passage relating to the University of Western Australia Act 1911—To delete "The provisions" in line 1 of the proposed section 41(1) and substitute the following—

Subject to subsection (3), the provisions

To insert after the proposed section 41(2), the following—

(3) Notwithstanding the provisions of the Financial Administration and Audit Act 1985—

(a) sections 21, 22, 42 and 44 of that Act shall not have effect in relation to the University; and

(b) section 58 of that Act shall have effect in relation to the University as if it had been enacted in the following form—

**Treasurer's Instructions.**

58. (1) The Treasurer may prepare and issue and amend instructions, in this Act called the "Treasurer's Instructions", with respect to the annual report required to be prepared under section 66, including instructions with respect to accounting standards and other requirements for the preparation of financial statements required under section

67, but instructions issued under this section shall not be inconsistent with this Act or the regulations.

(2) Without limiting the generality of subsection (1), the Treasurer may issue instructions relating to—

(a) the establishment and keeping of the accounts of statutory authorities including accounts of subsidiary and related bodies;

(b) the form and content of financial statements and reports on the operations of statutory authorities and their subsidiary and related bodies; and

(c) the preparation of performance indicators of statutory authorities and their subsidiary and related bodies.

(3) The Treasurer's Instructions may be issued—

(a) so as to apply—

(i) at all times or at a specified time;

(ii) to all statutory authorities and their subsidiary and related bodies or to specified statutory authorities or subsidiary or related bodies;

(b) so as to require a matter affected by the instructions to be—

(i) in accordance with a specified standard or specified requirement;

(ii) approved by or to the satisfaction of a specified person or body or a specified class of person or body;

(c) so as to confer a discretionary authority on a specified person or body or a specified class of person or body;

(d) so as to empower the Treasurer by written direction issued generally or in a particular case to supplement the requirements of the instructions; and

(e) so as to provide, or to empower the Treasurer to provide by written direction, in a specified case or class of case for the exemption of persons or things or a class of persons or things from the provisions of the instructions, whether unconditionally or on specified conditions or conditions additionally imposed and either wholly or to such an extent as is specified or otherwise determined.

(4) Subject to this Act, every accountable authority and officer shall comply with the Treasurer's Instructions.

(5) In subsection (3) "specified" means specified in the instructions.

(6) The Treasurer shall cause to be published in the *Gazette* notice of the making or amendment of Treasurer's Instructions, but notices under this subsection need not include the text of the instructions or the amendments.

The reasons for this amendment are identical to those for the earlier amendment to Murdoch University. Perhaps the case is even stronger than it was for Murdoch University because the University of Western Australia is working under very old legislation indeed which gives it an even greater degree of autonomy, if possible, than applies to Murdoch.

**Amendment put and passed.**

Hon. A. A. LEWIS: I will not press my amendment, because it is obvious the Government will not listen to reason on this. I explained the reasons for the amendment during the cognate debate and so I will not waste the time of the Committee by repeating those arguments now. The Minister suggested I should merely say "ditto". Perhaps he should do the same.

**Schedule, as amended, put and passed.**

**Title put and passed.**

*Report*

Bill reported, with amendments, and the report adopted.

*Third Reading*

Bill read a third time, on motion by Hon. J. M. Berinson (Minister for Budget Management), and returned to the Assembly with amendments.

*House adjourned at 2.52 a.m. (Thursday).*

## QUESTIONS ON NOTICE

315. *Postponed.*

### INSURANCE: STATE GOVERNMENT INSURANCE OFFICE

*Reinsurance: Refusals*

318. Hon. P. G. PENDAL, to the Attorney General representing the Treasurer:

I refer to question 279 of Thursday, 24 October 1985 and the alleged delays in notifying the SGIO's London reinsurers of older claims where current costs exceed those reported at the time the claims were lodged.

(1) Have reinsurers indicated a refusal to meet their proportion of the claims in dispute?

(2) What is the dollar value of the claims in dispute?

(3) Has the SGIO increased its claims reserves to meet the increased cost?

Hon. J. M. BERINSON replied:

(1) No claims are in dispute. Queries have been raised by some reinsurers on some older claims.

(2) Not applicable.

(3) This is not necessary.

### HEALTH: HOSPITAL

*Bentley: Hydrotherapy Pool*

319. Hon. P. G. PENDAL, to the Leader of the House representing the Minister for Health:

I refer to question 228 of Thursday, 10 October 1985 in relation to the possible installation of a hydrotherapy pool at Bentley Hospital.

(1) Will the Government consider placing this project on the list for consideration in the next financial year?

(2) If not, why not?

Hon. D. K. DANS replied:

(1) and (2) Studies being initiated for the redevelopment of metropolitan non-teaching hospitals will include the requirement for hydrotherapy facilities. The outcome of these studies will determine the listing of projects, including hydrotherapy facilities, on the 1986-87 Capital Works Programme.

320 and 321. *Postponed.*

### EDUCATION: HIGH SCHOOL

*Como: Gymnasium*

322. Hon. P. G. PENDAL, to the Minister for Employment and Training representing the Minister for Education:

(1) Is it correct that the Minister's department is prepared to contribute $200 000 towards the cost of a gymnasium at Como Senior High School in the event that both the South Perth City Council and the Department for Sport and Recreation also contribute $200 000 each?

(2) Can he advise how long the offer of funds from his department remains open, and whether that contribution is in jeopardy by a certain date?

Hon. PETER DOWDING replied:

(1) and (2) The Education Department will continue to give serious consideration to approaches from local authorities to develop sports halls-performing arts facilities at senior high schools on a shared-cost basis between the authority, the Department for Sport and Recreation, and itself.

### EDUCATION: HIGH SCHOOL

*Como: Gymnasium*

323. Hon. P. G. PENDAL, to the Minister for Employment and Training representing the Minister for Sport and Recreation:

(1) Is it correct that the Minister's department is prepared to contribute $200 000 towards the cost of a gymnasium at Como Senior High School in the event that both the South Perth City Council and the Education Department also contribute $200 000 each?

(2) Can he advise how long the offer of funds from his department remains open, and whether that contribution is in jeopardy by a certain date?

Hon. PETER DOWDING replied:

(1) and (2) The City of South Perth has indicated interest in considering the possibility of a joint community-school facility at Como Senior High School. No formal application has been received on this matter, and the Department for Sport and Recreation has offered to design a needs survey for the council.

It is not appropriate to forward commit to projects without appropriate research and planning.

324. *Postponed.*

## LIQUOR: MOGUMBER TAVERN

*Owners*

325. Hon. TOM McNEIL, to the Minister for Racing and Gaming:

(1) How many people have owned the Mogumber Tavern in the past eight years and who are they?

(2) Who currently possesses the liquor licence?

(3) Has the owner of the liquor licence of the Mogumber Tavern requested that the licence be relocated?

(4) If "Yes" to (3), to which area has it been requested that the licence be relocated?

Hon. D. K. DANS replied:

(1) One—A. J. Leithead.

(2) Robert Solomon Wainwright.

(3) No.

(4) Not applicable.

326. *Postponed.*

## ABORIGINAL AFFAIRS

*Secondary Education: Pilot Programme*

327. Hon. N. F. MOORE, to the Minister for Employment and Training representing the Minister for Education:

(1) Is the Minister aware of a report that the Commonwealth Government is to set up a $1 million pilot programme to improve secondary education among Aboriginal children?

(2) If so, will this programme be implemented by the State Education Department, the Commonwealth Department of Education, or both?

Hon. PETER DOWDING replied:

(1) Yes.

(2) The programme will be implemented in this State by the State Education Department.

328. *Postponed.*

## FISHERIES: SNAPPER

*Carnarvon: Regulations*

329. Hon. P. H. LOCKYER, to the Leader of the House representing the Minister for Fisheries and Wildlife:

(1) When does the Minister expect to bring down regulations concerning the snapper fishery in the Carnarvon area with respect to the possibility of a limited entry fishery?

(2) Is it proposed that these regulations come into effect for the 1986 snapper season?

Hon. D. K. DANS replied:

(1) Before the end of 1985.

(2) The date of introduction of new rules for the Shark Bay snapper fishery will depend upon the date of transfer of authority from the Commonwealth to the State under the offshore constitutional settlement. This will be during 1986.

330. *Postponed.*

# QUESTIONS WITHOUT NOTICE

## INDUSTRIAL RELATIONS: DISPUTES

*Alcoa of Australia Ltd*

317. Hon. G. E. MASTERS, to the Minister for Industrial Relations:

(1) Could he advise the House if there have been any industrial disputes at Alcoa, either at Kwinana or at Pinjarra, over recent weeks?

(2) If there have been, could he advise the House of the circumstances and whether these matters have been resolved?

Hon. PETER DOWDING replied:

(1) and (2) Unless we are talking about industrial disputes statistics, I think any details of what is going on within a certain company ought to be addressed to that company and not to me. It is not a matter of my ministerial responsibility unless I am requested to participate.

## INDUSTRIAL RELATIONS: DISPUTES

*Reports*

318. Hon. G. E. MASTERS, to the Minister for Industrial Relations:

I understood that some days ago in questions without notice the Minister said that he was advised of industrial disputes in the workplace and that although these reports were not in detail, he was certainly kept advised of them on a weekly basis. If he has been advised, could he inform the House whether he is still receiving those reports?

Hon. PETER DOWDING replied:

The member has asked me for details of events which occurred within a particular company's industrial relations. It is not for me to be asked about those except in relation to some statistical material which is collated in my department or when such matters are drawn to my attention. If the member wants details of what is happening within a particular company, he should address the question to that company.

## INDUSTRIAL RELATIONS: DISPUTES

*Alcoa of Australia Ltd*

319 Hon. C. J. BELL, to the Minister for Industrial Relations:

In consequence of the reply to the previous questions, how many man-days have been lost in disputes at Alcoa plants in the last two to three weeks?

Hon. PETER DOWDING replied:

Let me say firstly that we have the lowest incidence of industrial disputation in Western Australia for 17 years. I think that it is worthwhile to point out at the same time, which might make it clear even to honourable members opposite, that the industrial regime and climate that this Government has sought to create have actually been very productive in the sense of reducing industrial disputation. If the honourable member wants some specific statistics and if those statistics are available within my department, I will supply them. I would suggest that he puts that question on notice.

## INDUSTRIAL RELATIONS: DISPUTES

*Reports*

320. Hon. G. E. MASTERS, to Minister for Industrial Relations:

I do not think the Minister answered my question. Does he receive a weekly report on industrial disputes in the workplace, and, if so, do those reports give some detail and background to the disputes that are occurring?

Hon. PETER DOWDING replied:

I receive reports from my department on a regular basis and those reports draw to my attention information received by officers of the Department of Industrial Relations as appropriate.

## INDUSTRIAL RELATIONS: DISPUTES

*Reports*

321. Hon. G. E. MASTERS, to the Minister for Industrial Relations:

(1) Now that we find out that the Minister is receiving a weekly report, has he read that weekly report during the last three weeks?

(2) Do the reports set out the details and background of the dispute at Alcoa?

Hon. PETER DOWDING replied:

(1) and (2) I have made it quite clear that if the honourable member wants details of disputes that involve companies' industrial matters, it

would be quite wrong and positively mischievous of me to put some interpretation, based on what is potentially third-hand information, to this House. I am not going to do so. I am not going to stir up industrial disputation.

The honourable member ought to know how sensitive industrial relations are. I do not believe that what my officers are told about what is happening in this particular area is appropriate to be aired in this way. I am not going to do so.