

LEGISLATIVE ASSEMBLY
Wednesday, 12 September 1990

THE SPEAKER (Mr Michael Barnett) took the Chair at 10.00 am, and read prayers.

PETITION - MINERAL SANDS, NANNUP REGION

Road Transport Opposition

MR BLAIKIE (Vasse) [10.03 am]: I have a petition in the following terms -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, are totally opposed to the transportation by road of mineral sands from the Nannup region using the existing road systems to the Bunbury region.

We believe that all minerals should be transported by rail in the interests of safety and the future of the tourism industry in this area and that the existing railway land between Capel/Busselton and Busselton/Nannup should be retained for this purpose.

Failure to recognise the importance of rail transport will increase road traffic on already busy roads and lead to an increase in the number of road accidents and road traffic fatalities.

Your petitioners therefore humbly pray that you will give this matter your earnest consideration and your Petitioners, as in duty bound, will ever pray.

The petition bears 181 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 110.]

PETITION - MT LESUEUR

Coal Mining or Power Stations - Opposition

DR WATSON (Kenwick) [10.04 am]: My petition is addressed as follows -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, request that the Parliament, in recognition of the immense biological diversity and importance of the Mt Lesueur area:

- 1) create a National Park with boundaries as recommended by the Environmental Protection Authority,
- 2) no coal mining or power stations be permitted within the boundaries or adjacent to the Mt Lesueur National Park.

Your petitioners therefore humbly pray that you will give this matter your earnest consideration and your petitioners, as in duty bound, will ever pray.

The petition bears 88 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 111.]

A similar petition was presented by Mr Kierath (69 signatures).

[See petition No 113.]

The SPEAKER: I think there was a matter in which the member for Riverton was involved last night which should be drawn to the attention of the House. I understand that at some stage last night you became a father again, with number five. Congratulations.

[Applause.]

**PETITION - CRIMINAL CODE AMENDMENT (INCITEMENT TO RACIAL
HATRED) BILL**

Urgent Legislation

MR RIPPER (Belmont) [10.05 am]: I have a petition couched in the following terms -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

WE, the undersigned citizens of Western Australia, humbly petition that Parliament act in a bipartisan manner, without further delay or amendments, and as a matter of extreme urgency ensure the prompt passage of the Criminal Code Amendment (Incitement to Racial Hatred) Bill to help curb the incidents of racism and discrimination in this State.

Your Petitioners therefore humbly pray that you will give this matter your earnest consideration and your Petitioners, as in duty bound, will ever pray.

The petition bears 92 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The **SPEAKER:** I direct that the petition be brought to the Table of the House.

[See petition No 112.]

PETITION - RAILWAYS, SOUTH WEST CORRIDOR

Suburban Passenger Service Extension Support

MR THOMAS (Cockburn) [10.07 am]: I have a petition expressed in the following terms -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned support the extension of the suburban passenger rail service to the suburbs of the south west corridor.

This part of the metropolitan area is growing and is widely recognised as one of the most desirable options for the long term expansion of the City of Perth.

Moreover, as recent international events have shown, it is prudent to minimise dependence on oil and environmental considerations support the extension and enhancement of our public transport system.

Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners as in duty bound will ever pray.

I should add that the petitioners are the councillors and city manager of the City of Cockburn.

The petition bears 11 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The **SPEAKER:** I direct that the petition be brought to the Table of the House.

[See petition No 114.]

PETITION - CRANLEY, DR PATRICK

Medical Board of WA - Suspension Opposition

MR P.J. SMITH (Bunbury) [10.08 am]: I have a petition addressed as follows -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned patients of Dr Patrick Cranley and/or citizens of Western Australia, deplore the decision of the Medical Board of Western Australia which has found Dr Patrick Cranley to be guilty of "Infamous and Improper Conduct" and has suspended him as a medical practitioner for a period of twelve months.

We maintain that:

- 1.) the judgment of the Board is wrong and grossly unjust.
- 2.) Dr Cranley is innocent of any immoral or illegal act.
- 3.) Dr Cranley is a well known and respected General Practitioner whose suspension will be a devastating loss to hundreds of patients.
- 4.) the extreme terminology of the alleged offence is malicious and unjust. (Note the Oxford Dictionary definition of infamous is: "Notoriously vile and abominable")
- 5.) that we as patients demand the rights of our chosen Doctors to treat us within the law as they and we see fit.

We the undersigned request the Parliament to conduct an enquiry to assess the correctness and propriety of the Boards findings and deliberations.

Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners as in duty bound will ever pray.

The petition bears 161 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 115.]

A similar petition was presented by Mr Read (202 signatures).

[See petition No 116.]

STANDING ORDERS SUSPENSION - MEMBER FOR COTTESLOE

Maiden Speech

On motion without notice by Mr Pearce (Leader of the House), resolved with an absolute majority -

That so much of the Standing Orders be suspended as is necessary to enable the member for Cottesloe to address the House for 30 minutes.

MAIDEN SPEECH - MEMBER FOR COTTESLOE

The SPEAKER: The member for Cottesloe.

[Applause.]

MR C.J. BARNETT (Cottesloe) [10.13 am]: Mr Speaker, it is an honour to join this Chamber as the member for Cottesloe. It is a particular honour to follow such distinguished parliamentarians as Sir Ross Hutchinson and Mr Bill Hassell.

I was born a sixth generation Australian and was just 12 days old when Sir Ross Hutchinson, the first member for Cottesloe, delivered his maiden speech in this Chamber in July 1950. Sir Ross served the electorate of Cottesloe and the State with distinction for 27 years. He held several ministerial positions and was the Speaker of the House at the time of his retirement.

Sir Ross was succeeded by Mr Bill Hassell in 1977. In his maiden speech, Mr Hassell finished with the following words, and I quote -

I conclude by placing on record my desire to work in this Parliament for the protection of individuals.

I am sure, Mr Speaker, that all members would agree that Bill Hassell kept to that pledge. His fight against the Australia Card and his support for Mrs Tan in her quest for justice are just two recent examples of that pledge. Mr Hassell's ministerial responsibilities over the period 1980 to 1983 covered Police and Traffic, Chief Secretary, and Employment. His achievements included Australia's first misuse of drugs legislation. He was deputy party leader from 1983 to 1984 and party leader from 1984 to 1986. In his own words, it was his "greatest honour to lead the Liberal Party for over two and a half years". My only regret in joining this Parliament is that it no longer has Bill Hassell as one of its members. I know that

my new found colleagues concur with that sentiment and join with me in wishing Bill and Sue Hassell every success and happiness in the future.

Mr Speaker, I would like to take this opportunity to thank the Liberal Party and the electors of Cottesloe for the confidence they have placed in me. As a relative newcomer to party politics, it was a special honour to be endorsed and subsequently elected as the member for Cottesloe. I was very much encouraged by the results of what I can only describe as an unusual election campaign. Credit for that success is properly shared by the more than 200 helpers involved. Of those, I particularly thank Mrs Patricia Sproule for her extraordinary effort as campaign manager.

It may be that some members of the House perceive the electorate of Cottesloe as one of "wealthy people living in leafy suburbs by the seaside". It is true that the electorate, bounded as it is by the Indian Ocean and the Swan River, and stretching from North Fremantle to City Beach, covers a very beautiful part of our city. It is also true that there is a great deal of diversity within the electorate. There is no shortage of families struggling to maintain home payments under the burden of high interest rates. There is a significant proportion of public housing with low income tenants. One quarter of the population is aged 60 years and over. These people have worked throughout their lives and quite rightly resent the erosion of their savings and generally fixed incomes by a rate of inflation that continues to be unacceptably high. The electorate also has some 1 500 small businesses and a significant industrial area within North Fremantle. I look forward to serving the Cottesloe electorate and in attending to what I have already found to be a very wide range of community issues and individual problems.

Mr Speaker, I join this Parliament with a background in economics and have been, for the last five years, the Executive Director of the Western Australian Chamber of Commerce and Industry Inc. For my part, it is a happy coincidence to have, in the one year, overseen the celebration of the centennial of the Chamber of Commerce and to have become a member of the State Parliament during this, the 100th anniversary of the granting of responsible government for Western Australia.

I count the greatest achievement during my time with the Chamber of Commerce as being the public record of that organisation in support of free enterprise and free market principles. Indeed, it was the determination to be true to principle, more than anything else, that allowed the chamber to grow in both stature and credibility. I might add that the chamber was not free from criticism, from both within and without, for taking strong public stands in support of such issues as the deregulation of retail trading hours, the right of employers and their employees to a free choice of fund with respect to occupational superannuation, and the case for a separate central city council. My pledge to this Parliament is that I shall continue to remain true to the principles of free enterprise and the free market and to work in support of the rights of the individual.

I also take some personal pride in initiatives of the Chamber of Commerce to develop new trade links with India and in the recent launching of a unique program of business to school links through the Western Australian Compact for Excellence in Schools Education. I thank the Minister for Education for his support in helping to bring this program to fruition.

Mr Speaker, I hope that over the course of my parliamentary career I might make a positive contribution to the economic and social development of Western Australia. The Western Australian economy is both small and unique. The disadvantages of geographic isolation and a limited local market are countered by the advantages of an abundant natural resource endowment and a very high quality of life.

Our economy is exposed to the uncertainties of world markets and must operate within a macro-economic environment that is largely determined by policies set at a national level. Self-determination is further limited by the disturbing trend of a loss of local control over local enterprises and the generally low level of responsibility delegated to the State managers of national organisations. In spite of these constraints, I contend that our economic destiny lies within our own hands.

However, we must accept the reality that Western Australia is a small regional economy. Our population is only 1.6 million people. We cannot hope to be all things to all people. We cannot hope to be a small-scale version of the large industrialised economies of the world.

In the increasingly competitive world of the 1990s, we must recognise that our economic

success and, therefore, living standards, will depend upon our ability to specialise and thereby maximise our comparative advantages. Our future, both economic and social, depends upon our ability to do a limited number of things and to do them superbly.

In a visit to the United States in 1987, I was very much impressed by the success of different regions in setting a clear path for their economic development. There were no master plans or legislative decrees, though there were common objectives shared by both the private and public sectors. Examples include the marriage of old money and intellectual resources to make Boston a booming centre of new technology; the deliberate attraction of a naval presence as the mainstay of San Diego's economy; and the more recent moves by Houston to become the centre of the space industry into the next century.

For Western Australia, it is obvious to all that the greatest areas of comparative advantage are in mining and agriculture. In these industries, world class status has already been achieved. I suggest that there is the opportunity to develop a third economic base in marine related industries. There is a synergy waiting to be developed on the existing fishing, shipbuilding and offshore oil and gas industries. To these may be added the growing naval presence under the two ocean defence policy and the tourism and recreational opportunities presented by a 12 500 kilometre coastline.

What is lacking is a base industry policy. Such a policy must have as its centrepiece a commitment to specialise in those export activities where our comparative advantage is greatest. Western Australia simply does not have the population to generate economic growth from within. It is only through exporting that we can bring income into the State. The circulation of this income throughout the community provides in turn the opportunities for what should be a flourishing small business sector. The best opportunities for manufacturing and service industries will be found in providing inputs to the base industries and in adding value to the product of those industries. In this context, there is no more critical element to a base industry policy and indeed to the goal of value-added processing than a reliable and competitively priced power supply. In comparison, all other industrial development policies pale into insignificance. For small to medium sized businesses to feed successfully off the economic base, it is essential that they be freed from the unnecessary burdens of over-regulation and over-taxation. Nowhere is this more true than with respect to employment. It is as though society is intent on making it even more difficult for small businesses to actually employ people.

As an aside, I am at a loss to understand why the progress of labour market deregulation has been so slow. The much heralded process of award restructuring has, with a few notable exceptions, been a failure. I see no equity and certainly no comparative wage justice in a system which, for example, allows a nurse working over a weekend to earn a comparable sum of money to a colleague working a five day week. To adopt a base industry policy is not a riskless strategy. It is one, however, where the potential benefits are large relative to the risks. For Western Australia, the risks of specialisation are far less than those faced by other Australian States and indeed by most other regional economies around the globe. The risks are further minimised by what should be a supportive expansion in the services sector as Western Australia benefits from the rapid growth of wealth and disposable income within the Asia-Pacific region. Tourism, education, health care and business services are the obvious areas of service sector growth.

The concept of a base industry policy is one that is almost self evident and therefore one with which it is quite easy to feel comfortable. However, the true test of such a strategy of economic development is the commitment to provide the necessary infrastructure, whether it be publicly or privately funded, and the discipline to avoid being too easily distracted by apparent opportunities outside that strategy. It is equally necessary that a positive investment climate be maintained and that business and the wider community can have confidence in the direction and continuity of Government policy. It is only with a strong economy that the people of Western Australia can hope to realise and sustain their aspirations in such diverse areas as education, environmental protection, health care and housing.

May I conclude by thanking the members on both sides of the House for the courtesy and friendship they have shown to me since my election, and by recording my appreciation for the ready assistance and support of the parliamentary staff.

[Applause.]

MENTAL HEALTH AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by Mr Pearce (Leader of the House), and read a first time.

IRON ORE (MOUNT NEWMAN) AGREEMENT AMENDMENT BILL

Second Reading

MR CARR (Geraldton - Minister for Mines) [10.25 am]: I move -

That the Bill be now read a second time.

[Leave granted for the following text to be incorporated.]

Mr CARR: The purpose of this Bill is to ratify an agreement amendment dated 12 July 1990 between the State and the Mt Newman joint venture participants. The agreement contains provisions which will -

amend the royalty provisions of the principal agreement; and

enable the addition of new mining areas into the principal agreement mineral lease 244SA.

Members will recall that in the second reading of the Iron Ore (Hamersley Range) Agreement Amendment Bill 1990 I foreshadowed the introduction of this Bill to similarly amend the royalty provisions of the Iron Ore (Mount Newman) Agreement Act.

The principles for the proposed new royalty rate structure, the subject of clause 3(1) through to clause 3(7) of the agreement, are essentially the same as those detailed to the House for the Iron Ore (Hamersley Range) Agreement Amendment Bill. An exception with this agreement is that because iron ore is used in steel mills in the Eastern States, the existing royalty concession for "locally used ore" as defined in the agreement will be phased out over a period of 18 months commencing from 1 July 1989. After this period all iron ore producers will be on the same basis for royalties paid on iron ore.

Clause 3(8) of the agreement provides for the incorporation of two additional areas currently held under Mining Act exploration licence numbers 46/6 and 47/19, into the principal agreement mineral lease 244SA. The company proposes to surrender parts of mineral lease 244SA so that following the incorporation of the additional areas the total area of the mineral lease will not exceed the 300 square mile limit placed under the principal agreement.

I now table the plan marked "B", referred to in the agreement, which serves to show the additional areas to be incorporated in mineral lease 244SA; and plan marked "C", which shows those portions of the mineral lease to be surrendered by the company.

[See paper No 507.]

Mr CARR: Although the company has no intention to commence mining the additional areas in the near future the foregoing area revisions are part of the company's rationalisation of its mining areas.

As with the Hamersley Range agreement, additional areas to be brought under mineral lease 244SA will have current additional proposals, environmental, local content, work force accommodation and additional township services and facilities provisions by way of clause 9A(2) through to clause 9A(16) of the principal agreement as amended by clause 3(8) of the agreement. The amendment proposed by clause 3(9) of the agreement is to update clause 24 of the principal agreement. Other amendments are of a minor nature and are self-explanatory.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Fred Tubby.

SUPREME COURT AMENDMENT BILL

Third Reading

Bill read a third time, on motion by Mr Pearce (Leader of the House), and passed.

SOUTH WEST DEVELOPMENT AUTHORITY AMENDMENT BILL

Report

Report of Committee adopted.

MOTION - REVOCATION AND PARTIAL REVOCATION OF STATE FORESTS

Nos 1, 45, 4, 15, 30 and 41

Debate resumed from 28 August.

MR OMODEI (Warren) [10.30 am]: I am concerned about the manner in which this issue has been dealt with and I indicate to the Minister for the Environment that members on this side of the House would prefer that such issues be dealt with on similar lines to reserve Bills. It appears that motions such as this one take a long time to go through the formal processes. When an agreement is made with the transfer of land or the revocation of State forest, and when its handling is drawn out to such an extent - over many months or even years - it is frustrating for the general public and the people who will be affected by the proposal. I would like the Minister to work towards fast-tracking these issues so that the people affected may expect a speedier passage of the proposals through the Parliament.

This motion involves six different sections of State forest. The first area involves the tuart forest, with which I am not familiar; however, I understand that the proposal has been approved by the local authorities in the area. The second area is close to the Collie townsite and involves an exchange proposal by which the local fire brigade will benefit. This is a step in the right direction which will assist that public, voluntary organisation which carries out a very important function. The third area involves the realignment of the Collie-Tallanalla road, which is a straightforward proposal to make the road safer. On that basis, we have no problem with this part of the motion.

Area No 4 involves 19 hectares of land adjacent to the Bridgetown townsite, and this involves the establishment of a rubbish disposal site and a buffer area to cater for noxious smells and to protect the reserve. The Shire of Bridgetown-Greenbushes has been fighting to have this proposal approved for a long time.

Mrs Beggs: Greenbushes is a great place.

Mr OMODEI: Indeed. Unfortunately it is not in my electorate; it would be even better if it were. The shire has been trying to organise a rubbish dump for a long time, and, as members would realise, rubbish dumps are difficult to deal with in this day and age. The transfer of land will allow the Shire of Bridgetown-Greenbushes to have a viable rubbish disposal unit. This part of the motion has other aspects involving Reserve 15109 which is an area of 20 hectares to be vested for the purposes of protecting the water in the area.

The fifth area in the motion is near the Northcliffe townsite - which is in my electorate - and I know the 28 hectares involved very well. This is a proposal whereby the local land owner will be able to exchange some good quality regenerated forest for land which is less valuable to the State but of good value to him as a water reservoir. This will allow the landowner to carry out a marron enterprise. This is a very important proposal because the marron industry is in its infancy in this State, and it has a great potential for expansion; it must be supported. This proposal has been around for many months, if not years, and I have had a number of visits from a gentleman in the area who asked me, "What is wrong? Why is the process not advancing?" Maybe we have a problem with the bureaucracy and we should do what is necessary to speed up the process.

Area No 6 is a large section of the Boranup Forest, and this is to be added to the adjoining Leeuwin-Naturaliste National Park. This involves 3 000-odd hectares which border onto Caves Road on both the western and eastern sides, although particularly on one side. This is an area of unique forest and must be protected. Another aspect of the motion involves the Shire of Augusta-Margaret River obtaining gravel for the construction of roads, which it has done in the past.

Mr Blaikie: It has done so with approval!

Mr OMODEI: This is one of the proposals that I know has received the council's blessing. When placing reserves in secure tenure for a long time, one wonders whether the flexibility

remains for the local authorities to use the sites at some time in the future. My colleagues and I visited the Shires of Augusta-Margaret River and Busselton to discover their opinions on these proposals. We found a divergence of opinion within the shires, but the final decision was that the proposals should be agreed to. The Opposition, therefore, agrees with the proposals. What appears to be a straightforward motion on the revocation of these six State forest areas has taken a long time to deal with. The motion was introduced some two or three weeks ago and we had no prior knowledge of what existed in those areas. I apologise to the people who are affected by the proposal for the motion's not being handled earlier. These matters can be dealt with either through a revocation motion or they can be included in a reserve Bill - this is my preference - and, if necessary, we could introduce more than one reserve Bill into the Parliament each year to facilitate these transfers to the benefit of the community.

MR WIESE (Wagin) [10.38 am]: The National Party is also prepared to support the motion dealing with the revocation of State forests. The member for Warren has outlined the motion and each of its sections and the National Party happily gives its consent to these proposals. It was interesting that the member for Warren referred to the delays that so often happen with these transfers or exchanges and the alienation of land. Again, in this case the delays have been allowed to occur. We need to introduce a method whereby these proposals can be dealt with much more quickly than they are at the moment.

I hope that the Government will put its mind to endeavouring to bring in a mechanism to do that. We deal with these things once a year and they often need to be dealt with in some haste. Proposals come up which need some degree of haste and urgency. In my electorate I am endeavouring to obtain approval for the establishment of a shooting complex. The safety zone goes across the corner of a reserve and there are problems in getting approval for that project. I am sure that somewhere down the line we will come up against the bureaucratic process. There will be delays and problems in changing the status of reserves or in getting approval for things to happen on reserves. I hope that over time we will be able to develop a fast-track method when everyone is in basic agreement with what is being done. However, getting the wheels of bureaucracy to function a little faster seems to be almost impossible. The National Party supports the motion and I commend it to the House.

MR BLAIKIE (Vasse) [10.41 am]: The Parliament deals with this type of business from time to time. It is an historic piece of legislation to which all members should pay very careful attention. Parliamentary approval is being sought to remove from State forests part of the reserve. The first forest Act in 1919 ensured that only the Parliament could make and effect any changes to State forests. Today we are following a practice that was established some 70 years ago. Members of Parliament should be familiar with what we are doing and the reasons we are doing it.

This is not a piece of legislation that should be hurried, because all local authorities in the affected area need to understand what the Government is proposing. That is the job of members of Parliament. Opposition members have asked local authorities whether they understand the Government's proposals and have sought their views. This is part of the work we are doing on the National Estate. When matters of this nature come before the Parliament in future I suggest that the Minister's second reading speech should clearly indicate that the local authority in the area affected has been consulted and has understood the implications.

I have had some involvement with area number 6, which comprises 3 067 hectares and is known as Boranup State Forest. The Minister did not specify in his second reading speech, but his office did communicate with the shire, which did not see any problems with the proposal. When the revocation takes place and Boranup is no longer State Forest 45, it is my understanding that the area will be added to the national park estate and will form Leeuwin Naturaliste Ridge. That would relate to all the land west of Caves Road. However, State Forest 45 also takes in a sizeable portion of land on the east side of Caves Road. Is it the Government's intention that the land on both sides of the road which comprises State Forest 45 will be a national park? If that is the Government's intention I question the wisdom of including the small area east of Caves Road. I have many good reasons for that, one being that if it is to be a national park it needs to be of sufficient size so that adequate management strictures can be put in place. I caution the Minister that adjoining landowners may be severely disadvantaged if a small piece of land becomes part of a national park. I do not know what is the Government's intention, but I raise that for comment.

I support the Government's general direction. This traditional legislation needs to be properly scrutinised and I thank the Government for ensuring that all members have had adequate time to understand the legislation and to indicate their varying levels of support. I support the motion.

MR PEARCE (Armadale - Minister for the Environment) [10.46 am]: I appreciate the comments of the member for Vasse with regard to process. One would have to have been around for 70 years like the member for Vasse to have such a complete historical understanding of the process.

Mr Omodei: He is a bit of a fossil.

Mr PEARCE: The member for Warren thinks the member for Vasse is an old fossil! That is an unkind thing to say about the member for Vasse. I would say old, yes; fossil, no.

This process has been long followed and is not dissimilar to the Reserves and Land Revestment Bill and therein may lie the problem. A reserves and land revestment Bill is an accumulation over the course of each year of all the proposals that are designed to change or add to various revestings or reserves around the State. They accumulate during the course of the year - I guess on the desk of the Minister for Lands - and at the end of the year they are drafted into a portmanteau Bill and lobbed before the Parliament. A reserve, the vesting of which is proposed in October, will be dealt with more quickly than a proposal that popped up in January, which would have to wait a year until the Reserves and Land Revestment Bill was dealt with. That has the advantage, as the member for Vasse has said, of allowing time for discussion. Equally it has the disadvantage that sometimes important things are delayed until Parliament can deal with them.

Mr Blaikie: We should have two Reserves and Land Revestment Bills a year.

Mr PEARCE: That is possible, but the member will understand why I as Leader of the House might quail at dealing with two Reserves and Land Revestment Bills in the course of a year. In terms of management of the House one per decade would be about right. I understand the need to deal with these things and I will discuss with the Department of Conservation and Land Management the idea that each reserve should be dealt with by way of motion rather than waiting for a number to be accumulated. It is not a Bill, and I see no reason, once a decision has been made on each proposal, why it cannot be put before the House by way of motion. It is not a protracted process like dealing with a Bill and we could deal with it differently.

Mr Clarko: The Minister may not want to answer this question at this stage but will he give consideration to a different method for this coming onto the Notice Paper? The matter came up without the Opposition's being in a position to answer it, unless we accepted a normal adjournment which did not seem normal at the time.

Mr PEARCE: I will take responsibility for that. I was unfamiliar with the process of dealing with the revocation of State forests. I had not done it before as a Minister.

Mr Blaikie: I was not criticising you.

Mr PEARCE: I know that; it was my fault. If I were more familiar with the process, I would have read the speech supporting the motion at the time I gave notice in the House. I forgot it would sit at the top of the Notice Paper as it does and not go down to take its turn. In future I will make sure that, when the motion is before the House, I will give the speech at which time somebody can adjourn it in the normal way. In that way, we will not have a problem. If we had called on the expertise of the member for Vasse we would not have had that problem.

Mr Blaikie: When I understood what was going on there was no problem because the processes of time would take place as they have done.

Mr PEARCE: When I gave notice, I was not provided with the speech.

Mr Court: A couple of years in Opposition would sharpen you up.

Mr PEARCE: That is quite possible. My position is not so different from Peter Sumich's position. A couple of weeks in the reserves may not do any harm, but there is no likelihood of that happening for several years. Perhaps I should not have said that about Mr Sumich because it was a poor kick, but a great mark.

Mr SPEAKER: It was a no lose situation; draw or win.

Mr PEARCE: I am afraid I am not able to respond to the matters raised by the member for Vasse. I do not know whether the boundaries of that national park have been finalised. As soon as I have information I will be happy to communicate with the member by letter. I will discuss with the Department of Conservation and Land Management whether we should put these matters up one by one. Bringing things to Parliament always involves delays. As a matter of principle, revocations of State forests are dealt with by the Parliament. I am aware they could be done more quickly if the Minister delegated the responsibility. However, I would not agree with that even now when I am Minister. It is important that matters relating to State forests come to Parliament. I will see whether we cannot expedite the process by bringing them up individually.

Question put and passed.

On motion by Mr Pearce (Minister for the Environment), resolved -

That the resolution be transmitted to the Council and its concurrence desired therein.

GOLDFIELDS-ESPERANCE DEVELOPMENT AUTHORITY BILL

Second Reading

Debate resumed from 10 May.

MR COURT (Nedlands) [10.54 am]: Is the Deputy Premier not handling this Bill?

Mr Pearce: No, the Minister for Regional Development is handling it.

Mr COURT: Is the Deputy Premier not the Minister for Goldfields?

Mrs Buchanan: Yes, but he will assume responsibility when the Bill passes through the Parliament.

Mr COURT: Those comments indicate the confusion about who handles regional development business. We will support this legislation with one or two changes. I have placed an amendment relating to the number of board members on the Notice Paper today.

I want to make a couple of comments about the way in which this legislation has been handled. The legislation was introduced into this House in May. We became concerned about reports that the member for Kalgoorlie had told people in Kalgoorlie that the conservative parties in the Legislative Council were delaying the legislation. We get pretty sensitive about that type of criticism because under no circumstances have we been involved in delaying the legislation. It really gets up our noses to have to defend ourselves against accusations that we delay legislation. It is a scurrilous accusation and we made sure that we got the message to the people through the media that the accusation was totally untrue and that we were ready to debate this legislation whenever the Government brought it on.

In recent years the Government has established a number of development authorities. Yesterday, in this House, we had a lengthy debate on amendments to the South West Development Authority legislation. The third reading of that Bill went through only this morning. In recent times we have witnessed the establishment of the Great Southern Development Authority and the Geraldton Mid-West Development Authority and now we are debating the establishment of the Goldfields-Esperance Development Authority.

The track record of the authorities indicates a varying degree of success. The debate on the South West Development Authority legislation yesterday indicates that that body has been involved in controversial activities since its inception and has been in conflict with other levels of Government, particularly local government, in carrying out its activities.

The lessons to be learnt from the operations of these different development authorities are real because in travelling around the State I get the impression that the smallest and tightest authority, the Geraldton Mid-West Development Authority, is the most effective.

Mr Carr: Hear, hear!

Mr Pearce: You have a supporter for that proposition on the front bench.

Mr COURT: The point I am trying to make is that it does not matter what the Government sets up or whether we even have these authorities, it is the people at the top who make these

things work. They have to have ambition and drive to attract interest in their areas. The South West Development Authority has difficulties because it was set up in a well-established area which has many well-established local authorities and plenty of industry. Many business people were concerned about another arm of Government being involved in that area. A recent briefing that we received from the Geraldton Mid-West Development Authority indicates that it is genuinely trying to help many of the communities in remote areas of the State. Recently, we met representatives of the authority at Cue and it was pleasing to see that many of the problems involved in trying to operate businesses in remote areas are being solved by the authority. Many of the problems being experienced by marginal mine operations would not be considered as serious by people living in the metropolitan area. However, they are major problems for those businesses.

The Great Southern Development Authority does not seem to have the same degree of enthusiasm. That may be because of the political appointments made to the authority. Jobs for the boys do nothing to assist the operations of these authorities.

This legislation establishes a board for the Goldfields-Esperance Development Authority in addition to two advisory committees. For some reason, the Government has chosen to set the number of board members at 10. The South West Development Authority legislation has just been amended to provide for seven board members. The other development authorities also have seven board members.

Mrs Buchanan: This is a different area.

Mr COURT: I am interested to know why the Government has chosen 10. The Minister says it is a completely different area. It certainly is geographically.

Mrs Buchanan: It is a very diverse area.

Mr COURT: It is no more diverse than, for example, is the area covered by the Geraldton Mid-West Development Authority; it has fishing, agriculture and large mining industries. In the area covered by the Goldfields-Esperance Development Authority there is the mining industry in the Kalgoorlie region and the coastal fishing and agricultural industries in the Esperance region. In fact, there are more diverse industries in the area covered by the South West Development Authority, yet the Government is proposing to change the membership of its board to seven. The Government wants to appoint a certain number of people from specific organisations in the goldfields-Esperance region to the board of the Goldfields-Esperance Development Authority to suit its political needs and, therefore, it wants a board of 10 persons in order to give everyone a job!

Mrs Buchanan: That is nonsense!

Mr COURT: I cannot see why the Government has a different policy for the Goldfields-Esperance Development Authority. I will be interested to hear the Minister's reply. A board of seven members would be representative of the industries in the goldfields and Esperance region. In fact, it is one of the easiest regions to cover because it has two distinct industries. This legislation will provide for two regional advisory committees to be known as the goldfields advisory committee and the south east coastal advisory committee which will take in Esperance and Ravensthorpe Shire Councils. It is a sensible split. Initially the Esperance people did not show any enthusiasm for this concept, but they have been given assurances that the authority will not be dominated by the goldfields and that the interests of all the parties will be taken into account.

I will refer to local issues in relation to the goldfields section of the development authority. The member for Roe will cover in more detail some of the matters concerning the south east coastal area. The first issue is the question of new industrial sites. Recently the Government announced that it was considering the establishment of new industrial sites along the coast and earlier this year it announced that steps were in place to look at different industrial sites around the State. The Government never gives any prominence to the establishment of a major industry in the goldfields region. Kalgoorlie is not situated on the coast and it does not appear to attract the same excitement as far as industry is concerned as do towns situated on the coast. However, Kalgoorlie has many things going for it. For example, it has tremendous transport advantages, being on a standard gauge railway. It has access to both the Fremantle and Esperance ports and it has a work force which is skilled in the type of industry that could be attracted to the area. It also has the infrastructure in place, including power and water, although water is an inhibiting factor to certain types of development.

Apart from gold, many other minerals can be mined in the goldfields region. We are experiencing an expansion in the nickel industry, both in exploration and in the opening of new mines, and from a transport point of view it has the potential to be connected to the north of the State, to the Pilbara, thus bypassing the metropolitan area.

An explosives plant has been established in Kalgoorlie because the mining industry is a large user of explosives, and explosives are exported to other States and overseas from that plant. Explosives are very important and I will refer in more detail to them later. It is an example of an industry that can be attracted to the area. For major industrial expansion to take place the Government would certainly need to look at the water options and increase the energy availability through electricity or the extension of the natural gas pipeline to the area. If this were done, many industries would be attracted to the region.

Many years ago people said that Western Mining Corp Ltd would not establish a nickel smelter at Kambalda. The company said that if it were forced to establish a smelter at Kambalda it would relocate to another State such as South Australia. The then Liberal Government put forward its arguments as to why Kambalda would be a good location; it has turned out to be a very good location for the smelter; the company is able to bring in coal, the nickel is in plentiful supply and there is a good work force. It is an example of the type of industry that could be attracted to an inland area and it shows that industries do not always have to be located on the coast. As members are aware, there is a possibility of developing a phosphate deposits industry, among other industries, in the region.

I want to touch briefly on the airport facilities at Kalgoorlie. I do not want to become enmeshed in an argument about whether the airport should be relocated. A group of people wants to relocate the airport and to build a new airport south of the existing one. I will not buy into that argument because I am not familiar with the details, including who would pay for the relocation, etc. The goldfields region is one of this State's very important wealth producing areas and the current airport terminal facility is not befitting of a city visited by a large number of business people and tourists. Leaving alone the argument about whether a new airport should be built, it would not hurt if the necessary assistance were provided for a more practical and befitting terminal to be constructed at Kalgoorlie, even if it was only a relatively short term exercise. The existing terminal is not big enough and the people flying into Kalgoorlie should be welcomed with a far better facility which could be provided at little expense.

The Minister may be able to reply to my next comment about the operations of Gold Corporation's refinery at Kalgoorlie. Members would be aware that the Government decided to build two new refineries; one was to be established at Perth Airport and the other, a smaller refinery, at Kalgoorlie. The latter has been operating extremely efficiently and quite rightly the local people are extremely proud of it. At the time it was announced that two refineries would be established I could not understand why the Government did not agree to building one new refinery and that it be established at Kalgoorlie, which is the logical location for it. The Government said it wanted one refinery established close to an international airport where gold could be flown in and out of the State easily. If one refinery had been built at Kalgoorlie gold could have been flown in and out of the State from that town. After all, it has to be flown from Kalgoorlie in the first place to the existing refinery operations at Perth.

When the Government spelt out its plans for the development of minting operations in Perth I understood it to say that it would redevelop the buildings and the land at the back of the old Mint site at Perth. It was brought to my attention that in fact a large amount of the minting operations was being carried out in leased premises at Belmont. Not too much has been said about it because of the many security problems in that industry. However, I would like the Minister to bring me up to date on the building of new minting facilities because of the growth in those operations. I understand that premises for the minting operations are currently being leased and there is some concern about whether enough space is available to build new facilities in Perth. I understand the Government is considering, as one of its options for expanding the minting operation, leasing more land near the current refinery at Perth Airport. I am glad the Minister who has an interest in the goldfields has come into the House. If both Ministers responsible for that matter are considering expanding those facilities, I see no reason for not establishing the minting operations in that area - just as the Opposition argued for the establishment of the refinery at Kalgoorlie.

Mr Taylor: I am the Minister responsible for GoldCorp, of course, and it is another of those slightly difficult situations of being responsible for the organisation but not wanting to tell it what to do. Were I to tell it what to do, people on your side might criticise me. I have certainly had amicable talks with GoldCorp on those issues and we will see what is the outcome of them.

Mr COURT: All I am saying is that the Government has the Opposition's full support to establish the operation in Kalgoorlie. The Opposition wanted the refinery to be established in Kalgoorlie in the first place. I do not see any reason for its establishment in Perth and I was annoyed at the manner in which the operation was put together at the Perth Airport; the land in that area is poky. Kalgoorlie is a gold town and refineries and mints should be established there, in keeping with the character of that town.

Mr Taylor: Everyone told us when we suggested the refinery be established there that it was not on. Currently, it is processing at least 30 tonnes a year; it is performing very well indeed and at a very low cost.

Mr COURT: The Government got rid of most of the people telling it what to do in those days, so perhaps the Minister can give directions about the matter.

As part of its cutbacks in the forthcoming Budget, it has been mentioned that the Government will make considerable reductions in funding to regional development authorities. Rumours circulating within the goldfields indicate that funding may be cut by 20 per cent. When the question was put to the member for Eyre recently he said, in effect, that the Government had decided to cut real spending in the next Budget by about five per cent and he supposed that the Goldfields-Esperance Development Authority would complicate that. When further questioned about the five per cent, he said that was the break as given by the Premier in Caucus a few weeks earlier. He was asked whether funding cuts would be larger than that, and he replied that they would not be five per cent in every case, but would be five per cent on average. Perhaps the Minister might be able to provide some indication as to the funding for this new authority.

Mrs Buchanan: We will give you an indication when we bring in the Budget. I will not indicate at this stage.

Mr Taylor: You had a couple of questions on notice on that matter and that is the answer - to wait for the Budget. First of all, I suppose being Minister for Finance and Economic Development imposes upon me the requirement to set an example. In relation to the Budget of the authority, I have been very hard on it in saying that it has to measure up. However, at the same time many people will be surprised at the increase it will receive in the Budget even though the Minister responsible is also the Minister for Finance and Economic Development. I have been hard, but reasonable.

Mr COURT: Does that mean the Minister will ride his bike to Kalgoorlie on the weekends?

Mr Taylor: No, I still drive the old Mazda, which seems to go all right.

Mr COURT: The people love seeing the Minister up there. They do not see much of him these days.

Mr Taylor: They see me every week without exception. I am trying to get to the Star and Garter to sing a few songs.

Mr COURT: This is not the time to be promoting hotels like the Star and Garter, but the other week it provided a very good counter lunch.

Mr Shave: Yes, I paid for it.

Mr COURT: I was going to say that the member for Melville paid for it.

The next point I want to make is about the political favours that different regions seem to receive. The Bunbury and Mitchell seats are two very marginal seats, and we must all be honest and acknowledge that the Government focuses much attention on those two seats by providing many goodies and services for that area.

Mr Taylor: The members for Mitchell and Bunbury would probably disagree with you.

Mr Blaikie: It would not be unkind to say that the Government is a bit patronising towards them.

Mr COURT: I was trying to think of the word. The Minister will know that when the conservative parties win elections, they usually win the seat of Bunbury by a margin of 50 votes and when the Labor Party wins elections it usually wins that seat by a fairly small margin also. Those are two critical seats. The member is comfortable in his seat of Kalgoorlie.

Mr Taylor: Never comfortable. If you are going to suggest that Kalgoorlie is treated as a safe seat, I suggest you have a very good look at the Budget figures for Kalgoorlie over the last seven or eight years. Both members have worked very hard to obtain a fair share and I think that has been achieved.

Mr COURT: I hope that seat is never taken for granted because, as I mentioned before, it represents one of the major wealth producing regions in the State and the people living there deserve a fair share of Government expenditure.

Mr Blaikie: A bit of pork-barrelling went on in that electorate too.

Mr Watt: Pork-barrelling is a bit like beauty, it is in the eye of the beholder.

Mr COURT: Not too many favours have gone through the Nedlands electorate recently, I can assure the member.

The next issue I want to cover concerns explosives. The following statistics were mentioned to me recently: During the first 95 years of Kalgoorlie's history, approximately 120 million tonnes of rock was shifted as part of the mining operations. A huge amount of ore is shifted; the big pits currently in operation shift between 50 million and 60 million tonnes of rock a year, and in two years' time 120 million tonnes of rock a year will be shifted. Most of that will be blasted. Members can see why explosives are an important factor in the operation of the goldfields. I refer to the big iron ore operations in the north; most of them ship about 30 million tonnes, but they might shift between 40 million and 50 million tonnes in the process. The recent dispute about importing explosives via Esperance was a big issue in that region. Also, the amount of fuel used in the goldfields is staggering. For every tonne of rock shifted a litre of fuel is used. The current Middle East oil crisis, which has caused diesel prices to increase, is of major concern to people in the goldfields who are heavily dependent on diesel fuel. That operation uses many millions of litres of fuel each year.

I turn now to nickel developments such as the Mount Keith project and other new projects coming on stream in the region. Will the Minister give the House an update on what operations he believes will be opened up in the next year or so in this area? It is great to see this renewed interest in nickel as it helps to add a balance to the strong emphasis on gold in the region.

I hope the member for Kalgoorlie accepts as constructive the comments I am about to make regarding tourism in the area. He has lived in the town, which he visits regularly, so he sees it from a different perspective from someone like me who visits it every four weeks, on average. I recently went to Broome to the Shinju Matsuri festival as the Opposition representative. It was well organised. When one goes to Broome one feels that it reeks of pearls and as a pearl centre it has upmarket retail outlets where people can buy from the most expensive to the cheapest pearls in the world as all categories of buyers are catered for. Local people have promoted pearls by combining them with gold and Argyle diamonds. They have a jewellery exhibition and competition every year which is regarded as one of the top two jewellery competitions held in Australia. One of the problems of going to Broome if accompanied by one's wife is that she has a great incentive to buy jewellery. Certainly the group we were with, which included public servants and Navy people, bought jewellery. That is the image and reputation built up in that area. I point out to the member for Kalgoorlie that gold is not promoted sufficiently to tourists to Kalgoorlie.

Mr Taylor: I agree entirely.

Mr COURT: If one goes to Kalgoorlie and wants to buy a nugget someone says, "Go to the front bar at such and such hotel and they will sell you a nugget."

Mrs Buchanan: It may be that that is part of the atmosphere.

Mr COURT: Most tourists like to go into a shop with a goldfields atmosphere to buy something unique. In Broome tourists have a choice of five upmarket shops selling its products. Kalgoorlie should proceed along similar lines and promote gold jewellery

aggressively - not for the sake of selling more gold but to make Kalgoorlie a more attractive tourist destination. In other words, when people go to Broome they buy pearls and when they go to Kalgoorlie they should buy gold so that it becomes part of the ethos.

Mr Taylor: I agree. One jewellery shop in Kalgoorlie, run by Ron Smiles, makes quite a bit of gold jewellery. Another group is making gold jewellery for sale in the major Perth hotels. On the way upstairs in a little alleyway in the Parmelia there is a small jewellery shop with a display of Kalgoorlie gold jewellery. However, there is much more to be done. Gold Corporation could play a part by selling gold-related products.

Mr COURT: I recently caught the train to Sydney. It arrived in Kalgoorlie at 6.00 am. An announcement was made, "You have half an hour to look at Kalgoorlie." Passengers were then zapped up and taken away on a bus.

Mr Pearce: If it had not been for the Minister and me the member would have got there at 4.00 am and not 6.00 am.

Mr COURT: It did not matter, as it was still dark at 6.00 am. The people are zapped around after they have been forced to drink the regulation cup of tea at 5.30 am. That procedure is not exactly designed to promote tourism in the town. Both sides of this Parliament agree that we must do something about this train service. It should be transferred to the private sector to run. That would cause a huge boom for Kalgoorlie as a tourist destination. Some years ago it was easy for people coming from the Eastern States to leave the train at Kalgoorlie with their car and drive to Perth. It is no longer easy to do that. If the private sector were running that train it would be turned from an overbureaucratized organisation into one of the great train trips of the world and Kalgoorlie would be the great winner because people could start and finish their trip there, making the remainder of the trip by car.

These sorts of suggestions must be examined further. The Government had a burst of activity on these matters a few years ago and the member for Eyre was promoting change to the operations of that train system. The Opposition would like to see the system transferred to the private sector. That would provide a huge benefit to Kalgoorlie in particular and the goldfields in general.

I visited the museum being developed in Kalgoorlie, which is a credit to the people involved. I believe the Government should go further. A concept was put forward for a State mining museum to be located in the goldfields. That would be a great place for it. If the Government established such a museum correctly it would be a great tourism attraction.

During a recent visit to Boulder I was contacted by the Boulder Traders and Electors Association, a small group. The main street of Boulder is no longer an active commercial centre as Kalgoorlie has taken over.

Mr Pearce: That was the fault of the old Boulder Shire Council. I lived there when the new shopping centre was built around the town hall and they deliberately let the main street run down, which was a disgraceful thing to do.

Mr COURT: The commercial centre is dominated by Kalgoorlie. I spoke to a number of the Boulder retailers and a small group of them has put together what they call the Burt Street restoration program. I point out to the Minister, and to the member for Eyre who has his office on the corner of Burt Street, that their concept is a good one as the street is still very much as it was many years ago. It is run down and requires major restoration work, but could be restored to become another attraction for tourists, which would be good for the long term heritage of the area. The Minister responsible and other members should support these people. They are a small, poorly funded group with a good general plan.

As all members are aware, when the Federal Labor Party decided to introduce a gold tax people fought the idea. We are now starting to see many of the detrimental effects of that tax. The previous tax regime proved to be a huge incentive in attracting new investment to that industry. It is now too late; the Federal Government has introduced the tax, but it is a sad day for an industry that was able to show that, given taxation incentives, it was prepared to put its money where its mouth was.

I have concentrated my comments particularly on the goldfields area, and I will leave it to the member for Roe to talk in more detail about the areas of Esperance and Ravensthorpe. The establishment of this development authority will not guarantee that everything will be

terrific in this area. The Government of the day must have a genuine commitment to developing the region. It must have foresight and must be prepared to take a few risks in the provision of infrastructure - water, power and gas. If the Government is prepared to say "This is our plan; this is the infrastructure that we want to supply to encourage industry to come to the area", it will have our support, because once the necessary infrastructure is put in place industry will be attracted to the area. I do not want to see this development authority used for blatant political purposes. Has the Government made a decision about who will be the chairman of the authority?

Mr Pearce: The legislation has not been passed yet.

Mr COURT: The Minister says the legislation is not through but the telephone number is already in the telephone book.

Mr Pearce: We cannot be held responsible for Telecom. It is a Commonwealth authority.

Mr Omodei: Who is the current acting chairman? You cannot tell us.

Mr Taylor: There isn't one.

Mr COURT: The Government should be careful with the finances of the authority because the Auditor General will be keeping a pretty close watch on how the finances are administered, after the debacle which occurred with the South West Development Authority. Development authorities are not the be all and end all. Their success depends on the driving forces in a particular region. If we see this authority being used for blatant political purposes we will be the first to point that out because that would ruin the effectiveness of this body, which should be designed to help all the people who live in the area.

MR TAYLOR (Kalgoorlie - Minister for Goldfields) [11.32 am]: I am not the Minister handling the legislation but I am the member for the area so it is appropriate that I make some comments. This development authority was born out of a great deal of work that was done by a committee which Julian Grill and I chaired, which looked at how we might best encourage the social and economic development of the goldfields region. That group worked for over a year and held workshops throughout the goldfields region to involve local people in the decision making process. At the end of that year the principal decision was that we should establish a development authority along the lines of the authority set up in the south west, and also in the Albany and Geraldton regions.

The member for Nedlands is quite right; development authorities will be only as effective as the people involved in them and behind them seek them to be. They are not the engine which can pull along an economy. A great deal of the responsibility will be placed on me as the member for Kalgoorlie. We hope to be able to announce the members of the board after this legislation is passed, and also the people who will work in the authority. As far as I am concerned those people will not be a group of people who will have nothing else to do but produce reports, because many other Government organisations have that ability. We will be asking Government and private organisations for assistance in those areas rather than spending hours in trying to produce nothing but reports or itineraries for people to visit the goldfields. That will not be on as far as I am concerned. Development authorities have the ability to ensure, given the opportunities and with the right people on board, that in their areas of responsibility efforts are made to attract new industry to the area. That is very important. For a long time mining has been the key industry in the northern area of the goldfields, and agriculture has been the key industry in the southern area. We must ensure that new opportunities are opened up to people. Our role as members of Parliament must in every respect be to ensure that jobs are made available for young people. I see that as my greatest responsibility as the member for Kalgoorlie.

I must mention also the importance to the region of the 1993 centenary celebrations for Kalgoorlie and the 1992 centenary celebrations for Coolgardie. We have set up a company to run these celebrations in Kalgoorlie, called Goldfields 1993 Pty Ltd, and we are determined that we will use the centenary celebrations as the catalyst for new development, particularly in the area of tourism, which was mentioned by the member for Nedlands as being very important. A number of exciting proposals and projects are in the pipeline for the centenary celebrations in 1993, which will not only be a big event for Kalgoorlie but also a State and national event. I believe most people would be of the view that Kalgoorlie has played an important role in the economic and social development of both Australia and Western Australia.

I have had discussions with all the local government authorities in the area about the proposed development authority, and they are of the general view that is worth giving it a go. I have said to the authorities, particularly in Ravenshorpe, Dundas and Esperance, that they should be in it and give it a go, and if they are not satisfied after a year or so, and they want to pull out, that is entirely up to them. There is no coercion on our part in requiring them to be part of the regional development authority area. It is their decision alone. I am pleased to say they will give it a go, and we hope we will be able to deliver the goods and that the people will be able to see that we are prepared to support them. I would like to think that will be the case in areas such as Ravenshorpe, where the people do feel a bit isolated in almost every respect, certainly in a geographical sense, and also in Esperance, where in recent times there has been a general feeling that we have been giving them the sort of support they deserve to foster economic development. We went through quite a lot of trauma, as the member for Roe would know, and as the Minister for the Environment mentioned, in relation to the shipment through the Port of Esperance of ammonium nitrate, but those issues are worth pursuing if that is the appropriate thing to do in an environmental, safety and economic sense.

The proposed development authority will be very important to the future of the region, and its success will not depend on the content of this Bill but will be very much related to the efforts of the people who will work both for and with the development authority. I believe all the people who have been involved have their hearts in the right place and are determined, as the saying goes, to put their shoulders to the wheel to ensure that it will work effectively.

MR AINSWORTH (Roe) [11.38 am]: The National Party has very strong support for the establishment of regional development authorities throughout the State. We believe they are essential if the outer regions of the State are to be actively developed in the manner we believe they should be. Last month the Country Shire Councils Association of WA (Inc) and the Country Urban Councils Association released a working party report entitled "Country Towns, a Future or a Funeral". They also recommended the establishment of regional development authorities Statewide because they recognised that a number of the more remote country areas in particular are stagnating and need the impetus that a regional development authority will provide if they are to turn their economies around and start to actively encourage people to come into the area to halt the decline in some of the smaller towns.

The degree of local input and control of these regional development authorities is always a cause for some concern. In the course of the Minister's second reading speech she mentioned that the Government recognised the need to encourage regional development and saw as essential the need for local community input into decision making. There is a great need for local community input into decision making, but how much control should that local community have, as well as input? Ultimately it is the control which determines the destiny of development authorities.

The country towns report says this -

However, the future success of decentralisation and local economic development will, out of necessity, be dependent upon the initiative and enthusiasm supplied by Local Government and its communities. It is clear that Local Government will need to take a more proactive role.

One of the recommendations in that report is that the State Government should develop a policy on the role of local government in economic development which will enable local government to play a broad role in local economic development consistent with the needs of the local communities and without unnecessary inhibitions and controls. That last section is very important. In the past there have been accusations of undue influence in Government circles from public servants and the Minister in regard to existing regional development authorities. This must be avoided if we are to see a satisfactory and successful development of this new authority.

If I may quote again from the Minister's second reading speech, she likewise mentions that the authority would be accountable to the Minister, and that is appropriate. Financial accountability, which is mentioned in her speech, is also very important. However, I have some concern about the part of the second reading speech which says that the authority will be accountable and subject to ministerial direction. It is the degree of that ministerial direction with which we have some trouble. A Minister who oversees any Government

department or instrumentality has a responsibility to have an input into it, but it is the degree of the ministerial direction which is in question here. Excessive ministerial direction or authority imposed from above will do more harm than good. We would prefer to see most of the action and initiative coming from the grass roots; from the people on the ground, from people in the local community and from the advisory committees. The ministerial direction should play more of an overseeing role rather than actually interfere in the operation of the local development authority.

One way in which the Government can assist these authorities to undertake their tasks, especially in some of the more sparsely populated areas and smaller towns, is by decentralising Government services. That is not so appropriate in towns like Esperance and Kalgoorlie, which have large populations, but it is more important in some of the smaller towns like Ravensthorpe which will be incorporated in this authority. The country towns report states -

... as a starting point, Governments must review their current policies which tend to promote centralisation of population and commercial activities in large cities and the continued loss of population from rural areas. Whilst Government investment has been considerable in non metropolitan areas, the fact remains that most country towns in WA are inadequately serviced. Until this problem is solved the rural population will continue to seek refuge in our metropolitan areas.

One of the aims of any regional development authority must be to have development take place across the board, not only in the two or three major centres which might happen to be in that area. While it is very important that major projects take place in the City of Kalgoorlie-Boulder and in the towns of Esperance and Ravensthorpe, it would be a pity if some of the smaller towns missed out because all the funds and the development focus were in those larger centres. It is essential that those development activities should take place across the board to reverse the trend we are seeing in some of the smaller towns, where the population is decreasing and the social fabric is deteriorating quite considerably. It is particularly important that these issues take place, given the economic climate in the country areas. As members on both sides of the House would be aware, both the agricultural and the mining areas are going through something of a downturn and suffering economic hardships which were not thought of some years back. It is important for those areas to receive a boost in order to retain the work force and the social infrastructure so that when these new developments do take place we will have the resources to make sure that they go ahead in a very active way.

The National Party supports the establishment of this new development authority. It has a unique make-up because both geographically and industrially it contains two quite distinct areas. The mining and pastoral area is centred on the Kalgoorlie region, which is quite isolated from the agricultural and fishing area along the coast. However, they have one major feature in common, and that is tourism, and I shall touch on that a little later. Referring to the main activities in the two areas, mining and agriculture, I was heartened to hear the member for Cottesloe, in his very commendable and worthwhile maiden speech, refer to the status of those industries and the economic benefit they confer on the State. That can only be enhanced by the activities of a properly constituted and run development authority in the goldfields and Esperance regions.

The differences between the two regions are reflected in the appointment of two advisory committees, one for the goldfields and one for the Esperance and Ravensthorpe areas. I support the appointment of those two separate advisory committees, in view of the distinct differences I have outlined, but it is very important that they should work together because they will not be able to achieve anything in the way of development in their specific areas if they work in isolation or against each other. Another distinct difference between the two areas is in regard to party politics. This is an opportunity for the Government to display a genuine, non-political emphasis. The northern area is dominated by the Labor Party and the southern area has a very strong conservative element in its present configuration. The Government could not be accused of pork-barrelling if it were to direct some of its emphasis towards the southern region. This is an opportunity for the Government to display a non party political emphasis in its regional development activities.

While distinctly different, the north and the south of this proposed development authority area are complementary, because Esperance has always been the traditional port for the

goldfields and the holiday centre for the people in the Kalgoorlie-Boulder area. Goldfields people are always welcome in Esperance where they bring many tourist dollars and well known faces around the town every year, particularly in the camping spots. These people have been going there for a long time - long before Esperance regained some of its stature in the last 20 or 30 years. When the people of the goldfields came down for their holidays it was a major boost to the town's economy.

Despite the differences I have outlined, the fact that this development authority will cover the whole area means that it will be very workable. I say that for the very good reason that for some years I was involved as a member of the Goldfields-Esperance regional development advisory committee, and that was made up of representatives from Ravensthorpe, Esperance, and throughout the goldfields. The committee included people from various walks of life as well as local government representatives. While those people came from diverse backgrounds, they worked harmoniously together in promoting development ideas right across the whole area they represented. There was never any hint of a parochial attitude being taken by people on that advisory committee. If a proposition was put forward for a project in the goldfields, if the farmers, the fishermen and the people from Esperance and Ravensthorpe could see the wisdom and value in the proposal they would support it wholeheartedly. Likewise, if people from the Esperance or Ravensthorpe area proposed a development they felt was desirable for their area, that was supported wholeheartedly by people from the goldfields. It was a most dynamic committee and in the few years I spent as a member of the committee I experienced some of the most stimulating activities of a public nature I have undertaken in the whole of my life. I look back on that time with both regret at no longer being involved with the committee, and pleasure because of the interest and excitement created during the time I was involved, and because I became acquainted with some of the people from the goldfields and Esperance areas, who were so dynamic in their outlook.

I was interested in the comments made by the Minister for South-West yesterday about people launching their political careers from their various involvements in public life. I hope he would not accuse me of launching my political career from my involvement on the Goldfields-Esperance regional development advisory committee. It may have broadened my understanding of some of the issues outside agriculture and fishing, but it certainly did nothing for my political career.

The establishment of the Goldfields-Esperance Regional Development Authority is very important for the future development of the Ravensthorpe and Esperance areas in particular. I will not dwell on the goldfields so much, because that area has already been very well covered by the member for Nedlands. However, one thing I want to mention which is of very great importance to the goldfields is that establishing a regional development authority there will help to broaden the economic base in the Kalgoorlie region. That is vitally important. I do not think any city like Kalgoorlie-Boulder can survive if its main source of production is in mining, whether it be gold, nickel or whatever. The economic base of the Kalgoorlie region needs to be broadened and I am sure this new authority will help in that respect.

Returning to my more immediate area of interest, the further development of the Esperance and Ravensthorpe areas through this authority will, I believe, take place. It is important that the Port of Esperance be further developed and that as much throughput as possible be encouraged. It has been for a long time the natural port for the goldfields, and the more mineral production we can channel through the Port of Esperance, the better it will be for all of the port users - not just those who ship commodities from the goldfields - because the bigger the throughput, the lower the per unit cost, which has a benefit right across the board. The Port of Esperance has recently been deepened and can take larger ships now. That was done mainly for the grain ships but the spin-off benefit is that we can offer a larger ship capacity for any mineral exports which it is considered may go through that port. More trade through the port is good not only for the waterside workers employed there, but also for the economy of the town as a whole.

The other side of the coin is the mining industry inputs which could be channelled through the port to go to the goldfields. We have seen quite an amount of fuel going through the Port of Esperance to the goldfields in recent times, and again, the member for Cottesloe mentioned the huge tonnage of fuels required -

The DEPUTY SPEAKER: Order!

Mr AINSWORTH: - to undertake the mining operations that currently take place in the goldfields.

The DEPUTY SPEAKER: Order! The fact that the member for Roe cannot hear me indicates that the level of background conversation has become far too high over the last five minutes. A number of rather intrusive conversations are going on, and while it is good to have a good sprinkling of members in the Chamber their conversations make it difficult for others to follow the proceedings.

Mr AINSWORTH: Thank you, Mr Deputy Speaker. I am sure members opposite will stop and listen to this part of my speech because, as I always stress, when I have something nice to say about the Government I say it in public. While talking about imports into the Port of Esperance which ultimately end up in the goldfields, I commend both the Minister for the Environment and the Deputy Premier for the support they have given to the importation of ammonium nitrate through the Port of Esperance. The steps they took were most commendable. Certainly they were supported by everybody in the area, from the waterside workers who handled the product at the first stage, to the whole of the Esperance community. Not one single complaint or question came to my office about the safety aspect or the decision made by the Minister in overriding the Department of Mines' determination about that importation. It has been accepted as a worthwhile and most necessary import, and as very beneficial to both the Town of Esperance and the goldfields, because there has been quite a significant saving in freight charges on that product.

Another important side benefit of which many members may not be aware is that, because the ammonium nitrate is coming in in quite small ships, it offers the opportunity for small tonnages of other products to go out of Esperance which would not normally go out through that port in a larger ship. One such commodity, which is currently freighted to Perth to be shipped from Kwinana, is high grade salt, which goes out in small tonnages but could be bulked up and exported in these smaller ships which are bringing in the ammonium nitrate. There is also a possibility that some special markets can be established for the high protein wheats grown in the northern parts of the Esperance Shire. Again, they are not large tonnages and certainly not a shipload under normal circumstances, but for these smaller ships it could well be economic to backload half or two thirds of a cargo, or maybe even a shipload, to a specialised market and save considerably on the costs of bulking up those high protein wheats until there is a large shipload. All in all, it is a very beneficial outcome and I commend the Ministers involved for making that decision.

It is important for members to recognise also that the Port of Esperance is served from the goldfields by a standard gauge railway line. It is one of the few country areas outside the main line from Kalgoorlie to Perth that is so serviced, and therefore it lends itself to the two way traffic of products through the Port of Esperance to the goldfields.

While speaking of freight, the cost of freight to the agricultural community is very high, particularly when producers are trying to get their livestock and other products out to markets which are not available in the local area. One of the things this new authority can promote is more local processing of the agricultural and fishing products in the area - in other words, value adding, which is a very popular catchcry these days. It should be taken up most vigorously wherever it can be promoted because it will significantly assist in the economic revitalisation of many of our country areas.

In the past we had an opportunity to undertake this value adding of local agricultural production. The farmers in the area had raised a significant amount of money for the establishment of an export standard abattoirs. Unfortunately, the Government at the time - a Labor Government, in fact - was unwilling to provide a Government guarantee for that abattoirs and finally the project did not go ahead. Of all the things the Government could have guaranteed, this would have been one which made some money. Lots of other projects were guaranteed which have not made money, as we all know - and I will not dwell on that. Suffice it to say that the farmers' funds which were put into this project have been dissipated into other areas and are no longer available. We could have used that abattoirs to process some of the old sheep and excess mutton which is so freely available now but which has no outlet at present. Of course, when one lives as far away as the Esperance area, the cost of freight that livestock even to the nearest abattoirs at Katanning is excessive.

[Leave granted for speech to be continued.]

Debate thus adjourned.

GRIEVANCE - CRIMINAL CODE AMENDMENT (INCITEMENT TO RACIAL HATRED) BILL

Delay Concern

MR CATANIA (Balcatta) [12.01 pm]: I express my concern to the Minister assisting the Minister for Multicultural and Ethnic Affairs at the length of time it has taken for the Criminal Code Amendment (Incitement to Racial Hatred) Bill to pass through Parliament. If the Bill is delayed any longer people will not be penalised for displaying pamphlets inciting racial hatred and Western Australians will miss out on the opportunity to make a statement to people with different ethnic backgrounds indicating that Western Australians deplore racism. We will miss out on letting other nations know that Australians care for people who come here from overseas and that we wish them to live in peaceful and dignified coexistence in Australia regardless of race, colour or religion. This would be demonstrated by amendments to the Criminal Code which would outlaw incitement to racial hatred. The resulting Bill will be a statement to neighbouring countries and people in Australia that we care for our migrants. This Bill is significant and this statement needs to be made. If the Bill is not dealt with soon the spirit of that statement will be lost.

When debating this Bill in this House and in the other place the Opposition has belittled the significance of the amendments to be made to the Criminal Code. It has described the legislation as similar to using a sledgehammer to crack a nut. Unfortunately, the Opposition has not perceived the serious nature of the ever increasing problem of racism in Western Australia; it is an ever increasing problem to groups such as Aborigines, Asians and the Jewish community.

I now refer to a magazine that was published in the weekend edition of *The West Australian*. The front cover displays the heading "Racism How Bad Are We?" It contains an article written by journalist, Mike van Niekerk.

Mr Trenorden: Not van Blitterswyk?

Mr CATANIA: No, I do not think so. The opening paragraph, which is significant, states -

How bad are we? Many people think racists are just a very small lunatic fringe, but try telling Asians in Perth that racism isn't a serious problem - they are confronted by abusive remarks every day.

An important paragraph in the article illustrates the problem, which the Opposition thinks is only a minor one -

... racism is perpetuated by silence and denial and its effects are hidden.

People suffer in silence because nothing has been done in Western Australia to make them behave otherwise. The article quotes an example the reporter observed in the streets of Perth -

I am walking in the Murray Street Mall, four paces behind two Asian women, one of whom is pushing a pram. Coming in our direction are two well-built men wearing black jeans, black T-shirts and black leather waistcoats. They both have short-cropped hair and earrings; one has a full spade beard. As they pass the pram, Beard suddenly points his finger and cocked thumb full in the mother's face and shouts, "BANG!"

She shrieks and then giggles nervously and helplessly. Beard and Friend continue walking. Grinning devilishly Beard offers a raised hand to Friend who clasps it mate-ishly in a tight grip. Terrorising mothers and babies? What prime Australian manhood!

This happens daily in Perth. The article quotes other examples of people in the suburbs of Perth who have been constantly harassed. The spirit of this legislation is not apparent to people living in our suburbs. The article makes important observations. Everyone should be interested in this very important subject. Other nations will judge us by the way we deal with our residents who have come to Western Australia from other countries.

Mr Strickland: When will the Government bring the legislation forward?

Mr CATANIA: The Opposition in this House and the other place have delayed the legislation with a lot of legal mumbo jumbo. It referred the Bill to the Standing Committee on Legislation, and it has stated that the Bill is against freedom of speech and that it should be dealt with by the Police Act. It is most interesting also that the Opposition considers the issue should be handled by the Litter Act; it considers that people involved in the Australian Nationalist Movement should be handled by the Litter Act! How many times have we heard Opposition members, particularly the Leader of the Opposition, attending ethnic functions and saying what a great contribution the ethnic communities have made to this nation, yet when he had a chance to make a statement he muffed it. These accolades are just patronising and obviously without meaning. He wants to deal with the problem by using the Litter Act.

The sooner the legislation is passed, the sooner the amendments to the Criminal Code will take effect, and the sooner we shall show people from other nations that we care for all people no matter what their colour, religion or physical features. I encourage the Minister assisting the Minister for Multicultural and Ethnic Affairs to ensure that our reputation is not destroyed, and to show people from overseas that Australia is a caring nation of people. He must make sure that the legislation is enacted quickly so that people like the bearded person referred to in the article cannot continue to walk in the centre of our city and frighten innocent people. Another important paragraph in the article states -

If Anglo-Australians had to suffer the same indignities they would scream blue murder.

MR GORDON HILL (Helena - Minister assisting the Minister for Multicultural and Ethnic Affairs) [12.10 pm]: I thank the member for Balcatta for introducing this topic again to this Chamber. It is a matter about which the Government has been concerned for a long time. We are concerned to the extent that we made a commitment some time ago to introduce legislation relating to incitement to racial hatred. In so doing, a commitment was made not only to deal with the legislative aspects of racism, but also to deal with the whole area of community education. That legislation introduced by the State Government epitomises the concern we have on behalf of the community at large, and certainly on behalf of the ethnic community, and the majority of the fair-minded citizens of Western Australia. We want to make a statement on behalf of the State that racism within our community is abhorrent not only to the Government, the Labor Party, and all members on this side of the House, but also is abhorrent to the community of Western Australia. This is a matter about which I feel very strongly. I have made many comments to that effect both publicly and in this House.

The concern expressed by the member for Balcatta cannot be overstated. It is a very serious issue, one which has taken up a considerable amount of time of this Parliament and one which should have been dealt with more expeditiously. As the member for Balcatta has stated, this Parliament has missed an opportunity to show leadership in this issue. The Government has shown leadership by introducing appropriate legislation but the passage of the legislation has been frustrated by another place; it was opposed by the Opposition in this Chamber. Attempts were made to amend the legislation in this place to seriously weaken it to the point where it would not be effective.

I have stated frequently that it is our desire to pass workable legislation because legislation which will not work - which is on our Statute books and is ignored - is legislation not worth passing through Parliament. We have stated repeatedly that we want legislation that will work and which will have the support of all Western Australians. That legislation was presented to this place some time ago. At that time, I sought bipartisan support for the legislation. I went to the extent of inviting members of the Opposition - the spokespersons at that time on multicultural and ethnic affairs - to give bipartisan support. I held meetings with all concerned persons, organisations such as the Australian Journalists Association and members of the Press Council. I travelled to Sydney to address the Australian Press Council to allay any concerns and to explain the legislation in detail. I met lawyers, the Law Reform Commission, and the various legal bodies in Western Australia representing lawyers in this State regarding legislative change.

Mr Strickland: Did you meet the Law Society?

Mr GORDON HILL: Yes.

Mr Strickland: Did you listen?

Mr GORDON HILL: What an absurd question. The Opposition continues to trivialise the whole issue. As the member for Balcatta said, the Opposition trivialises not only by suggesting that the problem should be dealt with by the Litter Act - and one member of the National Party agreed - but also by interjecting and catcalling across the Chamber. Opposition members continue to do that now and show the extent of their concern about the issue. Opposition members have no concern at all.

The Government has gone to great lengths to gain bipartisan support but the Opposition continues to frustrate the interests not only of the Government in this matter, but also the bulk of Western Australians, those fair minded citizens who are concerned about the issue. When I sought support from members opposite I gave a commitment to set up a monitoring group which would include representatives of the Opposition. I suggested we should pass the legislation, as a statement of support for the ethnic communities of this State and opposition to racism, to show that the Parliament of Western Australia is on top of the issue. That would also indicate that the Parliament is willing to show some leadership on the issue. I stated that after a trial period of 12 months, if the group felt that aspects of the legislation should be weakened or even strengthened, we would deal with that matter expeditiously.

I made that commitment in a public statement and the spokesperson in the upper House also made it in the second reading speech. The Opposition rejected that opportunity. The upper House chose to refer the matter to the Legislation Committee, and that is its right if the belief is that the legislation could be strengthened. However, I perceive the referral of the legislation to that committee - as do the ethnic communities - as a stalling tactic so that the matter will not be seriously addressed.

Comments by the Opposition members of the Legislation Committee in the consideration of evidence before the committee indicated that those members went into that committee with a fixed view on the matter and, rather than asking questions of members of the public giving evidence, they made statements - some of them political - to indicate the bias they held on the subject. The Government has requested that the matter be dealt with expeditiously. However, the legislation has been referred back to Parliament by the Legislation Committee. The Government quickly convened the first meeting of the newly established community relations advisory council, a body set up as part of the process of not only dealing with the legislative aspects of racism but also to obtain community views regarding the educational process involved in the whole issue. The community relations advisory council was asked to consider the matter expeditiously. I understand the council will meet tomorrow, having consulted ethnic communities during the past week. I understand the council will report to Cabinet in the near future, and that the Legislative Council will subsequently deal with the matter.

I appreciate the support of the member for Balcatta. He has perhaps more than most people in this place been dedicated to the passage of this legislation. He has been thorough in addressing the matter and discussing it with ethnic communities in Western Australia, in his support for the Government in its approach to the matter, and in recognising the negative coverage we have received overseas such as that expressed in the magazine to which he referred. That coverage has been enormously damaging to the Western Australian economy and to the tourism industry in terms of developing contacts with South East Asia in particular. The member has recognised that other States in Australia are waiting for the passage of this legislation - including the conservative State of New South Wales - and regard this legislation as model legislation.

GRIEVANCE - SILVER CHAIN NURSING ASSOCIATION (INC)

Albany Hostels Closure

MR WATT (Albany) [12.20 pm]: I raise a grievance on my behalf and also on behalf of the member for Stirling who shares a common interest in a problem regarding the two Silver Chain Nursing Association hostels in the town of Albany. The association has introduced a proposal which will see the progressive relocation of occupants of its two hostels. The first is the Gwen Hardie Lodge at Emu Point and the second is the Annie Bryson McKeown

Hostel at Spencer Park. It is intended to relocate the residents to areas around the town in small clusters rather than in a hostel environment. It is then intended to progressively dispose of the hostels and convert the funds from the sale of those assets. I understand that the reason for this is that the Silver Chain Nursing Association has decided, as part of its corporate restructuring, to phase out hostel management in the future. I give the association, and this House, a very strong assurance that that move meets with strong resistance from the occupants of those homes and from the people of Albany.

By way of background, the Annie Bryson McKeown Hostel, which houses 27 people, was opened in 1960 and was financed by a bequest from Annie Bryson McKeown. I saw her will and she was very specific about the use of the funds. This hostel has been added to by other bequests and by fund raising programs. The Gwen Hardie Lodge was opened in 1972 at a cost of \$400 000, half of which was provided by the Commonwealth with the rest coming from the State Government, the town council, the shire council, the Lotteries Commission, local fund raising and a single donation of \$20 000. Both of these homes stand on Crown land but are vested to the Silver Chain Nursing Association for aged accommodation. The association has \$680 000 in local and head office trust accounts and fixed deposits and it has recently been allocated \$500 000 from the Commonwealth Department of Community Services and Health for a major upgrading at the Annie Bryson McKeown Hostel. This proposal, as I have said before, would see the progressive removal of the hostels. The local community is concerned that when the people are moved out of the Gwen Hardie Lodge, the home will be disposed of and the funds will be used to buy more homes in the community. By the time the Annie Bryson McKeown Hostel requires upgrading the money set aside to do so would be already spent. The association could then say that the money is not available to upgrade the hostel so that would have to be sold as well! This would leave the community without a hostel.

Mr House: It is a simple trick.

Mr WATT: It is; I assure the House that if those hostels are lost, they will be extremely difficult - if not impossible - to replace. The estimated replacement cost would be enormous. Members of this House would be aware of how hard it is to obtain funding for community projects of this type these days.

In a discussion paper issued by the Silver Chain Nursing Association a number of claims were made. Firstly, it states that this proposal was to be introduced "to test the hypothesis", but it seems rather hasty to be testing their scheme and at the same time to be wanting to flog off community assets. The association refers to the schemes as "pilot projects", yet it wishes to dispose of assets. The discussion paper suggests that, "If it is successful, it will be a completely new concept." However, by its own admission it does not know whether it will work. The paper refers to a Carnarvon model and refers to "satisfied clients". However, that would be because no hostels were in the area beforehand, so it is not surprising that it was satisfactory. The paper refers to "clients" - I would refer to them as residents - and states that they were particularly satisfied and enthusiastic about the idea; however, the paper suggests that the idea was discussed only briefly. The paper states that the clients indicated that they would prefer the type of option suggested by the association. In the Albany district a comprehensive questionnaire was sent to elderly people, and I have seen dozens of them. About 98 per cent of them indicate a resistance to the move to do away with the hostels. From where the association has received significant enthusiasm and support is beyond me.

Albany has a significant retirement population; I have encouraged Albany to pursue this aspect because it is very good for Albany.

Mr Strickland: It is very good for the people who retire there!

Mr WATT: Absolutely. If we are to claim to be a retirement town, it is vital to provide a range of facilities. Several retirement villages are located in Albany and some of these are resident funded and some of them operate on a rental basis. The Silver Chain Nursing Association provides a valuable service to people in their own homes, and in the two nursing homes located in the town. It is interesting that the Commonwealth Government recently conducted a survey indicating that the construction of more nursing home beds was not required and this justifies the retention of the Gwen Hardie Lodge and the Annie Bryson McKeown Hostel. These places have a waiting list longer than in the past, and many people in the hostels are bordering on nursing home patients. We simply cannot afford to do away

with the hostels when obviously so much need exists. These hostels are an integral and essential part of care for the aged.

I refer briefly to two examples of people who have been assessed by the geriatric assessment team as being suitable for the hostels. In one case an elderly lady who had lived in Albany all her life was assessed as suitable to go to the hostels. She went to the Emu Point hostel and was assessed again by the Silver Chain assessor and was told that she was not suitable; this was despite the fact that beds were available. This lady was sent to Busselton and she asks why they would do that; I ask the same question. Another lady who was about 90 years old and almost blind was assessed as being suitable for the hostels. However, she was declined and she was told to go back to her home, to put a fence around her home and to get a dog. What does that prove? These people are most uncaring in their attitude to old people; they are playing with people's emotions at a time in life when they need security. Elderly people do not want to be pushed around. The hostels provide a form of housing for elderly people. I realise that the State Health Department does not control the Silver Chain Nursing Association, but it does provide a considerable amount of money to the association and also acts for the Commonwealth in determining its priorities in the provision of health care services. It is important for the health of the community that these hostels be maintained. They are technically owned by the State Government because they stand on Crown land and were established by a major bequest and a Government grant, along with three decades of local fund raising. This has built up over a number of years and must not be destroyed with the stroke of a pen. I encourage the Government to intervene in these matters to ensure that the Silver Chain Nursing Association is prevented from diverting Commonwealth funding, and from abandoning its responsibility in the vital care of hostel management.

MR WILSON (Dianella - Minister for Health) [12.30 pm]: The member for Albany has previously discussed some aspects of his concerns with me and I am aware of some activities that have occurred in relation to the situation he has described. He has quite correctly indicated that the negotiations and the proposed changes that have been discussed and aired are largely matters that have gone on between the Silver Chain Nursing Association and the Commonwealth Department of Community Services and Health, which funds the hostels. The Silver Chain Nursing Association has advised me through the Health Department that it has been concerned for some time about the operations and facilities provided by its aged persons hostels at Albany. Its advice is that the hostels consistently have vacant beds and obviously require refurbishment.

Mr Watt: They are not accepting people; that is why they have vacancies.

Mr WILSON: The Silver Chain organisation's view is that the Gwen Hardie Lodge in particular has the added disadvantage of being located at Emu Point. The organisation says that this has created difficulties for residents wanting to get into Albany due to limited public transport.

Mr House interjected.

Mr WILSON: I am simply conveying to members the information provided by the Silver Chain Nursing Association.

Mr Watt: If you salt and pepper them throughout the community that problem will be exacerbated, not helped.

Mr House: Particularly given the public transport service in Albany.

Mr WILSON: The association has gauged that the existing facilities are not serving the Albany community as well as they should. At its annual general meeting it was agreed that an examination should proceed to determine whether there were options for better use of the available resources to serve the aged community in Albany. I am advised that following the Silver Chain AGM a meeting was held in Albany with staff and committee members of the two hostels about the possible options for improvement of services. As a result of those meetings it was agreed that alternatives should be investigated particularly the possibility of acquiring or renting residences in Albany to provide what the association describes as homelike settings for the current residents of the Gwen Hardie Lodge. Its view is that that has the potential to provide the same or better care of residents of the Gwen Hardie Lodge in what it calls non-institutional settings. The latest advice I have received is that that investigation is still proceeding. That seems to be in line with what the member for Albany has said about questionnaires or surveys.

Mr Watt: That was done by the association's local branch to prove what it believes to be the case, which is different from the Minister's view.

Mr WILSON: I see that as part of a parallel process which would certainly be desirable before any final decision is made. The Silver Chain organisation has advised that in undertaking this investigation it has maintained contact with the Commonwealth Department of Community Services and Health, which funds the two hostels. The Commonwealth department supports the examination of homelike alternative care for frail aged persons in Albany. Certainly it is Commonwealth policy in establishing new hostels that funding preference be given to smaller groups of accommodation than was previously the case. The Commonwealth is concerned about large institutional developments impacting on the better interests of the clients of these services. I am told that no final decisions have been made either by the Silver Chain Nursing Association or the Commonwealth department. That again would seem to be in line with what the member for Albany has indicated is the current process.

To be fair, it is always difficult to begin a debate about what might seem to be a beneficial change to a service that has been in place for a long time. People will always feel threatened because the outcome is always unknown. What they have, they know about. What they have, they are familiar with. What they have, although it may not be of an excellent standard, is something they feel comfortable with. Any thought of change can be seen to be a threat to a service that is generally doing a job with which they are satisfied. It is my view that, firstly, there should be very close consultation with the clients and their families before any final decision is made. Secondly, there should continue to be service options for people without their being dictated to and told that only one alternative is acceptable.

Mr House: Does the Minister also accept that the existing facilities should not be sold in order to finance that change, or at least not until that change has been established?

Mr WILSON: The association may be in a bind in that it cannot progress the one without the other. I am not sure of the details, but it may be that the only option available to it is to test the change in respect of one hostel and see whether that alternative form of care is an acceptable one.

Mr House: What if it doesn't work?

Mr WILSON: In principle one cannot say that on the surface it will not, or that it is not more desirable, or that it cannot be just as good. We are not talking about replacing one service with no service, or necessarily with a lesser service.

Mr Watt: We would prefer that it be in addition to rather than instead of.

Mr House: Hear, hear!

Mr WILSON: That may be so, but it still has to be accommodated in the Commonwealth's policy of allocating a certain number of hostel places in any one area. Perhaps the bureaucrats are blocking an attempt to do that, and for all I know - I do not know the facts of the case - those two hostels may be the total allocation of hostel places for that region. If that is the case, no more places can be funded under Commonwealth guidelines. I can assure the member for Albany and the member for Stirling, who has an interest in this matter, that the State Health Department is keeping a close eye on the negotiations. The department and I consider that nothing final should be done without the State's having a say about the outcome. I give that assurance now and I will keep in touch with the two members about that process.

GRIEVANCE - HOSPITAL CRISIS

MR SHAVE (Melville) [12.40 pm]: My grievance relates to the breakdown of the medical and hospital system in Western Australia and specifically to the effect it is having on the people in my electorate and on the Fremantle Hospital. It is obvious as the days go by that the hospital system in Western Australia and in Australia generally has reached crisis point. That has been caused by incompetent Labor Governments telling people that they need not worry because the State will look after them. Clearly that is a philosophy of failure. I am particularly concerned by the effect that the policies of this Government are having on the people who need the most support. Numerous people come to my office on a regular basis on the verge of tears.

Mr Pearce: Some members have that effect on their constituents.

Mr SHAVE: Members opposite can laugh and jest but the people they are supposed to support are the people they are letting down the most. Members opposite should have guilt complexes because I believe they are totally irresponsible in continuing to support a policy that does not work.

Mr Pearce: What should we do? You tell us.

Mr SHAVE: I will do that in a minute.

A few weeks ago, a man who needed a major operation came to my office. He lives in Bicton and in desperation came with his wife to see me. He was in a great deal of pain. He had been told by the people at the Fremantle Hospital that he would have to wait six months for an operation because there was a long waiting list. He asked me what I could do.

Mrs Beggs: Was his doctor someone who had been assigned to him by the hospital or was he a private patient?

Mr SHAVE: He is being treated by a doctor at the hospital and his private doctor.

Mrs Beggs: Do you know that doctors at the hospitals determine priorities?

Mr SHAVE: I know they do and I know that those priorities are based on availability. This man is a pensioner and in desperation he came to my office. I arranged for him to have an operation at the Osborne Park Hospital. He had to make a decision. I said that I could not make it for him but I told him that if he were my father I would recommend that he go to the Osborne Park Hospital. He declined because he was frightened that his wife could not visit him because they could not afford taxi fares to that hospital. He is going through pain every day because the hospital system has let him down.

The Government is irresponsible in causing emotional stress to elderly pensioners in my electorate who have to attend Fremantle Hospital on a regular basis to see if they can have an operation and who sit there all day and are then sent home at four o'clock in the afternoon after being told that no facilities are available to help them that day. This Government and the Minister should oppose what their colleagues are doing at a Federal level.

I have a letter from another man who required an operation. I am sure this letter will also amuse members opposite who laughed earlier. It reads in part -

Dear Mr. Doug Shave,

This is Ron writing to you, to see if you can help me. I really don't know how to start. Anyhow its about the Ftle Hospital. I have to have two operations. One is one of Hawkies on my prostate gland. The other is fore a double hernia. I'm geting a bit confused at the moment, trying to get to the point what I'm trying to explain. I'll try this way. I've been out to see the specialist in Thomas Rd. Subiaco, July 10th . . . who operated on me at the Kaleeya Hospital East Fremantle on the 11.2.85. I've had three opp's there that I know of & two at St. Joseph's in Bicton, while I've been on the invalid pension. I had to pull out of the H.B.F. after that operation as my savings had run dry. . . . The Dr. from the Ftle Hospital said I would have to wait about two months. I saw my own private Dr. last Sat 25th -

I guess he means 25 August -

- & again this morning Mon. 27. As I'm sick with worry, my head felt like explodeing. I don't know if Im comeing or going. I have to see another private specialist this Thursday 30th about my double hernia. If I was still in the H.B.F. I would have had it over & done by now. Just because your a pensioner you have to wait. Your just a number "C2033253" not a human being. As my Dr. said to me this morning, if I was a politician I'd have no wait. I said yes just likes Hawk's, he had his over and done with not like us pensioners have to wait. If you could try & explain to the hospital, I've had five operations in my first five years, since I've been on the invalid pension in private hospitals. & still would have if I could have aforded to stay in the H.B.F. Id have no worry or problems at all. Well Doug, my eyes & head are aching like mad pluss so & so you should know what I mean. I was going to ring you, but my Dr & allso some "staff woman" from Ftle Hospital said to write to your local M.P. I said thats exsackly what I'm going to do. I'll have to close now as I'm

probably boring you by now. Sorry I find it hard to write this sort of letter. Please forgive me if I am. I could explain better over phone. Sorry but hoping to hear from you soon by phone or letter.

P.S. Excuse bad spelling and hope I have'nt bored you too much. Do you think I need or should have photo copy of this letter for hospital.

That does not bore me; that disgusts me and the Minister should be doing something about it. As politicians, our first responsibility is to the people and not to misguided party ideology. The Minister should be encouraging income earners on decent salaries to support their own medical treatment. It should not allow people on \$40 000 and \$50 000 a year to rely on Medicare when they can afford to pay for their own private insurance. It is negligent for him and his colleagues to turn a blind eye to what is happening to the medical system in this country and in this State. The Government has let down the people that the Labor Party suggests it supports - I refute that - such as the pensioners and this gentleman because it is not prepared to accept that the policies that were implemented originally by the Whitlam Government are a total failure.

A member opposite asked about a solution. I will tell him what the solution is. The Government should retain Medicare for the people who need it and who cannot finance their own medical care and should encourage people who are using the system to take out private insurance to pay for their medical treatment. The way to do that is to give them tax incentives.

Mr P.J. Smith: It is a subsidy to the rich.

Mr SHAVE: It is not. It will get the people who should not be on Medicare off it and it will protect the people that this Government is leaving out on the streets and who are going without vital operations for six months, 12 months and sometimes two years.

MR WILSON (Dianella - Minister for Health) [12.50 pm]: It is appropriate for the member for Melville to bring before this Parliament the concern he has for his constituents, including pensioners, who are disadvantaged and who have to wait for needed hospital care. I applaud him for his concern; it is a concern that any member of this House would be obliged to bring to the attention of the public. Most members in this Parliament could give instances similar to those described by the member for Melville and they would feel as strongly as he does about the cases which have been brought to their attention. He can be assured that as Minister for Health I am deeply concerned about such cases. As a result of my concern I made very strong and repeated approaches to both the previous and present Commonwealth Ministers for Health which have made me quite unpopular with both of them and their colleagues.

The second last occasion on which I spoke to the Commonwealth Minister was earlier this year at the Health Ministers' conference when I joined with all other State Ministers for Health, because of the concern - a similar concern to that expressed by the member for Melville - we have for people who need assistance from public hospitals, to urge the Commonwealth Government to undertake a total review of Medicare and health services in Australia. Many people need assistance from public hospitals and they are having to wait for, or are missing out, on medical treatment because they do not have private health cover. Since then the new Commonwealth Minister for Health has announced a review of national health policy, including a review of those aspects of medical care and the part that private health cover should play in a total health system in Australia in order that the problems experienced by the disadvantaged and pensioners can be effectively addressed. Since his announcement I met with the Federal Minister for Health and he outlined to me the terms of that review. I have also met with the person responsible for that review and have put forward my views about what is required in order to address the concerns of members on this side of the House for those pensioners who are affected by the current stringency on the funding of public hospitals and the imbalance which favours those people better equipped to pay for health services.

We must face up to some facts of life and while it is easy to point to specific cases which are of great concern to the people involved, to their families and to members of Parliament, it is not as easy to propose methods of funding to meet the mounting health care costs of this nation. The solution is not as simple as the member for Melville tried to make it. In fact, at

the last Federal election his Federal colleagues came up against that awful reality because they proposed a policy which, in the end, they admitted would require hundreds of millions of dollars more of public funds than they had allowed for in their estimates. People in the community must face up to the fact that the cost of health services today is greater than it was in the past and they must be prepared to pay more for them in the future. It is not easy to shift a community attitude. The things we have taken for granted in our good health care system in Australia can no longer be provided as cheaply or as freely as they have in the past. More people are now prepared to face up to the fact that they will have to pay more for health care and they are prepared to do that. Some incentives should be provided to encourage people to take out private health insurance. I am encouraged from what I have heard from the new Federal Minister for Health to believe that the review now in place will provide more equity and a better service to the poorer members of the community and to pensioners through additional funding to our public hospital system.

While I commend the member for Melville for bringing forward his grievance on behalf of the people he described, I call on him and other members of the Opposition to work with the State Government to find a more efficient way to provide a health care system with better equity arrangements for the poor and the disadvantaged and recognising that other people in the community will have to face up to increased costs for health care which, in the past, they believed they could obtain more cheaply or even free of charge. That is no longer an option in the current economic situation.

The SPEAKER: Grievances noted.

Sitting suspended from 12.57 to 2.00 pm

MENTAL HEALTH AMENDMENT BILL

Message - Appropriations

Message from the Governor received and read recommending appropriations for the purposes of the Bill.

MOTION - BELL GROUP SHARES

Rothwells Ltd - Government Involvement Cover-up

MR COURT (Nedlands) [2.01 pm]: I move -

That this House condemns the Government for continuing to cover up -

- (a) its involvement in the purchase of the Bell Group shares and the decision to underwrite the sale of convertible bonds in April 1988;
- (b) its involvement in the settlement with the NCSC who had disapproved of the transaction because of the close association with a similar purchase by the Bond Corporation at the time; and
- (c) the reasons why the Government had the Bond Corporation deposit \$100 million with Rothwells to enable the Government Employees Superannuation Board to be repaid approximately \$50 million lent to Rothwells as a part of the private arrangement reached at the time of the NCSC settlement,

and calls on the responsible Government Ministers and officers to explain the whole truth of these dealings to the people of Western Australia, particularly as they are causing huge losses to the taxpayers of this State.

The past week has been a remarkable week: The SGIC announced unaudited losses of \$117 million; the SGIO announced losses of \$13.7 million; and \$250 million was written off in bad debts from what the SGIC called entrepreneurial investment into Rothwells Ltd, Spedley Securities Ltd, Bell Group Ltd and Bond Corporation Holdings Ltd. However, neither the Chairman of the SGIC, the Deputy Premier nor the Premier had the decency to tell the people of Western Australia who was responsible for the authorisation or negotiation of those deals. The most remarkable set of circumstances occurred when the Chairman of the SGIC, the Deputy Premier and the Premier talked in circles on radio and television saying that they were not responsible for the authorisation. However, they would not tell the

public who was responsible. Although a Government body has lost much money and has written off many bad debts, and the Government has said it will be accountable following the debacles that have occurred, not one person in a responsible position in the State is prepared to reveal who was responsible for authorising and negotiating those deals. That question is what the WA Inc debacle and the continuing coverup are all about. The reason the Deputy Premier, the Premier and the chairman of the commission had to duck and dive last week and would not reveal who was responsible for the authorisation of the main share transaction - the purchase of the Bell shares and the convertible bonds - was that Cabinet authorised the deal. The SGIC paid \$2.50 for shares and a couple of years later sold them at half a cent each. Huge losses, legal action and a great deal of deceit on behalf of both the SGIC and Cabinet Ministers responsible have taken place.

During this debate I will explain how that deal was negotiated and, if any members of the Government are interested in following the first part of the transaction, I am only too willing to provide a briefing note for them. I will also explain how the Government broke corporate law which it was administering and then set about to deceive the public and to work out a solution to cover up the matter. I will explain how the NCSC recommended that Bond Corporation be fined \$1 million for breaking corporate law and how the Government sent a letter to the NCSC saying it would waive that fine. Finally, I will show how the SGIC lied during the NCSC investigation into that transaction. It gives me no pleasure to be talking about another sad and sorry episode in the history of WA Inc.

When the McCusker report was released, the Government tried to hoodwink the people of Western Australia by saying that the report uncovered events concerning which the Government would seek prosecutions. The deals I will uncover today, which involve one of the major transactions in the WA Inc saga, are hardly touched on in the McCusker report. It devotes two little paragraphs to the matter which leaves a big hole in the story of how the deals were put together.

The first part of the explanation concerns the purchase of the Bell Group shares by Bond Corporation and the SGIC. In mid-March 1988 Mr Bond met Mr Holmes a Court about a proposal by Mr Bond that he acquire a Bell Group subsidiary called Dewey Warren Ltd, a United Kingdom company. During that discussion the subject of the disposal of Mr Holmes a Court's shares in the Bell Group was raised. A series of meetings took place in March and April which culminated in Mr Bond proposing to buy 19.9 per cent of the Bell Group shares.

At the same time Mr Holmes a Court told Mr Bond that he was also negotiating with other parties, including the SGIC. Getting closer to the day, on Sunday 24 April Premier Dowding requested the Attorney General, Mr Berinson, to ascertain whether the valuation of the Bell shares proposed to be purchased by the SGIC was a reasonable one. I refer to the answers given to questions 258 and 274 in that year. On that day Mr Berinson knew the SGIC intended to buy a major parcel of Bell Group shares; he also knew that Bond Corporation intended to buy a major parcel of Bell Group shares, and that Bond had a different method of valuation from the SGIC. That valuation was available for comparison - question 397 refers to it. However, the Government has said there was no collusion. As the debate continues the Opposition will prove without doubt that there was collusion between the two parties.

On that day also Mr Kevin Edwards, the acting chairman of the SGIC, sent a letter to Mr Holmes a Court offering to purchase 60 600 000 shares in Bell Group Ltd for \$2.50 a share and to underwrite the sale of \$150 million convertible notes in Bell Group at par. We are told by the Acting Premier that Mr Edwards was authorised as the acting chairman to make this offer and yet we can find no board approval authorising that offer. All the information I refer to is documented and available to any member. The proposal contained in the letter, which I am prepared to table, could have been accepted by Mr Holmes a Court and would then have constituted a binding contract. It is a critical letter in which the acting chairman of the SGIC on a Sunday offered to buy a large portion of the Bell Group. Yet to this day no-one is prepared to say who authorised that person to make the offer.

On Monday 25 April, Anzac Day, which most of us remember, Mr Holmes a Court responded to the letter stating that he was inclined to accept the offer if all his shares could be placed. On the same day a meeting took place which was attended by, among others, Mr Edwards from the SGIC, Mr Lloyd and Mr Connell. The meeting was held in Mr Connell's home. Why was Mr Connell involved at that stage in the negotiations to

purchase this large part of the Bell Group? Later that morning at 11 o'clock a further meeting was held between the Attorney General, Mr Berinson, Mr Edwards from the SGIC, and Mr Peter Mitchell from Bond Corporation. The meeting was held to discuss Bond Corporation's valuation of the Bell Group. These matters are dealt with in questions 397, 436, 257 and 274. This is one of the key meetings involved in the transaction because all the parties were meeting before the deal went ahead to discuss the valuations each party would place on the transaction. We were later told that there was no collusion between the parties; however, these people were sitting in the Attorney General's office determining what value each party would place on the shares.

It is interesting to note that the day before, Mr Dowding asked Mr Berinson to check the valuations of the company. When Mr Berinson went to carry out the valuations he met the people from Bond Corporation. Is that not interesting? Why did the Attorney General handle the valuation of SGIC deals? In reply to a question he has said that he does not know much about the valuation of the companies. Why then did he accept the job from the Premier? I submit that it was because a lot of legal advice was needed at the time on these corporate transactions that clearly breached corporate law. Later that day at five o'clock the original offer Mr Edwards made to Mr Holmes a Court expired. On Tuesday 26 April a Cabinet meeting was held. Questions 257 and 274 relate to this matter. Who were the members of Cabinet at that time? They were: Hon J.M. Berinson, Mr Dowding, Mr Taylor, Dr Lawrence, Mr Grill, Mr Parker, Hon Kay Hallahan, Mr Carr, Mr Pearce, Mr Hodge, Mr Wilson, Mrs Beggs, Mr Troy, Mr Bridge, Mr Hill, Hon Graham Edwards and Mrs Henderson.

Mr Taylor: Did they all attend the meeting?

Mr COURT: I do not know but the meeting was held to approve the purchase of the shares. In reply to question 258 Mr Berinson said the same procedure was followed precisely as when the SGIC purchased the BHP shares in 1987, which took place at the direction of the Government. I have the minutes available if the Minister wants to read them.

The valuations of the SGIC had been prepared and the Cabinet knew what Bond Corporation planned to do. At that meeting Cabinet authorised the SGIC to purchase the shares and the notes in the Bell Group. On the following Wednesday Mr Trevor Rowe of Salomon Brothers came on the scene and he entered into an agreement to provide an opinion as to the fairness of the valuation of the convertible bonds in Bell Group Finance and Bell Group Ltd. Mr Rowe concluded in his valuation that the deal would be fair at a cost of \$140 million, which was \$10 million less than the amount stated in the letter sent by Mr Edwards to Mr Holmes a Court. The Government brought somebody in to value a deal after that deal had been put together. He was not asked to value the transaction, but to say whether it was a fair valuation. He presented a couple of valuations which, on his own admission, were not worth the paper they were written on because he did not use any independent information when preparing the valuations. It was purely a valuation of convenience prepared after the main deal had been put in place.

At 2.15 that afternoon the board of the SGIC met Messrs Rees, Edwards, Michell, Saville and Bowe. The board agreed to pay Salomon Brothers a fee of \$375 000 for consultations and the valuations. It authorised Rees and Edwards to enter into agreements with Holmes a Court, subject to confirmation that the price was fair. The next day Mr Rowe from Salomon Brothers said the price of \$2.50 a share was fair. At two o'clock that afternoon at another meeting of the board the original transaction was varied and it was agreed that instead of purchasing the notes the SGIC would underwrite them. Again, the minutes of the meeting are available. Finally, on the following Friday Mr Rees and Mr Edwards entered the agreement to purchase the Bell Group shares and to underwrite the notes. It is interesting to note that one deal was finalised at two o'clock that afternoon and the other deal was finalised at six o'clock that day. However, the Government said there was no collusion in completing these transactions although they happened on the same day. I have already mentioned the collusion that took place at the meeting where both parties sat down and compared valuations.

Last week the people of Western Australia wanted to know who was responsible for putting together this deal and for authorising the transaction. The Cabinet was responsible. It knew all along it would enter into the transaction and it was involved in the valuations. Yet we did

not hear a peep from Government members because the present Premier and Deputy Premier were members of that Cabinet.

Mr Blaikie: That would have involved the Premier and the Deputy Premier.

Mr COURT: Yes, the present Premier and Deputy Premier. All this information is documented and if any Government member - soon to be in Opposition - wants to follow it through, by all means raise a hand and they can have a copy.

I turn now to what happened after the transaction took place. I call this act two, which I have headed, "Oops, I think we broke the law!" What happened when the parties put this deal together? The interesting thing is that the deal attracted quite a bit of attention. Shortly after the announcement of the SGIC/Bond purchase the NCSC commenced an investigation. On 23 May 1988 the NCSC decided to hold a hearing pursuant to section 36 of the NCSC legislation investigating infringements covered by section 60 of the Takeovers Code.

On 23 May it began hearing evidence which was taken through to 2 June 1988. It is interesting what took place in relation to that investigation. The NCSC staff acted initially because they thought a case of collusion existed and that a high price had been paid for a company which had such uncertainty surrounding it after the October crash. The initial study was carried out using public information which was available but which could not support a case. When a full investigation was started they found it heavy going at the beginning because the NCSC staff was not getting a great deal of cooperation around the traps. They also had the problem that, at the end of the day, the SGIC could not be prosecuted because it had claimed Crown immunity.

It is interesting to look at the NCSC report, which states that the SGIC maintained that it had Crown immunity. Therefore the SGIC, which had been involved in the corporate world and in that commercial transaction and which had - as I will show later - broken the law, could not be touched by the NCSC, which was in the difficult situation of trying to put together a case when one side was uncooperative because it claimed Crown immunity. The NCSC needed a breakthrough to unravel those dealings. That breakthrough came when it was found that an independent person brought in to do the valuation for the SGIC had been arranged by Mr Bond; Trevor Rowe from Salomon Brothers had been retained to advise the SGIC. On 26 April he was at Sydney airport on the way to Manila - and this was reported in a newspaper - and was called and told by Mr Bond that he had been retained by the SGIC; so Mr Bond rang the independent valuer to tell him he had been retained by the SGIC!

Mr Rowe then hopped on a Bond jet and arrived in Perth at 5.30 pm. He was picked up in a hire car arranged by Mr Bond and went to Bond's office at Dallhold Investments Pty Ltd to pick up the information to enable him to do the valuation - yet we are told there was no collusion between the two parties. There was, as I mentioned, the other meeting between Hon Joe Berinson, Mr Michell and Mr Edwards, who met to discuss the valuation.

The NCSC prepared a preliminary report when its investigation finished on 2 June. When Bond Corporation realised that a problem existed it arranged through its solicitors to send a person to discuss with the NCSC whether it could come to a commercial arrangement. Mr Beckwith and others were involved in those negotiations on 2 June.

On 3 June the final commercial agreements were reached after the final negotiations took place. The parties were talking to the NCSC trying to work out what the final agreement would be. There was a lengthy meeting. All the participants of whom I have spoken who attended that meeting say that they remember it vividly because it went on for hour after hour. Members should imagine the team of barristers and solicitors involved at the NCSC's offices in Melbourne. I am told that 20 to 30 people were present at that office.

At the Hyatt on Collins Street were the Bond people, Mr Beckwith, Mr Mitchell and their legal adviser Mr Bill Connolly. In the room next door in the Hyatt, in the same suite, were Mr Rees, Mr Edwards and their solicitor. Mr Rees happened to be in Melbourne at that time on some BHP business. Downstairs at the Hyatt was Graham Cantwell the legal officer from the NCSC. These people are all involved with the one meeting. Across in Perth in the Rothwells office were Mr Grill, Mr Oates, two lawyers from Parker & Parker and Mr Lloyd. The then Premier, Mr Dowding, was in his office. That was a hard negotiation to carry out. All those people were dealing through lawyers or solicitors at the commission's offices and another team at the Hyatt. The SGIC team was waiting next door at the Hyatt, and the Rothwells' crew and the Premier were here.

Mr Minson: Thank God for Telecom.

Mr COURT: Yes. During those lengthy negotiations they were seeking to come to a commercial agreement. At about 10 pm that night they reached a final agreement to be put in place. When the NCSC representatives looked at the final agreement someone commented that one of the terms agreed to earlier had been that Bond Corporation was to pay the costs of the investigation carried out by the NCSC, was to offer \$2.70 to all other shareholders in Bell so that it was a fair deal, and Bond Corporation was to be fined \$1 million for breaching corporate law. When they came to do the deal the NCSC representative said, "You have missed the \$1 million fine." The Government's lawyer raised his hands and said, "We do not want it." When he said that, they all burst out laughing because they had just spent a day trying to reach that commercial agreement and there had been no dispute about the \$1 million fine, yet at the last minute it was removed.

The NCSC representative said, "We will not accept your word about this. We want a letter from the Government saying it will waive that \$1 million fine." They got it! Members opposite know about that letter. The Premier knew something funny was going on because yesterday in answer to a Dorothy Dix question asking the Acting Premier whether he was aware of rumours that the Government had waived payment of a fine he answered that the Government did not deal in rumours but here was the answer, anyway. He said he had been advised that Bond Corporation denied strongly that it had breached the law in relation to that matter and accordingly would not accept the fine as a condition or element of the commercial settlement; so Bond Corporation said, "We do not want the fine," and the Government replied, "Okay, do not pay it." It is not that simple. The Government is not so stupid that if the NCSC said a fine should be paid it would not take it.

I shall tell members why the Government did not take the fine: There had been a private deal on the side for the 19.9 per cent of the shares which the Bell people had. That deal was referred to as one of the conditions attached. Only this week the following article appeared in an Eastern States newspaper -

Former minister Mr Julian Grill has confirmed that he was aware that the former Premier, Mr Peter Dowding, made certain demands on Bond Corp before the Government would agree to the Bond/SGIC deal. However, Mr Grill said that he was not aware of the specific demands.

That information is backed up by Mr Peter Weisse in his affidavit. He also said that specific conditions were attached to the settlement reached with the Bond people. Do members know what was the main specific condition? The SGIC gave an indemnity to Bond Corporation on the proviso that \$100 million of loan funds were put into Rothwells. The \$1 million fine becomes perty cash. Why worry about \$1 million when \$100 million will be pumped into Rothwells? Why was it necessary to pump \$100 million into Rothwells? I shall tell members why. The Government was so far up to its neck pumping taxpayers' money into Rothwells that it had a problem with the \$50 million which had been secretly pumped in through the Superannuation Board. This money had gone into Rothwells, and the State Superannuation Board wanted that money. A superannuation board cannot afford to keep pumping \$50 million into an organisation: it has a business to operate. The Government was sweating on that \$50 million that day, and the key point on that fateful day of 3 June was not the \$1 million fine; it was getting the \$100 million across to Rothwells. The Superannuation Board had to have \$50 million that day. As part of the deal the Government insisted that Bond put \$50 million into Parker and Parker's trust account that day so that the money could immediately be transferred to pay out the State Superannuation Board. That is the sort of deal we are talking about here; that is the sort of deal members opposite will be glad was not followed through in the McCusker report. The Government will not have a Royal Commission, so we have no choice but to disclose what has been going on in these deals.

Mr Minson: There is more to come.

Mr COURT: There certainly is more to come. What has taken place is of great concern and it worries me a great deal. Yesterday I rang the National Companies and Securities Commission in Melbourne and I spoke to a senior officer there. I said I was carrying out an investigation into some of these dealings and I wanted to know whether I could get a copy of the NCSC report prepared on that investigation to which I have referred. I also wanted a copy of a letter sent by this Government to the NCSC saying it would waive the \$1 million

fine. This officer said he would ring me back. Later the head of that body, Mr Tony Hartnell, rang me back. He said, "Mr Court, we have run into a bit of a problem with the information you want. I am not sure if I can get it to you. I will ring you back by 10 o'clock tomorrow Melbourne time." That is today. Half an hour after that telephone call we had that Dorothy Dix question where the Acting Premier gave a weak explanation of why the Government waived that \$1 million fine. I have just explained to the House the true story behind that fine.

This morning I received a telephone call which disturbed me. It was from a senior officer of the NCSC, Dr Arthur McHugh, who was only doing his job. He told me that the NCSC had received legal advice and consulted with the members of the NCSC. He had been told to inform me that the NCSC had no obligation to supply the information I had requested, if it existed. He said the NCSC was not authorised by law to confirm or deny that such a document did exist; that was the letter sent by the Government. In regard to the report prepared on the investigation, I was told that any documentation on this matter was covered by section 47 of the National Companies and Securities Commission Act, and the Commission was putting a bar on providing me with that information. I asked whether I could get that information through the Freedom of Information Act, and I was told that the commission would not give me that information under section 47 of the Freedom of Information Act either.

Mr Minson: Some freedom!

Mr COURT: The NCSC was doing its job; it had taken legal advice on this matter. It so happens that I already have some of that information, and I want to quote from a report. This is the report to which I referred earlier. At the commencement of my remarks I said I would show members how the SGIC had given false evidence to the NCSC inquiry. Do members remember that last week in the other place the Leader of the Opposition, Hon George Cash, tabled the paper which said that the parties had conspired to provide false information to the NCSC? These are the words from the report -

At all times SGIC and Bond Corporation sought to emphasise the independence of the approaches by their respective organisations and the lack of connection or contact between them, the negotiating parties. Indeed the SGIC had asserted this independence in response to a request for information made by the Commission on the 5th May 1988.

In that request the Commission asked for a variety of information, including

"details of any contact between members or staff of SGIC and Bond, Mr Skase or any parties representing those persons or any other persons concerning the shares in the Bell Group, Bell Resources, or any associated or related companies in relation to any negotiations or discussions with Mr Holmes a Court and his representatives during the period leading up the acquisition".

That was quite a simple request. "Were you involved in any meetings, discussions or negotiations with other parties?" The SGIC replied to this request the following day, 6 May 1988 and advised -

The State Government Insurance Commission negotiations and discussions with Mr Robert Holmes a Court for the purchase of the subject shares were conducted by it independently of any other party, and there was no contact as referred to in relation to any such negotiation or discussions.

That is a straightout untruth, because I have already told the House today that the Attorney General had met with the SGIC officer, Mr Edwards, and the Bond person. They had met on the Monday and discussed the valuations they were going to pay. I told members of other forms of collusion which had taken place. This is what the NCSC had to say about it -

The NCSC comments said that the evidence which had been given to the Commission had made it clear that there were a number of contacts between the negotiating parties so as to enable the Commission to conclude that each of the SGIC and Bond Corporation was appraised of the status of the offer being made by the other -

And also the status of the negotiations of the other. The conclusion is that each party knew

what the other was doing. We have been told that there was no collusion. These people have given false information to the NCSC.

Mr Kierath: Why would they do that?

Mr Grill: I was in the office of Rothwells on 3 June, you say? Just let me tell you that I was nowhere near Rothwells' office on 3 June.

Mr Taylor: It is not the only thing you have got wrong.

Mr Grill: You are giving false information to this House.

Several members interjected.

Mr COURT: I explained what happened at that meeting on that night.

Mr Grill: I heard what you had to say, and it is completely untrue. You have no right to say it.

Mr COURT: Here we go: The Opposition is working on behalf of Bond. That is the defence put forward by the Government.

Mr Taylor: You will get a better defence than that.

Mr COURT: In answer to the interjection by the member for Eyre: If he was not at that meeting, I apologise. I take his word for it.

Several members interjected.

The SPEAKER: Order! That is not a bad interjection. The interjection was, "What more would you expect him to do?" I will tell members what I expect from members on both sides of this House: I do not expect people to use parliamentary privilege in this place to make statements and then have people prove otherwise afterwards. It is the job of members in this place to investigate matters properly before making information available to this House. It is not the job of members to use parliamentary privilege and have somebody else say, "That is not true", and for the member making the statement to say, "If it isn't true, perhaps I should not have said that." That is not satisfactory.

Having said that, if any member has information which needs to be made public he should feel free to do that, bearing in mind what parliamentary privilege means in this place. It is a privilege, and if members wish to keep that privilege they should handle it with care.

Mr COURT: I have great respect for the parliamentary institution and the privilege that goes with it. I have already stated I am providing documented evidence. In this case, all I can say to the member for Eyre is that I apologise; the information was given to me by three different sources.

Mrs Beggs: All wrong!

Mr COURT: I am raising serious matters today.

Mr Grill: I was not in the office of Rothwells that night. I was for a time in the Premier's office but I was not in Rothwells' office.

Mr Clarko: The member has misled us before when answering questions.

Mr COURT: I have made allegations about the member for Eyre on previous occasions which have been proved. He has not denied them; he is rock solid and they go over his head.

I know that Government members are trying to ride out the situation relating to the cover-up of the WA Inc deals. In bringing my comments to a close, I will summarise: I have said a major cover-up is occurring at this moment involving members opposite regarding one of the most important transactions which took place during the WA Inc saga. It was a transaction which cost the State in excess of \$100 million, and we are now facing legal action which could cost the State a great deal more.

Mr Grill: On that note, the State got back \$100 million; it was paid in by Bond, you have already explained that to the House.

Mr COURT: It was a loan! The member does not know the difference. I have stated that Bond was told that a condition attached was that he had to lend \$100 million to Rothwells so that body could pay out \$50 million which had been lent by the Superannuation Board.

The member became so involved in such a tangled web of loans and dummy deals that at the end of the day he has lost sight of what went on in all those transactions. The member has lost sight of and did not understand what were the different transactions. Last week when the public asked who authorised the State Government Insurance Commission to buy the Bell shares and become involved with the convertible notes, it became known that Cabinet knew all along and was told valuations had been checked; that is, the Attorney General made a check on the valuations. However, last week everyone acted dumb.

The State Government Insurance Commission said to the National Companies and Securities Commission that it had not been involved in negotiations with any other party. Does the member deny that?

Mr Grill: What was the question?

Mr Taylor: It is on the record; the member has just read it out. It is a story from *The Australian Financial Review*. What is so clever about that? The story contains the report from the NCSC; the member has been reading that. I have that report in front of me; it is on the public record. What is so clever about that?

Mr COURT: There is nothing clever about it.

Mr Taylor: It is on the public record. I will deal with it with great pleasure when I stand up.

Mr COURT: There is nothing clever about it.

Mr Taylor: Who are your three sources?

Mr COURT: Does the Acting Premier know what has happened? All this evidence has come out over the last couple of years. The Government has been hoping that no-one would put it together.

Mr Taylor: Are you working with Bond?

Mr COURT: The information put forward today is documented.

Mr Taylor: You are working with Bond.

Mr COURT: Why would the NCSC go through the facade of saying to me that legal advice is being sought on the information I requested.

Mr Taylor: I will give it to you; I am happy to do that.

Mr COURT: Why would the NCSC cover up the information?

Mr Taylor: Why should you have the information? Do you think you can ring the NCSC and demand any document; you should use the Freedom of Information Act. As a matter of interest, I have the information here and I am happy to read it out to the House.

Mr Shave: Why do you have it and not us?

Mr Taylor: Why should you get it? Can the member imagine the reaction if I were a member of the Opposition and I rang the NCSC, or any other Government body, demanding a letter. Those bodies would tell me to get lost. What gives the Opposition the privilege to ring and ask for any letter? The Opposition has no privilege whatsoever, and it knows it.

Mr COURT: Is the Acting Premier saying that the NCSC should not give us this information?

Mr Taylor: Of course it should not. If the Opposition wants that information it should come to me and ask me.

Several members interjected.

Mr Taylor: I will read it out to the House with great pleasure.

Mr COURT: The Acting Premier has stated that when we want information - which happens to be a report that states the SGIC has told an untruth, that the SGIC tried to cover up the fact that it had been negotiating with another party - we should come to him. The offence under the Companies Code is -

Mr Taylor: I will go through that.

Mr COURT: This would be one of the most serious offences one could commit in takeover law. The Acting Premier has stated that the NCSC should not give us that information.

Mr Taylor: Of course it should not.

Mr COURT: I can tell the Acting Premier that the NCSC gave us that information in June 1988.

Mr Taylor: They should not give it at your request.

Mr COURT: It was given to us in June 1988.

Mr Taylor: Where is it?

Mr COURT: Because the Government has been trying to cover up the whole operation the Opposition has been able to start digging through the information and piece together one of the most despicable financial transactions in which the Government has been involved - apart from the PICL deal.

The Government did not know how much information the Opposition had yesterday. The Acting Premier has stated that I should come to him if I want information.

Mr Taylor: Of course you should.

Mr COURT: I have been trying to get information for seven years.

Mr Taylor: All you have to do is ask, but you did not.

Mr COURT: If a Royal Commission were put in place today all the different parties involved would be able to come together to piece together the information which indicates that the Government has been involved in a major cover-up in that it allowed the SGIC to give false information to the NCSC.

Mr Grill: You are talking about false information. Let us deal with another matter which was the subject of your speech in the House some months ago wherein you alleged that I signed a letter on the same night on 3 June, and that the letter was to Bond Corporation. You have never been able to produce that letter.

Mr COURT: I will debate that matter with the member for Eyre at any time.

Mr Grill: Nobody else has been able to produce that letter either!

The SPEAKER: Order!

Several members interjected.

The SPEAKER: Order! I can understand that with the allegations and cross allegations being fired about this place this afternoon, and with members' reputations being sullied and tarnished, we will have fiery exchanges like that. I suspect that from time to time I need to tolerate them; however, we also need to keep a record of what is taking place and the way in which that exchange occurred it was impossible to hear all of the conversations. I suppose that we will relax the rules a little this afternoon to allow that kind of interjection from time to time, but let us have them in a manner in which they can be recorded in *Hansard*, and so we can exchange our views so we can all understand what is happening.

Mr Grill: You do not want to touch on the letter; it is a touchy subject!

The SPEAKER: Order! There is no need to depart from our normal rules; these indicate that once I sit down the member who has the call will be the first to speak.

Mr COURT: A week ago when the Premier said that no Royal Commission into WA Inc dealings would be held, and that she would rely on the McCusker report to handle the matter, it was a very sad day for Western Australia. She was saying that her Government would continue to try to tough it out.

Mr Grill: What about the letter?

Mr COURT: We are told about the stupidity of the Opposition going to the Acting Premier to find information.

Mr Taylor: Fancy going to the NCSC and asking for a letter written to it by the Government of Western Australia - that is absolutely beyond belief. Imagine any member on this side of the House when we were in Opposition even daring to approach any organisation like that and asking for a letter?

Mr COURT: Will you table the letter?

Mr Taylor: I will make up my mind about what I want to do with the letter during the debate.

Mr COURT: Can members imagine me going to the Acting Premier and saying, "Mr Taylor, will you please table a letter which says that you have waived a fine of a million dollars to Bond Corporation?"

Mr Taylor: That is not true anyway.

Mr COURT: Can members imagine that?

Mr Taylor: You have not had any trouble in having information tabled in the other House.

Mr COURT: We cannot trust the Government one little bit. The public has been saying that the Government has proven that it cannot be trusted and that the only way to reveal the truth about these dealings is with a Royal Commission headed by an independent judicial person so that all parties can give information and we can find out what happened. When the State Government Insurance Commission loses a few hundred million dollars, some people have said that they will keep us in the dark; they will not tell the truth. The Opposition will not sit back and allow that sort of deception. We will go through the Government's dealings one at a time and uncover the deceit that has been involved. The Acting Premier and his colleagues may tough it out as long as they like, but sooner or later the truth about the dirty dealings will come out. I now want the Acting Premier to stand and say what is not factual in what I have said.

Opposition members: Hear, hear!

MR TRENORDEN (Avon) [2.54 pm]: I second the motion moved by the member for Nedlands. I remind the House that one year ago a similar type of accusation was made in this Chamber and the same attitude prevailed on the other side of the House: The Government toughed it out and denigrated the Opposition and went through the same procedure we are seeing today only for the Opposition to prove over a period of time that those accusations were true. Opposition involves a great deal of difficulty in obtaining information, but luckily for us right now the information is pouring in through the doors - we are receiving a great deal of assistance. I assure the House that this is not the first occasion on which I will speak, along with other members of the Opposition, about these associations.

The people of Western Australia want to know, as does the Parliament, the role played by the Government in these actions. The events were portrayed by the member for Nedlands and I do not intend to repeat that exercise except to say that he is right. Documentation exists on many of these meetings, not only with this particular meeting, but about four or five others. All these events add up to a web that points to the indisputable fact that this Government knew shortly after the crash in 1987 that Rothwells had big problems. A series of events occurred and the one under discussion is only one of them.

I realise that the information to which I shall refer was put out by Bond Corporation - the Government was quick to point that out - but the Press statement by Peter Beckwith on 31 August 1989 raised many issues.

Mr Catania: Is that your source?

Mr TRENORDEN: It is a Press release: the member would probably have a copy somewhere in his office as it is public information. This is not the first time that these comments were made. The players in these events were the SGIC, Bond Corporation, the Government and a few advisers around the corner. So, it has been a little difficult for the information to come forward. However, it is now coming forward and we will know what occurred in a very interesting period in the State's history; that is, from October 1987 until approximately the same time the following year when Rothwells fell over. It would be much better for everyone if the Government relented and allowed the State to have a full investigation into what went on. We want to know what was the role of Mr Berinson; the member for Eyre; former Treasurer David Parker, who has been fairly active lately; the infamous public servant, Kevin Edwards, who has also been active of late; former Premier Mr Brian Burke, who has been active prior to, and post, his parliamentary service; and the role of former Premier Dowding.

It is also interesting that in recent days the Chairman of the SGIC has been making statements about the activities of the SGIC. In fact, in a Press release issued on 5 September

or 6 September he talked about no ministerial direction being given to the SGIC, and he talked about the SGIC not being aware of deposits in Spedley Securities Ltd and PICL being on-lent to other organisations. Clearly, these statements are in conflict with a great deal of information which is publicly available, yet these people are still trying to stonewall the debate. I assure the House that they cannot keep it up forever. It is doing this State some degree of damage. Some weeks ago I met an individual of some repute in the foyer of this place and I was taking him up the stairs and he looked at the portraits on the left and said to me, "Why do I get an irresistible impulse to put my hand on my waller?" That is not a joke.

Mr Taylor: Was it as he got to the top of the stairs?

Mr TRENORDEN: No, it was at the foot of the stairs. His comment reflects the type of damage that has been done to the State. I ask the Government, while it still has the opportunity and while it can still retreat with some degree of grace, to allow an inquiry because I assure the Government there is nothing but pain ahead if it does not.

Mr Blaikie: The Acting Premier is very hesitant rising to his feet.

MR TAYLOR (Kalgoorlie - Acting Premier) [3.01 pm]: Only because the member for Vasse is sitting opposite and I am really worried.

The member for Eyre has shown by way of interjection how inaccurate the member for Nedlands can be. Some weeks ago the member for Nedlands and his colleagues in this place and the other place suggested that the member for Eyre sent a letter to Bond Corporation in relation to some of these deals. The member for Nedlands made that accusation in this place even after his friends in Bond Corporation advised him that that was not true. However, the member for Nedlands did not withdraw his accusation. Today he stood up and made a further accusation in relation to a meeting that the member for Eyre is supposed to have attended. The member for Eyre has stated he was not there. All the member for Nedlands can say is, "Oops, sorry; I made a little mistake."

I will deal with another allegation in which the Opposition made a "little mistake". That mistake is on the public record. In the Legislative Council the Attorney General was asked questions in relation to Cabinet and these transactions. Hon Peter Foss asked -

- (1) Did the Attorney know of the proposal by the State Government Insurance Commission to purchase Bell Group shares prior to the agreement being finalised?
- (2) If so, how did he know?

The Attorney replied -

- (1) Yes.
- (2) That matter was under discussion by Cabinet before the decision was finalised.

In another question on the SGIC, the Attorney General was asked -

In view of the fact the purchase was to be made by the SGIC, why was it referred to the Cabinet?

The Attorney General replied -

This was a major decision being made by the SGIC, and the procedure followed in that case was precisely the same as that adopted by the SGIC in the earlier case of its very large scale and expensive purchase of BHP shares. In both cases it was clearly the view of the commission that given the scale of the proposal it should make details available to the Government before proceeding to finalise the arrangement.

Mr Court: Keep reading, the record shows that the Premier directed the BHP share purchase.

Mr TAYLOR: The SGIC did not ask the Government to approve of the transaction. If the SGIC had not made the Cabinet aware of that transaction, the Opposition would have said in the Parliament that the SGIC does not make the Cabinet aware of its activities. It acted quite rightly and properly in those circumstances. It advised the Government of its decision. That is the way it should be done.

The member for Nedlands talks about his three sources in relation to this issue. I have no doubt that two of these sources are Bond and Connell.

Mr Pearce: That would be right.

Mr TAYLOR: Who is number three?

Mr Court: They are your friends.

Mr Pearce: They are your friends now.

Mr TAYLOR: In the Opposition's desperate attempt to sit on this side of the House the member for Nedlands is walking hand in hand with Bond and Connell knowing full well the influence that may have on litigation between Bond, Connell and the Government.

Mr Court: We do not owe them anything; the Government owes them heaps.

Mr TAYLOR: Now the Opposition owes them plenty because the member for Nedlands stood up and put their case; there is no doubt about that.

Mr Pearce: Without even checking on the truth of it more importantly.

Mr TAYLOR: Without attempting to check on the truth of the matter.

Mr Court: You have not said that anything I said was wrong.

Mr Kobelke: This might go down well with your next leadership challenge.

Mr TAYLOR: He will not get far there. In March his absent leader in an interview with Des Guilfoyle in respect of the Bond action and the State Government said -

Every Western Australian must be asking themselves why do the taxpayers face the bill?

Des Guilfoyle then said -

Is it a reasonable proposition that the taxpayers' interests should be best protected by you joining the Government in vigorously opposing this action?

The member for Nedlands said -

Not necessarily, Des.

Not necessarily, all right! The member is now standing up and making a case for Bond and Connell. The Opposition is happy to get into bed with them now.

Mr Court: I am talking about the SGIC and your involvement. You have covered up the whole thing.

Mr TAYLOR: The member for Nedlands is working with them and that is where he is getting his information. I will prove that, as the Government has found, you cannot trust them.

Several Opposition members interjected.

Mr TAYLOR: The member for Nedlands will now find that exactly the same will apply to him and his party in relation to this issue.

Mr Court: How much did they kick into your election campaign?

Mr TAYLOR: How much did they put into yours?

Mr Court: I don't think they put a dollar into ours.

Several members interjected.

The SPEAKER: Order! I remind the member for Nedlands, and indeed other members of the Opposition, that when he rose to put his case - I was amazed, I admit - but nonetheless there were either none or very few interjections for almost an hour. I found it extraordinary but it happened and I think a reciprocal arrangement would be fair.

Mr Minson: They were speechless!

Mr TAYLOR: Having got that reaction from the member for Nedlands, I ask him whether he is working with the Bond and Connell organisations?

Mr Court: I do not work with Bond or Connell. The beauty of it for this side of the House is that we do not owe them any favours; but, boy, do they owe the Government a few favours.

Mr TAYLOR: Are they or are they not the people who are providing the Opposition with this misleading information?

Mr Court: This "misleading" information has come from the National Companies and Securities Commission.

Mr TAYLOR: Answer the question.

Mr Court: This is all documented information and the Government has been caught out.

Mr TAYLOR: Are they or are they not the people providing the Opposition with information?

Mr Court: I said they do not provide us with information.

Mr TAYLOR: Answer yes or no?

Mr Court: I have told you that they do not provide us with information.

Mr Clarko: Ignore him.

Mr TAYLOR: "Ignore him", says the member for Marmion.

Mr Court: We will find out more information on what they have done for your party. Will that make you feel uncomfortable?

Mr TAYLOR: The member might find a bit about what they have done for his party too.

Mr Court: They would have to look pretty hard.

The SPEAKER: Order!

Mr TAYLOR: I will read some briefing notes on this issue -

The SGIC purchased 19.19 per cent of The Bell Group from an associate of Mr Holmes a Court on 29 April 1988. At the same time it entered into a 90 day underwriting guarantee on unlisted convertible notes with a face value of \$150 million.

I will go through the background to the purchase as detailed in the NCSC memorandum dated 6 June 1988, which provides details of its inquiry, and SGIC board minutes in relation to this issue. All these documents were tabled in this Parliament. Members opposite should not talk about this Government not providing them with information. The notes continue -

In mid March Mr Bond met Mr Holmes a Court in relation to a proposal by Mr Bond to acquire a BGL subsidiary.

That is, Dury Warren Ltd, a company incorporated and operating in the United Kingdom. To continue -

During the course of that discussion on the acquisition of that company, the question of Mr Holmes a Court obtaining shares in BGL was raised. There followed a series of meetings between Mr Bond and Mr Holmes a Court in March and April. During these meetings Mr Bond proposed acquiring a 19.9 per cent interest in BGL from Mr Holmes a Court. Mr Bond was told that Mr Holmes a Court was also negotiating with others including the SGIC in relation to these issues.

About April 19th Mr Edwards first approached Mr Holmes a Court to ascertain whether Mr Holmes a Court wishes to sell any of his BGL shares. Mr Holmes a Court told Mr Edwards that he would have to sell to SGIC a parcel of his shares only if he could dispose of all of his BGL shares. Subsequently Mr Holmes a Court told Mr Edwards that the two tranches of Bond's had to be acquired as well. After further discussion between Edwards and Holmes a Court at the SGIC on 24 April he made a written offer to pay \$2.50 per share for 19.9 per cent of BGL and also offered to underwrite the convertible bonds at par. Significantly the letter contained the following paragraph -

In regard to your decision to sell your entire shareholding it is an essential condition that we be satisfied as to the ongoing stability of Bell and that is essential to our investment decision.

I will come to that later. To continue -

This offer was rejected but there were further discussions between Holmes a Court and representatives of the SGIC which led to an agreement by which the SGIC would purchase 19.9 per cent of BGL at \$2.50 per share and an agreement to underwrite the

convertible bonds to the extent of \$140 million, a discount of \$10 million from face value.

The SGIC letter of 24th April from Mr Edwards to Mr Holmes a Court and his reply of 25th April were in fact tabled in the Legislative Council in May 1990. Mr Edwards was acting chairman of the SGIC as Mr Rees was overseas on vacation.

The commission notes the following evidence in relation to these issues.

It is all on the record. To continue -

- (a) On April 25 1988 representatives from the SGIC and Bond met to discuss the matter of the valuation of BGL.
- (b) There were other meetings between representatives of the SGIC and Bond Corporation in April. During these meetings a Bond Corp representative provided assistance to enable the SGIC to formulate its valuations of BGL shares and the convertible notes.

It is actually in black and white that it is providing assistance. To continue -

Mr Trevor Rowe, a banker of Salomon Brothers Incorporated was retained to advise the SGIC on the purchase.

For that detail members need only refer to the NCSC's evidence. To continue -

The SGIC chairman Wyvern Rees arrived back from overseas in the early hours of April 27. On the morning of April 27, 1988 Mr Rees and Mr Rowe from Salomon Brothers were asked to attend the Premier's office. However, no meeting took place with the Premier and they were asked to go without talking to him. A special SGIC board meeting was held on the afternoon of 27 April 1988 to discuss the strategic investment in the Bell Group. At this meeting the chairman outlined the details of a tentative potential investment by the SGIC as a strategic Western Australian holding in the Bell Group Limited. Mr Rowe made a valuation to the board where he confirmed the offer was a fair value.

The valuation was made early in April and not, as the member for Nedlands said, after the decision was made.

Mr Pearce: He has got it wrong again.

Mr TAYLOR: Yes, he has got it wrong again. To continue -

At that meeting the board resolved to appoint Salomon Brothers as consultants to the project to approve the purchase of 19.9 per cent of BGL and to grant authority to the chairman and deputy chairman to make an offer and execute the documentation.

That is an extract from the special board meeting which was held on that date. As members opposite would know from reading the minutes of the board meeting, the board did not receive a direction from the Minister on this matter. It is clearly stated that that is the case.

Mr Court: You said the Attorney General -

Mr TAYLOR: The Attorney General was not the Minister responsible.

Several members interjected.

Mr TAYLOR: On 28 April 1988 the board met for its regular monthly meeting and the notes read as follows -

The chairman reported on the negotiation by the deputy chairman and himself relative to the strategic investment in BGL. In consequence he proposed that previous board of commissioners' resolution be adjusted to give the approval to purchase 64 000 shares, or thereabouts, in Bell Group Limited bringing the total holding to 19.9 per cent and an approval to enter into an agreement to underwrite for a term of 88 days the sale of the disposal of the convertible notes. These adjustments were approved by the board.

They are also included in the minutes. To continue -

The SGIC received a Salomon Brothers incorporated valuation of the shares and the convertible notes and it said -

The settlement sale of the sale to the SGIC and the sale to Bond Corporation concluded on April 29 and the settlement of the SGIC sale took place at approximately 2 pm and that of Bond Corp at approximately 6 pm.

That information is also included in the NCSC notes. It continues -

On the 3rd of June 1988 the SGIC reached agreement on a share price indemnity for the Bell Group Limited shares with Bond Corp in return for SGIC being excluded from the Bond Corp takeover bid of Bell Group Limited. The SGIC agreed to the NCSC discussions to take the indemnity agreement so that Bond Corporation takeover bid could in fact proceed. Bond Corp issued a writ to declare the indemnity agreement to be reached on 3rd June 1988 to be null and void. The SGIC, with the help of the Government, but not the help of the Opposition, is defending the action and any allegation that relates to this writ should not be debated.

I do not see that we have any choice of debating that issue as it has been raised by the member for Nedlands. There is another issue: The member for Nedlands said he received this information from the NCSC, but it is the same information I have. As he was reading his information to the House I was reading an article in *The Australian Financial Review* of 6 June 1988 which is headed, "NCSC halts investigation into sale of Bell Group stake" and the article explains the reason for the investigation. The member for Nedlands set about trying to go down this circuitous route saying how people misled the NCSC and how it should have taken some action. Let me read to the House what the NCSC had to say about this issue and how it handled it. It said -

Indeed, the SGIC had asserted this independence in a response to a request for information made by the commission on 5 May 1988. In that request, the commission asked for a variety of information including:

"details of any contact between members or staff of SGIC and Mr Bond, Mr Skase or any parties representing those persons or any other persons concerning the shares in The Bell Group, Bell Resources or any associated or related companies in relation to any negotiations or discussions with Mr Holmes a Court and his representatives during the period leading up to the acquisition."

The member for Nedlands read that to the House.

Mr Pearce: Everything that he read out has been on the public record for at least two years.

Mr TAYLOR: It has and the member for Nedlands did not -

Mr Court: Are members opposite trying to stop me from having that information? Who is trying to cover up what? It is a most absurd situation.

Several members interjected.

Mr TAYLOR: The article states that the NCSC concluded in relation to this issue - the member for Nedlands quite conveniently forgot about this conclusion - as follows -

24. After a careful review of all the evidence, including that summarised above, the commission had come to the tentative view that there might have been some understanding between the SGIC and Bond Corp in relation to the future management control of BGL, in particular, that Bond Corp would assume that control with at least the tacit acquiescence of the SGIC.

Mr Court: That is pretty damning, isn't it?

Mr TAYLOR: It might be damning but that was in 1988.

Mr Court: If you give false evidence two years ago, is it okay?

Mr TAYLOR: No-one is saying that false evidence has been given. The article continues -

25. Having formed this tentative view, the commission proposed to advise all relevant parties (including the SGIC and Bond Corp) of this view and to make available to them the evidence upon which this view was based. The purpose of this was to afford to those persons the opportunity, if they so desired, to lead such evidence and make such submissions to the commission as they may be advised before the commission made any final determination.

In fact, were it not for the approach to the commission made by Bond Corp, which is referred to below, the commission would have written to all relevant parties on June 3 inviting them to make further submissions and lead evidence.

It went on to say the following -

In the event that the tentative view of the commission was not altered or modified as a result of submissions made or further facts led, the commission may well have made declarations pursuant to section 60 of the code. It should be pointed out, however, that no final views had been formed.

On June 2, 1988 Bond Corp, through its solicitor, met the commission with a view to resolving the concerns that the commission may have had about the acquisitions. Detailed discussions then took place which included the SGIC. As a consequence of those discussions it has been agreed that:

And this is a resolution -

(a) Bond Corp will make takeover offers for all of the ordinary voting shares in the capital of BGL not already held by it or by the SGIC;

(b) each offer will be at least \$2.70 per share.

There are other provisions of the agreement reached between the commission, the SGIC and Bond Corp.

In view of the public interest in securing such a bid, and having taken appropriate measures to ensure a minimum value of \$2.70 per share plus holding costs for its BGL shares, the SGIC has indicated to the commission that it is prepared to have its shareholding excluded from the bid.

The significance of the agreement lies in the fact that all of the shareholders of BGL who did not have an equal opportunity to participate in the benefit derived by Mr Holmes a Court on the sale of his BGL shares will now have that opportunity.

That is the key to the issue. They then had that opportunity and that is what the NCSC insisted on.

Mr Court: So it is all right to tell stories, is it?

Mr TAYLOR: The quote continues -

Having achieved this result, the commission does not -

Several members interjected.

Mr TAYLOR: The member for Nedlands should not pretend he has come up with something extraordinary, wonderful or marvellous when it has been dealt with by the NCSC to its satisfaction.

Mr Court: There is nothing wonderful or marvellous about your deceit.

Mr TAYLOR: The quote continues -

Having achieved this result, the commission does not believe that it is necessary for it to take any further steps in the matter. The objects of the code have been fulfilled. Matters about which public complaint has been made have been resolved.

Mr Pearce: How many years ago was this?

Mr TAYLOR: Two.

Mr Pearce: And it is all on the public record.

Mr Court: So it was two years ago, and it is all right to tell lies?

Mr Pearce: It is on the public record, so you are two years late.

Mr Court: So if we catch you out two years later, it does not count? You could murder someone two years ago and it would not count.

The SPEAKER: Order!

Mr TAYLOR: The member for Nedlands should not squeal.

Several members interjected.

The SPEAKER: Order!

Mr Clarko: We heard the Acting Premier squealing earlier when the member for Nedlands was speaking.

Mr TAYLOR: I sat and listened.

Several members interjected.

The SPEAKER: Order!

Mr TAYLOR: I sat and listened until the member for Nedlands said what he said about the member for Eyre and was caught out.

Mr Clarko: You interjected regularly.

Mr TAYLOR: If the member reads the *Hansard* record he will find out whether it was necessary for me to squeal as the member for Nedlands is now squealing in relation to this issue.

Several members interjected.

Mr Court: You are no better than the rest of them.

The SPEAKER: Order!

Mr TAYLOR: The member was caught out trying to be too clever by half.

Mr Clarko: Why did the member for hot air resign on the same day that he said he would not?

The SPEAKER: Order! The member should not speak about other members in that disparaging manner.

Mr Clarko: It was a weak pun, Sir.

Mr Shave: The Acting Premier said he would table the letter about the fine.

Mr TAYLOR: I will come to that. The SGIC has disposed of its 19.9 per cent shareholding in Bell Group. Those shares were sold on Friday, 27 April 1990. What members opposite fail to take into account -

Mr Lewis: At a terrible loss.

Mr TAYLOR: I will talk about that later. What members opposite fail to take into account is the fact that when those shares were taken up their net asset value well exceeded the value paid by the SGIC of \$2.50 a share.

Mr Trenorden: In a collapsing market.

Mr TAYLOR: Mr John Spalvins from Adelaide Steamship was reported in the Press in May 1989, as follows -

Mr John Spalvins' Adelaide Steamship Co Ltd has continued its criticism of internal lending arrangements within Mr Alan Bond's corporate empire by calling on Bell Resources Ltd to immediately recover more than \$1 billion in loans to related companies.

And I have another comment about Bond outlining his strategy for survival. This is the sort of thing he is reported in the Press as saying in May 1989 in relation to these sorts of issues -

Mr Bond also confirmed that Bond Corp would acquire the State Government Insurance Commission of Western Australia's 19.9 per cent holding in Bell Group Ltd in the second half of this year.

That was nice of him. He continued -

The move, which would take Bond Corp to over 90 per cent control, would raise the possibility of a privatisation bid for the minorities.

Bond actually became involved with Bell Resources and others when he tried to sell off his brewing assets. He said -

Under the terms of the sale of Bond Corp's brewing assets to Bell, Bond Corp would

receive \$1.2 billion while Bell would inherit \$2.3 billion in debt associated with the brewing operations.

That was generous, indeed. What happened, as I said here yesterday, was that the company was stripped of its resources; it had the guts ripped out of it. That does not seem to concern people opposite much.

Mr Court: You people put the deal together.

Mr TAYLOR: That does not seem to concern the member for Nedlands at all.

Mr Court: You are just making it worse for yourself.

Mr TAYLOR: The member for Nedlands does not seem to be worried that these sorts of things happened to Rothwells, Spedleys and Bond, and that as a result money was lost.

Mr Court: It was your deal.

Mr TAYLOR: The member for Nedlands seems to be hung up on the whole issue. As I pointed out at the beginning of my speech on authorisation, that is what he seems to be hung up on. Why does he not concentrate on who did the dirty deal?

Mr Court: I have proved today that Cabinet approved the transaction.

Several members interjected.

The SPEAKER: Order!

Mr TAYLOR: The member for Nedlands can say that we did. He is quite happy to stick up for the likes of Bond, Connell and others.

Mr Court: No, we are sticking up for the people of Western Australia who have lost a couple of hundred million dollars.

The SPEAKER: Order! The member for Nedlands might be advised to look at the clock and work out what is happening elsewhere as he might like to partake of it for a few minutes.

Mr Court: I do not drink, Mr Speaker.

Mr TAYLOR: Sometimes I wonder. Members opposite are quite happy to see these sorts of corporate raiders destroying these organisations.

Mr Bradshaw: With your assistance.

Mr TAYLOR: It was not with our assistance. The member for Wellington should be the last one to talk about whose assistance was given in relation to these sorts of matters.

Several members interjected.

Mr Bradshaw: You were part of that swindle.

The SPEAKER: Order! That is about three times the member for Wellington has said that. I will not draw the attention of anybody else to what he said by asking him to withdraw it. However, I suggest that he desist from using that term.

Mr TAYLOR: Unfortunately, or fortunately, I did not hear what the member for Wellington said, Mr Speaker. I turn now to the issue I raised yesterday of the letter referred to by the member for Nedlands. I find it almost beyond belief that he expected to make a phone call to that organisation saying, "I want you to send me a copy of a letter." This was a letter that went to one of the major public corporate bodies in Australia.

Mr Court: From the taxpayers of Western Australia.

Mr TAYLOR: From the then Deputy Premier of Western Australia, and the member for Nedlands telephoned the corporation asking, "Can I have a copy of that letter?" At the very least he should have tried the freedom of information legislation to get that information; or, as members opposite do not have the numbers in this place they could have used their numbers in the other place to demand that the Attorney General table that letter. But no, the member for Nedlands tried a clever dick way of getting a copy and when he found out, as he must have known before his phone call, that he would not get a copy he tried to put together a cock and bull story of conspiracy in relation to that letter and why he could not get a copy. He knew very well why he could not get the letter; because the corporation had no right or responsibility to give it to him. He knew that before he made his phone call.

Mr Court: Then how come they sent us the report?

Mr TAYLOR: Because it was all part of the story of the member for Nedlands today. To say that he asked for the letter and they said no, so "Look what they are doing to me; is it not sad? Is it not terrible?"

Mr Pearce: Bedtime stories from the member!

Mr TAYLOR: I shall give members the background. I understand from information given to me, and I provided it to the House yesterday, that the suggestion was not of a fine but of a special levy.

Opposition members: Ha, ha!

Mr TAYLOR: In fact it was a special levy.

Mr Court: Am I Bond's mate arguing why he did not pay the fine?

Mr TAYLOR: It was a special levy in relation to this issue.

Mr Pearce: You cannot get fined without going through the courts.

Several members interjected.

The SPEAKER: Order!

Mr TAYLOR: It was a special levy -

Several members interjected.

The SPEAKER: Order! Those two members will get their turn.

Mr TAYLOR: A spot fine of \$1 million.

Mr Court: It is a big joke.

Mr TAYLOR: It is a big joke if the member talks about it in that way. This matter should have been settled so that the shareholders, who were not part of this settlement, would get a fair deal as required by the NCSC. It should have been settled quickly in the interests of the shareholders, rather than have to go through a protracted court process. It was suggested that this levy be paid, for two reasons; the first was in the interests of getting the matter sorted out.

Mr Court: So that the Government could get its \$50 million for the State Superannuation Board. The Government was running out of money.

Mr TAYLOR: How strange it would have been to see the SGIC involved in the share transaction, and the State Government putting out its hand and saying, "We will have \$1 million benefit from that transaction."

Mr Court: That is just it. The law man in charge was in the middle of the action.

Mr TAYLOR: What was put to those people, via the executive director of the NCSC and the solicitors involved, was a letter which said the commission had been instructed that that matter would not be pursued as a condition of the resolution between the commission, the SGIC and Bond Holdings, or any matters arising out of the corporation's inquiry into this matter. It is quite sensible to suggest that in those circumstances it would have been extraordinary for the State Government to hold up the settlement of the transaction by what could have been a protracted legal wrangle about who was to pay what to whom. Talking to some of the people involved directly, it would have been extraordinary for those same people to find themselves in the situation where the Government was benefiting to the tune of \$1 million.

Mr Court: This is like the crazy situation of a murderer determining his own sentence.

Mr TAYLOR: Given the Budget at the moment, I would be happy to settle for \$1 million. At that time it seemed unusual to find ourselves in this situation. Everyone agreed that what was done to settle the dispute was fair and reasonable and principally was in the interests of those shareholders who would not have been part of the settlement until the NCSC stepped in. It was the job of the NCSC to resolve the situation. The member for Nedlands has tried to put together a great conspiracy theory in relation to the issue.

Dealing with the last part of his submission, which talks about the reason the Government had Bond Corporation deposit \$100 million with Rothwells and so on, I asked the Crown

Law Department to give advice in relation to those sorts of issues, and that advice was that as far as this matter was concerned we should not debate it because it would disadvantage the litigation between the SGIC and Bond Corporation. The member for Nedlands would be well aware of this, as he asked me a question on 2 May this year. Again this is on the public record. He asked whether Bond Corporation was correct when it said in a recent statement filed in the Supreme Court that the Premier wanted Bond to lend money to Rothwells to allow the Government Employees Superannuation Board to be repaid a loan of about \$50 million. My reply then was, as it is today, that this matter is the subject of litigation which is being defended. The Government has no intention of prejudicing those proceedings by commenting on these matters. When I gave that reply there was not even a whimper.

Mr Court: I have just got up and told you today.

Mr TAYLOR: All one has to do to get an idea of the Government's involvement in relation to Rothwells is to turn to the back of the McCusker report. The report goes into the matter in great detail; more detail than this Opposition would ever have expected. The report shows the way the Government went about propping up what it considered to be a company with liquidity problems. Rothwells had liquidity problems, but as Mr McCusker said, it had a huge hole and it was insolvent. Mr McCusker deals with the matter in his report, using graphs and everything else. He explains how the Government went about trying to prop up that organisation. The way the money went in and out of Rothwells is no State secret.

Mr Lewis: It was; you people covered it up.

Mr Court: It was the biggest secret in this State.

Mr Lewis: You covered it up for two years.

Mr TAYLOR: All members opposite had to do was to go through the answers given to questions in this House. As the Premier said when the McCusker report was released, we do not attempt to justify those transactions. They are set out in the report. The member for Applecross has them right in front of him. The Government does not pretend to justify those transactions. As Mr McCusker pointed out, the motivation for those transactions at the time was to keep Rothwells afloat on the basis that it had a liquidity problem. People found out otherwise. It would be foolish to suggest that the Government today would say that that was the right thing to do. With hindsight, which all of us have wished we had had on several occasions, we now say, as the Premier said in her ministerial statement, it was not the right thing to do. I will not have the member for Nedlands getting up with this great, long story. As I said at the start, it is clearly on the public record, and the member for Nedlands has tried to manipulate and manoeuvre that story in a way which seeks to impute incorrect motives on the part of the SGIC and Government Ministers.

Mr Court: Are you denying that the SGIC gave false information to the NCSC?

Mr TAYLOR: It is in black and white how the NCSC dealt with that information.

Mr Court: You are dead right; it is.

Mr TAYLOR: I read it out; here it is. This is *The Australian Financial Review* of Monday, 6 June 1988. The article goes through it in detail, and the member for Nedlands read it out. The only thing he failed to do was to read the whole story. He should tell the whole truth.

Mr Court: I have told the whole truth.

Mr TAYLOR: The member for Nedlands should tell the whole truth.

Mr Court: You are defending the SGIC for telling a lie to the NCSC. You are unbelievable!

Mr TAYLOR: I have dealt with this issue and the way in which it would benefit all the shareholders in the Bell Group. The NCSC believed, quite properly, that this was the way to deal with the issue. I shall not argue with the NCSC and the way it dealt with the issue because quite clearly those other shareholders benefited from the outcome of this issue as far as the NCSC was concerned. The NCSC report said at the end that having achieved this result the commission did not believe it was necessary for it to take any further steps in the matter. The objects of the code had been fulfilled. The matters about which public complaint has been made have been resolved. That was stated in the National Companies and Securities Commission report. The member for Nedlands did not bother to read out that because it told the whole truth in relation to the way the issue was approached.

We reject the motion. There has been no cover up. Time after time the member for Nedlands read out documentation which is on the public record. It is on the record in the Legislative Council in the documents which have been tabled; it is on the public record regarding the way the NCSC handled those issues. That is the way it should be. There has been no cover up; there will not be any cover up in relation to these matters as far as the Government is concerned.

MR LEWIS (Applecross) [3.41 pm]: In my short four and a half years in this place I have not witnessed a more pathetic response to allegations by the Opposition. The Acting Premier did not answer one allegation, apart from reading from various papers he had before him. His response contained no substance; the Government pales into insignificance compared to the Government of three or four years ago. The Government is going nowhere. The response by the Acting Premier was weak and the incredible point is that he tried to dismantle the argument put by the member for Nedlands on the basis of finding one small discrepancy. That is exactly how the Attorney General in the other place responded last week; he found one or two small discrepancies and based his response on them. Why does the Government not admit that these matters are not right? There was no substance in the Government's response because it did not have any argument in defence of what has happened. The incredible thing is that the Acting Premier referred to those people as "our friends" and that we are now talking to them.

Mr Speaker, I am sorry that I am becoming a little emotional about this matter but it is one about which we should become emotional and passionate. It is about the plundering of \$850 million belonging to the citizens of this State; the Government has presided over that and is still trying to cover up. It is amazing that the Acting Premier said, "They were our friends; and we found we could not trust them." The Government was happy enough to trust the principal members of the Curtin Foundation when they poured hundreds and thousands of dollars into the coffers of the Australian Labor Party; now, according to the Acting Premier, they cannot be trusted.

Another incredible point is the statement that we could not get the Attorney General; he is too clean; he will not go. On the basis of what has been exposed today the Attorney General should resign. The Attorney General sat in at the meeting with the principal Director of Bond Corporation negotiating the share price that would be paid for the Bell Group take out, in collusion with the State Government Insurance Commission and Bond Corporation, with absolute disregard for the corporate laws of this country. The Attorney General is the principal law officer of this State and sits on the Council of Attorneys in Australia, which body happens to be the governing body of the National Companies and Securities Commission, as it was; he is the person who presides over his own sentence. He was breaking the law in negotiating the price of the shares. Yet he sits on the body above the NCSC and presides over his own sentence. That is so because the NCSC found it could not prosecute the State Government or the SGIC because they had privilege of the Crown. The NCSC decided it could not prosecute Bond Corporation because it would have to prosecute the State Government Insurance Commission for that huge transgression.

Mr Pearce: Either you are making this up or you misunderstand what was said.

MR LEWIS: I am accusing the Government and I am accusing the Attorney General. It is a disgrace. The Attorney General should resign for the part he has played not only in relation to the insider trading deal where he sat and worked out how much each party would pay, but also because he decided his own fate in a conference hook up around Australia. If ever the Attorney General should resign it is now.

What is wrong with our country? Why do we have a law and order problem? Why do we have a breakdown in the morality of society? Where have our ethics gone? Why are our children doing what they do? It is because of the example given by the Government.

Mr Nicholls: The Government is setting the example.

MR LEWIS: Exactly. The Government gives no good example of truth, honesty or propriety. It carries out its cowboy deals and sits in judgment on itself. That is the fact of the matter, and that is why the Attorney General should resign. How long can the Government continue with cover up after cover up and deceit after deceit? These deals are like a cancer which will eat away at the heart of the ALP and at the heart of the Labor Government.

Mr Minson: And at the heart of the people of Western Australia.

Mr LEWIS: Yes, it is a cancer which will destroy the economy of the people of Western Australia and it will continue to destroy the Government and the ALP for 10 years. What is wrong with our having an inquiry? What is wrong with our putting in place a Royal Commission which can root out the dishonesty? It is all very well for the member for Eyre to say that he was not at a particular meeting. I heard him on the radio with his very low tone of voice saying, "The terrible thing was, Howard, we did not know about the hole in the receivables until June or July. We did not know about the massive hole; we thought it was only a liquidity problem. We did not know that \$500 million of the \$800 million book debt was rotten. It will never be repeated." That is what the member for Eyre said. He said the Government did not know until June-July 1988.

In December 1987, Premier Burke knew about the hole in receivables of the Rothwells group; Mr Tony Lloyd, the Government appointed managing director, knew and the two officers of the R & I Bank whom the Government seconded to Rothwells knew because they reported to a director of Rothwells who then reported to Mr Lloyd. Subsequently, Mr Lloyd reported to Premier Burke. They all knew about the hole in the receivables. They knew very well that the Rothwells group of companies was absolutely insolvent as at Christmas 1987. Yet the Government has the gall to say it did not know. That is the other great lie that has been told, because the Government knew about it all the time. All we have to do is look at the graphs supplied by Mr McCusker. The Government was in the can to Rothwells as of March when the deal was done to the tune of \$300 million.

The McCusker report indicates that \$150 million was involved with the R & I Bank, the State Government Insurance Commission, the State Government Employees Superannuation Board and the Western Australian Development Corporation. However, a \$150 million guarantee was also advanced by the National Australia Bank, so this Government was in the can for \$300 million when the Bell deal was done. The deal was principally arranged to shift to Rothwells \$100 million of Bell Resources cash held on deposit so that \$50 million owed to the Superannuation Board was repatriated prior to 30 June, so the public servants of Western Australia would not find out that the Government had plundered and put at risk their superannuation funds. The Government did this fancy deal which was intended to take out 40 per cent of the Bell Group in collusion with the SGIC and Bond. The Government said, "Damn the minority shareholders." The minority shareholders went to the National Companies and Securities Commission and claimed that they had colluded to set their own price and had said, "To hell with the rest of the shareholders." Then the nasty scene started to be revealed. The time has come for the Government to come clean - it must; it cannot keep going. It must explain the truth behind the indemnity that Bond gave the SGIC, and why it sold 60-odd million shares for half a cent each. It must explain why it paid nearly \$800 million to the Bell Group and Heytesbury Holdings over a period of five months. The Government has no shame. What web has it woven with these dealings? The Government must also explain how the SGIC perjured itself and lied to the NCSC - that in itself to my mind calls for the resignation of the Chairman of the SGIC as it is on the record that the organisation told lies.

Mrs Watkins: That is twice.

Mr LEWIS: I am not talking about Government members. I was talking about the corporation which is owned by the shareholders of this State, and which, with impunity, told lies.

Mr Pearce: What lies?

Mr LEWIS: To the NCSC.

Mr Pearce: What lies?

Mr LEWIS: To the effect that they were not colluding.

Mr Pearce: That is your view.

Mr LEWIS: Why was there a finding that there was collusion?

Mr Pearce: You are saying that there was; where are your facts to say that there was?

Mr LEWIS: The facts are that we know that they were colluding.

Mr Pearce: The NCSC did not say that.

Mr Trenorden: It says so in a document; Mr Rowep was talking about it.

Mr LEWIS: I do not know how long Government members can sit there before their conscience gets to them.

Mr Cunningham: You are indecent.

Mr LEWIS: I am not indecent - the member's morality is zero if he can accept this situation.

The DEPUTY SPEAKER: Order! Members, we have reached the point we were at about an hour ago when the Speaker suggested that the interchanges across the Chamber meant that the proceedings could not be followed. Also, some of the language has not helped the situation and I suggest that members desist from personal abuse whenever possible. I indicate this to members on both sides of the House.

Mr LEWIS: In summary, what I have said this afternoon is important and must be understood by members on the Government benches; they should not allow their ideology to get the better of them and say that these things did not happen. The bottom line is that the Government colluded with Bond Corporation in a deal to gain control of \$1.2 billion - the cash reserves of Bell Resources Ltd. That was done against the laws of this land, and, incredibly, the principal law officer of this State was party to that collusion; indeed, he broke the law of this land. In my mind that calls for his resignation. The NCSC intervened following a complaint of the minority shareholders who had been given a dud by our Attorney General. The NCSC said that the players could not do what they were doing. It held an inquiry which came to an agreement in which Bond had to offer the same price to all minority shareholders in the country. That was after the fact, after the collusion and after the parties were found to have their fingers in the till. Bond Corporation was fined \$1 million, and after a deal in which the Attorney General of this State wrote a letter to the NCSC, the matter was dropped. The Attorney General was presiding over his own sentence - that is what it was all about. The NCSC could not prosecute Bond Corporation because the SGIC is a Government agency and was claiming Crown privilege; one could not be prosecuted without the other. The deal was to acquire \$100 million from the cash reserves of Bell Resources to be placed with Rothwells to relieve the hole in its receivables on the books - this was not about liquidity - because it was known that without that money Rothwells was insolvent and would have had to close its doors. As the member for Nedlands said, three things come out of this: First, the Attorney General should resign; second, Mr Rees should resign, and third, the Government should institute a comprehensive Royal Commission into all of these dirty dealings which will keep coming out as time goes on.

MR PEARCE (Armadale - Leader of the House) [3.58 pm]: That was a quite disgraceful speech by the member for Applecross.

Mr Lewis: It was an honest speech.

Mr PEARCE: It was a dishonest speech; it was close to the most dishonest speech I have heard in all my years here. It was dishonest in the terms of his own words as he spoke in his high flown rhetoric as the shadow Minister for - as I like to say at speed - WA Inc. The member is leaping from little rock to little rock to leap to some grand conclusion. At the end of his speech the member spoke in an unparliamentary way about members of this Parliament and spoke about the Government colluding. I called out, "What is the evidence and the basis for those claims for the collusion?" Initially, he was claiming that the SGIC was in collusion and then, by some sleight of hand, the SGIC became the Government. The member refused to respond to my query about the basis of his claim of collusion. The reason for this will be clear when I quote from *The Australian Financial Review* of Monday, 6 June 1988 in which the NCSC commented about the investigation into the allegation of collusion; the document stated -

After careful review of all of the evidence, including that summarised above -

I see that the member for Applecross has shot through.

Mr Trenorden: That is a report; it is not an document.

Mr PEARCE: To clarify this for the member I will read the preface to the document; it reads -

The National Companies and Securities Commission has discontinued its investigations into the sale by Mr Robert Holmes a Court of his 40 per cent stake in the Bell Group Ltd to Bond Corporation and the WA State Government Insurance Commission.

Reproduced here is a transcript of a document prepared by the NCSC outlining the results of its inquiry.

It is published in *The Australian Financial Review*. It is not a report by a reporter of that newspaper; it is a transcript of a document prepared by the National Companies and Securities Commission.

The member for Avon is absolutely wrong in what he said. Members opposite are all over the place about what they assume. They stand and confidently state these things as fact when they are not. The member for Applecross said there was collusion; he would not say why there was collusion. He was relying upon the NCSC investigation. The NCSC said about the results of its investigation -

After a careful review of all of the evidence, including that summarised above, the commission had come to the tentative view that there might have been some understanding between the SGIC and Bond Corp in relation to the future management control of BGL, in particular, that Bond Corp would assume that control with at least the tacit acquiescence of the SGIC.

The member for Applecross translated that into proved collusion and lawbreaking. That is not the case; there was no proven collusion in this matter. The claims by the member for Applecross and the member for Nedlands are untrue.

Mr Taylor: Members opposite can go over and over it again, but what we just heard was the NCSC's judgment in this matter. They should not pretend otherwise.

Mr PEARCE: That is right and that bears on the question of the so-called fine. The NCSC, as part of the discussions to get a commercial resolution to this matter, suggested that a punitive measure should be put in place against Bond Corporation. It suggested a fine or a special levy of an unstated sum. The member for Nedlands referred to \$1 million. I have been unable to find a mention of that sum in any State Government record. It may be a figment of the imagination of the member for Nedlands. Irrespective of that, the fine or the special levy to be imposed on Bond Corporation was fiercely resisted by the corporation because it said it did not collude and that it had not broken the law. That was precisely the position with the SGIC. Under those circumstances, no-one will pay a fine when they deny they did anything. If the NCSC felt there was proof of lawbreaking, it could take Bond Corporation to court and get the court to levy a fine.

Mr Taylor: If Bond Corporation now thinks it should pay the fine, we are more than happy to take the money.

Mr PEARCE: That is true if that is its view, but it was not its view at that time. It said it had done nothing wrong and the SGIC said the same. On that basis the NCSC did not press the point. When it came to its final resolution of this matter, there was no suggestion of a fine or a special levy. The State Government's position, when it was consulted, was that it would not insist on a fine or special levy being part of the commercial settlement because the point which we thought was more important was as stated in the editorial in *The Australian Financial Review* which was highlighted in the middle of the NCSC document. It states -

The objects of the code have been fulfilled. Matters about which public complaint has been made have been resolved.

That is what the NCSC and the State Government set out to do in this matter. Therefore, the inferences drawn by the members for Applecross and Nedlands that there had been collusion or wrongdoing or lawbreaking do not stand up in the light of the evidence. That evidence has not been produced as a sudden revelation by the member for Nedlands or as something that has been hidden away for two years; it was in the *The Australian Financial Review* of Monday, 6 June 1988 and was prepared directly by the NCSC.

The member for Nedlands is wrong in his allegations about the involvement of the State Government in these matters. I came into the House as he was alleging that the Attorney General had been a party to a decision on the SGIC because he was present at a Cabinet

meeting where the matter was discussed. The fact is that representatives of the board, not the whole board, came to Cabinet, as they had done previously in relation to significant moves they were about to make, and they explained to the Cabinet steps that they were proposing to take in relation to the Bell Group.

It has already been stated that there was no ministerial direction in relation to the SGIC involvement in that. That is the truth. I tell the House categorically as a Minister present at that Cabinet meeting that there was no Cabinet decision on that matter. I emphasise: There was no Cabinet decision on that matter. The SGIC reported to Cabinet what it proposed to do, there was a brief discussion and the SGIC representatives went away. There was no ministerial direction or Cabinet decision on the matter. That is not what the member for Nedlands said. He was not there; I was, and I tell the House that there was no Cabinet decision on the matter. When he tells the House about matters to the contrary, he is not telling the truth.

It is not good enough for the member for Applecross to say that this is a minor discrepancy in the story told by the member for Nedlands. It is the key point because it is the only claim that he made apart from the claim about the so-called million dollars that has not been on the public record. The reason that it was not on the public record was not because we were covering it up but because it was not true. It is hardly surprising that matters which are not true are not on the public record. Equally, we cannot be accused of covering up things because we refuse to tell lies. The member for Nedlands may not have the same standards for his personal conduct, but when he puts those claims to the House he is not telling the truth. I want that to be clear.

I have dealt with the \$1 million being the figure for the so-called fine. Who opposite will tell us why the NCSC did not take the matter to the courts if it felt so strongly that it had proof of collusion? The NCSC does not show reluctance in taking matters to courts.

Mr Court: Why? I am going to tell you in a minute.

Mr PEARCE: Why did the member not tell us before?

Mr Court: Because I forgot. I will tell you because it is a good story.

Mr PEARCE: He forgot! He wants to roll it out in his reply so that we cannot respond in the House. That is the reason it has been held until the last comments. I repeat to the member for Nedlands what I said in his absence: I have not been able to ascertain in State Government records any mention of that figure. If it ever existed in the mind of someone in the NCSC, it was never discussed in any detail with the State Government because Bond Corporation and the SGIC vehemently denied there was any lawbreaking.

Mr Lewis: Did the NCSC fine Bond?

Mr PEARCE: Not under these circumstances.

Mr Lewis: Did it fine Bond?

Mr PEARCE: No, it did not.

Mr Lewis: What did the Acting Premier say yesterday? He said the NCSC put a fine on Bond.

Mr PEARCE: When did he say that?

Mr Lewis: Yesterday, in the House. Were you not listening? Why don't you read the article?

Mr PEARCE: I was listening.

Mr Lewis: You said there was no fine. There was a fine. There was \$1 million.

Mr PEARCE: There was not a fine of \$1 million. The member is thicker even than he appears.

The DEPUTY SPEAKER: Order!

Mr PEARCE: There was a discussion about whether, as part of the commercial settlement - I am using the words as clearly as I can remember them -

Mr Lewis: The report in yesterday's *The West Australian* states that "Mr Taylor told the

Legislative Assembly that the fine was part of the settlement worked out by the NCSC, Bond Corporation and the State Government Insurance Commission." Is there anything clearer than that?

Mr PEARCE: Get the *Hansard*, because that so-called fine was never levied. That is precisely the point I am making.

Mr Lewis: Why wasn't it?

Mr PEARCE: That is what we are trying to tell the member. It was never levied because the NCSC wanted to impose a fine, a special levy or whatever one wants to call it, on Bond Corporation as part of the overall settlement. The corporation said that it would not pay it as part of a commercial agreement because it had done nothing wrong and it would not agree to pay a fine when it had done nothing wrong. The NCSC did not insist on the matter and the so-called fine was never levied.

Mr Lewis: Do you have to rabbit on like this?

Mr PEARCE: The member for Applecross has been caught out. Thirty seconds ago he said that Bond Corporation had been fined \$1 million. That is not true. Bond Corporation was not fined \$1 million and could not be fined \$1 million without being taken to court. The NCSC wanted to do an upmarket corporate version of imposing on the spot fines; it wanted Bond Corporation to plead guilty to collusion, and then fine it \$1 million as a result of that. However, Bond Corporation would not plead guilty because it had not colluded. It had done nothing wrong and would not take the fine as part of a commercial settlement. The NCSC checked with the State Government which wanted the matter settled under the circumstances of Bond Corporation denying any wrongdoing and clearly being prepared to fight the matter in court. The State Government could envisage the whole saga being bound up in months, if not years, of protracted legal argument; therefore, it did not insist on the fine being paid as part of the commercial settlement, and it was not. When the member for Applecross pops up in this House saying that Bond Corporation was fined \$1 million it is a clear indication of how little he knows about what occurred.

The whole difficulty with the Opposition's approach to the so-called cover-up is that it has not been able to adduce any facts leading to that conclusion. The claims made by the member for Nedlands have been relatively easily disproved. The Acting Premier and I, at short notice and with little preparation time, have disproved those claims quite comprehensively. The credibility of the member for Nedlands in this matter rests on those key claims. The call for the resignation of the Attorney General was based on the fact that he personally was involved in making the decision with regard to the SGIC.

Mr Lewis: You have made a fool of yourself today.

Mr PEARCE: That is the opinion of the member for Applecross, but he looked pretty stupid himself when he was not able to demonstrate clear inaccuracies in the Acting Premier's statements.

Mr Lewis: It got you excited.

Mr PEARCE: I tend to get excited when people such as the member for Applecross carry on about others in the disgraceful way he did. He accused the Attorney General of this State of collusion to breach the Companies (Western Australia) Code and breaking the law; and he effectively called him a criminal.

Mr Lewis: Absolutely.

Mr PEARCE: The member for Applecross had no proof at all of that. What is his proof?

Mr Lewis: You know.

Mr PEARCE: The member for Applecross cannot say. It is enough for him to call into question a person of the highest integrity. The Attorney General in his time both in the Federal Government and the State Government has a reputation for the absolutely highest level of integrity.

Mr Lewis: He was at the meeting with Mitchell, the senior executive of Bond Corporation.

Mr PEARCE: Because of the Attorney General's reputation, which is well understood around this State, the various calls and claims of the Opposition aimed at the Attorney

General have generally bounced off like water off a duck's back. Everybody knows the high standards of integrity of the Attorney General in these matters. The claims made by the Opposition with regard to the Attorney General do not hold water.

Mr Court: He is a key part of the collusion.

Mr PEARCE: That is not true and the member for Nedlands has no evidence of it.

Mr Court: I have provided the proof.

Mr PEARCE: The member for Nedlands said the State Cabinet made a decision with regard to this matter.

Mr Court: Berinson and Dowding prepared submissions to make sure that the valuations were right before the matter went to Cabinet.

Mr PEARCE: When the member for Nedlands was absent from the Chamber I made it clear that the claim about a State Cabinet decision on the matter is patently untrue. I was present when the matter was discussed.

Mr Court: So you did not authorise the decision to buy the shares?

Mr PEARCE: No Cabinet decision was made on the matter.

Mr Court: Mr Berinson said there was.

Mr PEARCE: No, he did not. It is recorded on page 2186 of *Hansard* that on 19 June 1990 Hon Peter Foss asked the following question -

- (1) Did the Attorney know of the proposal by the State Government Insurance Commission to purchase Bell Group shares prior to the agreement being finalised?
- (2) If so, how did he know?

The Attorney General replied -

- (1) Yes.
- (2) That matter was under discussion by the Cabinet before the decision was finalised.

That is the truth. Later the same day Mr Foss further asked -

In view of the fact the purchase was to be made by the SGIC, why was it referred to the Cabinet?

The answer given by the Attorney General was -

This was a major decision being made by the SGIC, and the procedure followed in that case was precisely the same as that adopted by the SGIC in the earlier case of its very large scale and expensive purchase of BHP shares. In both cases it was clearly the view of the commission that given the scale of the proposal it should make details available to the Government before proceeding to finalise the agreement.

Mr Lewis: A further question was asked about who else was present at the Attorney General's meeting regarding the valuation of the Bell shares, and Mr Berinson replied that Kevin Edwards of the Ministry of Premier and Cabinet was there. Is that not proof?

Mr PEARCE: Proof of what?

Mr Lewis: That Berinson said Edwards and Mitchell were there working out the valuation of the Bell shares.

Mr PEARCE: The member for Applecross is claiming that they colluded to breach the Companies (Western Australia) Code. There is no evidence of that. He is trying to get away from the simple and clear claim made by the Opposition that the Cabinet decided this matter. The Opposition then said that the Attorney General admitted the Cabinet had decided the matter. I have read the answers the Attorney General has given on that point. Not only did he not admit it, but also he said precisely that representatives of the SGIC board came to the Cabinet meeting, explained their proposal to Cabinet, a brief discussion was held on the matter, and the SGIC representatives then left. No Cabinet decision was made and no direction was given. Not only do I know that is the case, but also I discussed it with the

Attorney General personally a few days ago and his recollection is precisely the same as mine, which is confirmed by the record of the Cabinet meeting. No decision is recorded with regard to this matter. That is the end of the story. The key point of the claim made by the member for Nedlands was quite to the contrary. He produced no evidence of the claim but simply made it. I was at the Cabinet meeting and that claim is not true. That has been the consistent claim of the Government throughout. It is no different from statements made by the Attorney General in another place.

The member for Nedlands came into the House today with all guns firing. He gee'd up the Press Gallery, which was fuller than I have seen it for some time. He gave the Press documents and told them his story in advance. He made great show of what he had found out. Little Lord Court, or perhaps Sherlock Nedlands, has spent two years beavering away trying to find out what had been going on behind the huge cover-up of WA Inc. He read everything on the public record. A subscriber to *The Australian Financial Review* would have known more than the member for Nedlands did if he had been a diligent reader over the last couple of years. Also a person who had spent any time in the upper House watching the documents being tabled would have known all this information. One has only to read *Hansard* to be aware of most of these things. Therefore, talk of a cover-up cannot be sustained.

The member for Nedlands hung his claim of a cover-up on two points; the first was an unsubstantiated claim that Bond Corporation was fined \$1 million, and the second was that the Cabinet made the decision in this matter. Both claims are purely and simply wrong. It is not good enough for the member for Applecross to say that these two things are minor discrepancies, on which the Government may have caught out the member for Nedlands. These minor discrepancies were the only things which were not on the public record, because they were not true. The claim relating to the Cabinet decision was simply a false claim by the member for Nedlands. The most that could be said about the so-called \$1 million fine is that it was never levied. The NCSC never insisted on payment or took anyone to court to get that fine. Its public finding would not substantiate the need for that claim. It does not say that anyone is guilty. From reading the evidence one might come to the conclusion that there could have been some discussion between the two parties about the management of the company. That is not the basis on which -

Mr Trenorden interjected.

Mr PEARCE: I will read the article again because the member did not understand it the last time -

After a careful review of all of the evidence, including that summarised above, the commission had come to the tentative view that there might have been some understanding between the SGIC and Bond Corp in relation to the future management control of BGL -

That is a far cry from collusion; that is a far cry from finding anybody guilty; and, it is a far cry from even having a case on which to take somebody to court. Who would plead guilty and pay a \$1 million fine on the basis of a tentative view that there might have been some understanding between the State Government Insurance Commission and Bond Corporation? What will the member do if on his way back to Northam tomorrow night he is stopped by a policeman who says, "I would like to fine you \$1 million on the spot because I have come to a tentative view that there may have been a chance that you were speeding back there"? Will he say, "Here officer, I will write out the cheque"? In fact, what the member would do is come to this House and make speeches about the audacity of the police and he would be down in the court defending himself for all he is worth. That is precisely what Bond Corporation said it would do under those circumstances and the National Companies and Securities Commission did not insist on it. I do not know whether the proposal from the National Companies and Securities Commission was for a \$1 million fine. It certainly was not a figure negotiated in any sense with the State Government. The State Government knew the position of Bond Corporation and the State Government Insurance Commission and realised that the fine was a realistic part of a negotiated settlement. The Government was keen to settle the matter. All the member can say about that \$1 million is that it was something which may have been suggested by somebody in the NCSC.

They are the facts. The member for Nedlands made it sound like the State Government had

not pursued a secret \$1 million fine of Bond Corporation. That is a far from the truth. By the time that information was relayed to the member for Applecross he thought that the \$1 million fine had actually been levied. That is how much he knew about the matter. He was waving around *The West Australian* this morning and claiming that; every member heard the member for Applecross say that. There is nothing to support the member's contention that there has been a cover-up. All of the matters referred to by the member for Nedlands, with the exception of the two that I have dealt with, are already on the public record. How can the Government cover up the public record?

The second point of the motion deals with the attempt to cover up the Government's involvement in the settlement with the NCSC. That is simply not true. The NCSC disapproved of the transaction because of the close association with a similar purchase by Bond Corporation at the time. I point out what the member for Nedlands should have said in drafting his motion - I assume he drafted it because if one is to make a claim of collusion it should be mentioned in the motion. The member for Nedlands should have referred to the Government's involvement in the settlement with the NCSC which had disapproved of the transaction because of suspected collusion. That is what should have been said if the member for Nedlands had meant that there was collusion. However, he did not mention that in the motion, which states -

its involvement in the settlement with the NCSC who had disapproved of the transaction because of the close association -

Mr Court: Do you want me to say it again?

Mr Lewis interjected.

Mr PEARCE: I know how people go blind and I am not at all surprised that the member does not see too well, but he should be able to hear all right. The motion states that the NCSC had disapproved of the transaction -

... because of the close association with a similar purchase by the Bond Corporation at the time;

If ever the member for Nedlands was to make a claim for collusion that would have been the line in which to do it. Why did he not do that?

Mr Court: I will make the claim of collusion. Do you want me to do it?

Mr PEARCE: The member was not intending to make that claim in the motion.

Mr Court: Do you want me to amend it?

Mr PEARCE: There is no proof of the claim.

Mr Court: Sit down and I will give it to you again.

Mr PEARCE: The NCSC did not come to a conclusion that there had been collusion, yet all of the information was on page 22 of *The Australian Financial Review* of Monday, 6 June 1988 in the purple prose of the National Companies and Securities Commission. The member for Nedlands is asking members of this House to believe that he could read *The Australian Financial Review* and regurgitate it to the House two years later and he wants members to vote for the proposition that there has been a cover-up.

I have heard many claims of cover-ups made in this House by various parties and under various circumstances. I have been on both sides of those claims; however, I have never before seen the claim of a cover-up disproved by someone reading from a newspaper all the facts which are proposed or claimed to be covered up. I have never known a motion come before the House that has mentioned information that appeared in a two year old newspaper; a newspaper that must surely be in the files of the member for Nedlands and which he must have seen if he had been sleuthing around as he said he had been. Does the member for Avon not find it embarrassing when the member who moves the motion, which the member for Avon has seconded, pops up with this information mentioned in a newspaper two years and three months previously? Does he not think that is surprising?

Mr Trenorden: I think it is surprising that you do not quote the report.

Mr PEARCE: The member clearly has not read it and if he has he has forgotten it because when I started to quote from the motion he said that it was just a report from *The Australian Financial Review*.

The DEPUTY SPEAKER: Order! The question and answer session has gone far enough.

Mr PEARCE: I would think so. Mr Deputy Speaker, you are leaping in like a referee when some poor boxer is on the ropes.

The DEPUTY SPEAKER: My job is to be partly a referee.

Mr PEARCE: I think the Deputy Speaker has done the right thing, and the proper thing for a referee to do is to count that member out.

The DEPUTY SPEAKER: Order!

Mr Shave: We are punch drunk because we cannot understand what you are trying to tell us.

Mr PEARCE: I am not surprised at that; however I do not think it has anything to do with punch. The Government does not accept the Opposition claim that there has been a cover-up on this matter. These matters probably have been the subject of more public discussion in the last couple of years than any other set of circumstances that has faced this State. The Government has made available in great profusion the documentation involved. It is a sad day when the member for Nedlands, a failed aspirant to the leadership, has to wait until his leader is away and then concoct a story based on old newspaper reports and a couple of fallacious claims to support that motion. It was not an effort of which the Opposition can be proud and is one which the Government rejects absolutely.

MR COURT (Nedlands) [4.26 pm]: I thank members from both sides for participating in the debate on this motion. I felt sorry for the Leader of the House because he was speaking from a position of no knowledge of the facts. I will now relay some of those facts. The Attorney General said clearly that the procedure followed in the State Government Insurance Commission's purchase of Bell shares was precisely the same as that adopted by the SGIC in the earlier case of its very large scale and expensive purchase of BHP shares. The member should understand that what happened in that case was at the direction of the Premier.

Mr Pearce: He said there was no Cabinet decision.

Mr COURT: The Cabinet had authorised this transaction because other questions mentioned that the Cabinet had discussed this matter and followed the same decisions precisely.

Mr Pearce: It does not say that.

Mr COURT: The BHP decision was directed by the Premier after the authorisation of the Cabinet had been obtained. The member was also being pedantic about whether a fine had been recommended. The Acting Premier stated only last night -

Accordingly, the NCSC was advised that the Government would not insist on the NCSC demanding a fine as a condition of the negotiated settlement.

How is it that the Acting Premier had the power to waive the fine when normally it would be the responsibility of the Attorney General to do so?

Mr Pearce: No-one waived the fine because no fine was levied.

Mr COURT: No fine was levied because a lawyer put up his hand at the meeting and said that the Government did not want to impose a fine. The NCSC said that it would not accept a verbal undertaking and wanted the Government to give it in writing. I do not think the letter has been tabled today.

Mr Trenorden: No, it has not been tabled yet.

Mr COURT: The Minister asked why did not the NCSC take this matter to court. The media might be interested in this matter because it is something that I left out of my earlier remarks. The reason that the NCSC decided to reach a commercial agreement was that at the time it had virtually no funds to carry out a proper legal prosecution. In fact, I was told it was down to about \$40 000 in its budget, which would have lasted only minutes in a court. If the Leader of the House knows his corporate law he would know it is quite common for the NCSC to negotiate a settlement. The option it has is to confiscate the shares - in this case it would have had to confiscate the Bond shares, but it could not confiscate the SGIC shares because the SGIC had Crown immunity - and sell them off, and take so much of the proceeds as a fine.

Mr Pearce: Why didn't it do that?

Mr COURT: Because it did not have any money to go ahead with a prosecution.

Mr Pearce: How much does it cost to prosecute?

Mr COURT: It would probably cost \$500 000 to carry out that sort of prosecution.

Mr Pearce: If it thought it was so important why didn't it prosecute them and not someone else?

Mr COURT: It could not prosecute the Government - it had claimed Crown privilege.

Mr Pearce: It never asked the NCSC for a fine.

Mr COURT: The other point he makes is that it did not reach a conclusion. The NCSC comment was that the evidence given to the commission had made it clear that there were a number of contacts between the negotiating parties which enabled the commission to conclude that each of the SGIC and Bond Corporation was apprised of the status of the offer being made by the other and also the status of the negotiations of the other. How much clearer does it have to be? Members opposite have made themselves look foolish today. I have laid down today in this House the truth of this matter; and it hurts members opposite.

Members opposite are saying that some of this information is two years old. That is exactly the point I am making. We have to go through all the information available to us and fit together the pieces of the jigsaw. The fact that the information is two years old does not mean that members opposite can get away with what they have done. If a person had murdered someone two years ago, and the police only received the information today, that person's defence could not be that the information was two years old. Nothing will detract from the fact that the SGIC gave false evidence to the NCSC. The Government is saying that because a commercial agreement was reached at the end of the day, that is okay. If that is the Government's level of propriety, it stinks, and we will do everything we can to bring down the Government and to ensure that we have a Royal Commission to inquire into the deceitful deals that have taken place as a part of WA Inc. Members opposite may think that we are fighting this with a bit of passion. I can assure them that we are. We have had seven years of rotten deception and we will bring it to an end. I urge the House to support the motion.

Question put and a division taken with the following result -

Ayes (22)			
Mr Ainsworth	Mr Grayden	Mr Nicholls	Dr Turnbull
Mr C.J. Barnett	Mr House	Mr Omodei	Mr Watt
Mr Bradshaw	Mr Kierath	Mr Shave	Mr Wiese
Mr Clarko	Mr Lewis	Mr Strickland	Mr Blaikie (Teller)
Mr Court	Mr Mensaros	Mr Thompson	
Mrs Edwardes	Mr Minson	Mr Trenorden	
Noes (25)			
Mrs Beggs	Mr Graham	Mr Pearce	Mr Troy
Mrs Buchanan	Mr Grill	Mr Read	Dr Watson
Mr Carr	Mrs Henderson	Mr Ripper	Mr Wilson
Mr Catania	Mr Gordon Hill	Mr D.L. Smith	Mrs Watkins (Teller)
Mr Cunningham	Mr Kobelke	Mr P.J. Smith	
Dr Edwards	Mr Leahy	Mr Taylor	
Dr Gallop	Mr Marlborough	Mr Thomas	
Pairs			
Mr MacKinnon		Dr Lawrence	
Mr Cowan		Mr Bridge	
Mr McNee		Mr Donovan	
Mr Fred Tubby		Mr McGinty	

Question thus negatived.

MOTION - TIMBER INDUSTRY

MR OMODEI (Warren) [4.38 pm]: I move -

That this House -

- (1) recognises the importance of the timber industry to the economy of Western Australia;
- (2) acknowledges that the timber industry is supported by a large number of dedicated workers in the south west region;
- (3) accepts the need to carefully manage our forests on a sustainable yield basis; and
- (4) accepts the importance of retaining reserves for National Parks and nature conservation for the enjoyment of all Western Australians.

Despite all the things that we have heard today about the chicanery and the divisiveness of this Government, another issue is taking place in forests across the nation which is of deep concern to a large section of the community. I am talking about the timber industry. At the moment there is a blockade at Parliament House in Canberra where the Transport Workers Union is cutting off supplies to Parliament House. Those actions are being taken because at least six decisions are in the process of being made in relation to forests that will affect the livelihoods of timber workers. Those decisions include the future of the industry in the south east forests of New South Wales, the national estate logging in East Gippsland, Tasmania's forest industry strategy, the Fraser Island issue in Queensland, and the logging of northern New South Wales.

It is also significant that in the last few days we have seen the celebration of National Timber Solidarity Day, and we have also seen in my electorate in the south west, in the town of Manjimup, a timber rally attended by in excess of 2 000 people. Members should recognise the importance of the forest industries and the timber industry to Western Australia. The history of Western Australia has been inextricably tied to the timber industry. Timber mills have existed in almost every town in the south west region of this State, and by that I mean from at least the Perth region right down to Albany.

At the moment the number of employees directly involved in forestry, milling, processing and the distribution of wood and product manufacturing exceeds 9 000 people. People with direct and indirect involvement in the industry number more than 20 000. The value of wages for those people involved in milling, processing and distribution exceeds \$100 million. The sales turnover of timber products for 1990 is estimated to be \$646 million, and the value of exports is \$60 million.

These days much is said about the value adding of our raw products - something we have not done in this State or this country for the last 200 years. Over \$50 million has been invested for this purpose in the timber industry in the past three years, and the proportion of jarrah going to further processing has increased from an estimated 45 per cent in 1987 to around 55 per cent in 1990. That is a significant figure. In 1985 the value added figure was estimated as 45 per cent of sales turnover.

It is important to recognise that the industry has been involved in this State from the very early days. Ever since the day Mrs Dance cut down the tree to celebrate Foundation Day, much has happened across Western Australia. All of our major buildings and facilities have a timber component in them. Recently I was able to find just one example: The Boulder Power Corporation project, which was built in 1933, was 270 feet long and 105 feet wide. It was a massive wooden structure valued at £100 000. In that same year the flooring of the Commonwealth Bank in Forrest Place was laid, valued at £200 000. Members can imagine what that would be worth today. The timber industry was also involved in the building of the Pearce Airbase, the aerodrome at Darwin, and so on.

I want to recognise some of the people who have been involved in the timber industry over the years, and to indicate to the House that there is a great tradition and history and folklore of the forests in Western Australia. In my own area in particular, which is the heart of the timber industry, we have a timber processing works which covers more than 15 hectares and which value adds timber at a very great rate. The manager of that production centre at Manjimup, Ed Valom, came to Australia as a young boy. He is now the production manager

for Bunning Bros in Western Australia. As a young fellow he started out on the green chain which, for those members who do not know, is an area where timber is stacked. It is at the bottom end of the timber processing business. Mr Valom has now risen to a position of significance in that company. His offsider, Brian Roche, is an ex-farmer's son and is well known in the area.

In the early days of the timber industry a number of companies were involved, and the State itself was involved in sawmilling from 1913. In 1960 Hawker Siddeley Building Supplies Pty Ltd purchased the State sawmills for £2 million. Hawker Siddeley sold out to Bunnings in about 1970, which saw Bunnings rising as a prominent player in the timber industry. In 1983 Bunnings bought out its old competitor, Millars, for the sum of \$25 million, and now Bunnings probably has the greater section of the timber industry, along with Whittakers Ltd.

It is very important that we recognise these companies and the part they play in the community. I have seen a number of the companies in action and believe them to be very good corporate citizens. In my own electorate we have a large mill at Deanmill, where we saw the Cottons, the Kennedys and the Pittses, the Curtises and the Youngs. At Millars we have a legend in his own time, Harry Warner, who is still alive. He is in his nineties, but he played a major part at Palgarup, along with the Gibellinis. Graham Gibellini now is the manager of the Pemberton mill. In Pemberton there is the Rosman family, the Kellys and the Tozers. Some of these families have spent five or six generations in the industry.

As well as those people we have the fallers - who are now elderly people who spent most of their days in the forest and who are still alive in the lower south west. There is Jim Fox, who was a celebrated faller in the Jardee Forest, and Vic Starkie who, about 10 years ago, gave a demonstration of felling a karri tree. Jack and Jim Littlefair and the Towies were other fallers. Jack Littlefair is still alive and he is one of the surviving fallers who felled trees in the Pemberton bush before 1920. He is a well known farmer in the Eastbrook district. People used to refer to him as the Earl. He was famous because people said Jack cut timber all day and would still go home without a hair out of place.

Mr Gordon Hill: What about the Towies?

Mr OMODEI: The Towies were prominent in the timber industry as fallers and in other capacities.

Mr Gordon Hill: What about the Smiths?

Mr OMODEI: Certainly, the Smiths - and we could go on. I am sure I have missed some out. At Millars, Ed Sprengel and Ron Ireland were prominent people in that business and well known in the timber industry. In Northcliffe the Flanagans and the Tirums family were prominent figures in the industry.

Mr Gordon Hill: Hear, hear!

Mr Read: You sound like Norm Marlborough.

Mr OMODEI: No, I am not quite up to his standard yet.

I mention some of the things which were proposed in the timber industry in the 1920s, and refer to their relevance to the current day. Many members in this House would recognise former Conservators of Forests. Lane Poole was one of the very important figures in the forest industry. He was said to have indicated that the object of the forester when an area of forest is handed to him is to find out how fast the forest is growing and not allow the sawmillers to cut the forest faster than it is growing. The very same thing is happening in our forests today. In 1921 Lane Poole wanted an integrated timber industry where there was no such thing as waste; he wanted every portion of the log to be used. He established a forest products laboratory at Crawley and carried out research into kiln drying, powellising, paper making, and a number of other methods of gaining extra yield from timber. The very same thing is happening today with improved technology in our mills and at the Manjimup production centre where we have experts in kiln drying and value adding our product.

Conservative Governments played a large part in the timber industry in the very early days; for example, the first Forests Act was brought in by the Lefroy Ministry in 1918. It is quite significant that conservative members play a prominent role in the south west today, with the electorates of Warren, Collie and Wellington being held by conservative members of Parliament.

It is also significant to note that much has been said about the methods by which we manage our forests, and about our clear felling methods and select cut methods. Lane Poole was very interested in looking at the de Courcey block, well known today as the Hundred Year Forest. Nowadays, it is a famous tourist attraction and living proof of the fact that we can regenerate and value add our forests.

It is also important to note that, when the timber industry, including Bunnings and the private companies, took over from the State sawmillers, they also took what was called a permissible intake. In 1927 and 1929, Conservator of Forests Kessell made sure karri was limited to 150 000 loads and jarrah was limited to 460 000 loads. Similar working plans in our forests are set down in CALM's management plan and timber strategy and it is important that we acknowledge that.

It is also important to note the number of timber organisations that were involved in the timber industry. In excess of 50 timber mills existed in the south west region. Some of the major ones were Millars' Timber and Trading Co Ltd, Timber Corporation Ltd, Swan Sawmills Ltd, Lewis and Reed, Whittaker Bros, Preston Valley Sawmills Ltd, Wilgarup Karri and Jarrah Co Ltd, Perth Sawmills Ltd and of course the Kauri Timber Co and the Wagon Timber Co. Those are some of the names that come to mind.

The forest rally that took place in Manjimup recently was a watershed in the timber industry. It is a clear indication that the industry is prepared to stand up and be counted to protect itself. It was a very successful rally because it pointed out to the conservation movement and those extreme conservationists who are set on the preservation of our forests rather than conservation of our forests that they will have someone to answer to should they take any irrational action in the future. The timber workers that I mentioned earlier not only make their livings from the forest but also take great pride in their work. Nobody knows better than a timber worker how the forest grows and how best to manage it. Rather than shooting from the hip or making rash statements, it behoves all Western Australians to go into the forest and talk to timber people.

The timber rally in Manjimup was very well attended. Unfortunately, the member for Forrest, Geoff Prosser, was not invited because of an oversight by the timber union. However, the member for Kalgoorlie, Graeme Campbell MHR, and the member for Eyre, Julian Grill, attended and Peter Walsh travelled through my electorate in the week preceding the rally. I thought it was good that we had members of Parliament taking an interest in the timber industry until I looked closer and realised that the real objective of the exercise was to rally the Labor Party branches which had been flagging in the past three or four years. The reason they have been flagging is that they recognise that the Government is not supporting the timber industry and I intend to highlight that.

Members opposite probably orchestrated that. They sent their greenie head kickers, Campbell and Walsh, to try to tell timber workers that they support them. Timber workers are not silly. They will realise very quickly that the majority of Labor Party members in Western Australia are not concerned about the timber industry but are concerned about the green vote that got them into power in the last two or three elections.

Mr D.L. Smith: At least we are interested in timber workers and not solely interested in timber merchants.

Mr OMODEI: That is an insult from the member for Mitchell. I grew up in the timber industry. My family has lived in the Warren electorate since 1924. Is the Minister suggesting that I am less concerned with the people with whom I grew up and played cricket and football than we are with anybody else? I think the Minister is living true to form. I did not see the Minister for South-West at the rally and I did not see the Minister for the Environment or the Premier join the rally to support timber workers' jobs. They were most noticeable by their absence.

There have been many contradictions on conservation issues by the Labor Party. *The Age* of 31 March carried the headline, "Keating outlines his record on green issues". *The Sydney Morning Herald* of 20 March 1990 carried the headline, "PM: 'We'll take the big 'green' decisions'". *The Canberra Times* of 10 March 1990 carried the headline, "Campbell 'danger to ALP campaign'". *The Canberra Times* on 31 March 1990 carried the headline, "Keating the Green: how sweet it is". *The West Australian* of 8 March carried an article headed,

"Labor vows world list for Shark Bay". They say one thing and then tell the timber workers that they are looking after their jobs. If timber workers want secure jobs they will have to look to their local members and to the Legislative Council's conservative members to secure those jobs.

It is disturbing that members opposite are insulting the greens in the south west just to pick up a few branch members. That is a real concern to me. I want the Minister for the Environment to come to the Warren electorate and guarantee those workers that there will be no loss of timber jobs as a result of any national estate listing. National estate listing of production forests in the south west will reduce the karri forest intake by 47 per cent. When that figure is applied to the Pemberton mill, which is the biggest mill in the State, 78 per cent of timber workers will lose their jobs.

The Opposition is concerned about the future of our forests and it will fight hard to ensure that timber industry workers' jobs are secure.

MR WIESE (Wagin) [4.58 pm]: I support the motion moved by the member for Warren. It is important that the motion is passed by the House this evening and that the House reinforces in the minds of the people involved in the timber industry the important role that they have played in the economy of this State since the beginning of settlement of Western Australia. That industry has provided an export that carried and developed a great part of the south west portion of this State and it continues to play that part.

It is very important that we acknowledge the importance of the timber industry as a source of employment in the south west areas of the State. At present, forest based industries employ approximately 9 000 persons. That is an enormous number of people who are vitally interested and dependent upon the timber industry for their livelihood. Industries directly related to forest production employ in excess of 20 000 people. Therefore, approximately 30 000 people are directly or indirectly employed in the timber industry. The products turned out by that industry are of vital importance to the south west region of the State and to the overall economy of Western Australia. It is important that that is not jeopardised by future policies and it is important that we continue to maintain the timber industry in the south west region of the State.

The Department of Conservation and Land Management plays a major role in the timber industry and in another area which is directly related to the timber industry in the south west; that is, it is the conservator of forests, national parks, reserves, conservation areas and all that land which has been set aside in the south west region of the State for the enjoyment of Western Australians and for the conservation of flora and fauna. We should not forget the importance of CALM's role.

It is interesting to note the number of people who last year visited the timber areas and national parks which come under the jurisdiction of CALM. The figures are remarkable and I doubt whether many members in this House are familiar with them. It is estimated that last year 990 000 people visited the northern forest region, 498 000 people visited the central forest region, and 267 000 people visited the southern forest region of this State. Those figures show that a large number of people are visiting these areas and are enjoying the amenities, the beauty of the area and the flora and fauna. These areas are of vital importance to this State and it is important that CALM continues to manage them in such a way that they will continue to be of benefit to the public.

It is important that the national parks and reserves are not in any way adversely affected by the activities of the people visiting them or by the activities of the people in the timber industry. A balance in the way in which these areas in the south west are utilised should be achieved and CALM is playing an important role in achieving that balance. CALM also recognises the role that the tourism and recreation industries, together with the timber industry, play in the economy both of the south west of the State and of Western Australia as a whole.

It is important that we continue to develop our national parks and reserves and provide amenities which will not be degraded by the people who use them. CALM is certainly channelling its time, effort and funds into that area. It is vital that we minimise the damage that can be done to the environment by the influx of people into those areas, as there is a great potential for the spread of dieback, fire damage and damage to flora by people and

vehicles. Pollution and litter problems are the result of the large number of people visiting the areas and these problems will continue to grow. It is essential that the areas are managed in such a way that no further damage is done to them.

I refer now to the utilisation of timber which is harvested out of the forest areas. Many of the smaller mills are achieving higher yields from logs than are the highly computerised and mechanised mills. These mills do use some of the lesser grade logs and they should be encouraged and given greater access to the first grade and premium grade logs. I have grave reservations about the use of first grade and premium grade logs to produce sleepers. I certainly hope that some time in the near future the use of premium timber for the production of sleepers will decrease and we will see that timber being used for the making of furniture. It is essential that the management of CALM concentrates on that aspect.

In the last two or three weeks I visited the forest areas of the State and I was disturbed to see the waste that was left after logs had been taken from the forests. I hope CALM is able to address that problem and makes greater use of the waste material. I know that in the northern jarrah areas the waste is used in the silicon manufacturing process and is converted into carbon. I would like to see another silicon processing plant established in the south west to utilise some of the jarrah waste which is now left in the forest to rot. It is a shame it cannot be transported by semitrailer to the metropolitan area to be used as firewood.

I again emphasise the vital importance of the timber industry to the Western Australian economy. I also emphasise, as strongly as I can, the vital role that the forests, national parks and conservation areas play in providing an environment which can be enjoyed by all Western Australians.

MR PEARCE (Armadale - Minister for the Environment) (5.08 pm): The Government is prepared to accept this motion although there is a strange parallel between this debate and the debate on the previous motion. The Opposition is putting up a motion to lay before the House something it has only just discovered; that is, the importance of the timber industry to the people of Western Australia. The whole basis of this motion has been put into effect by the Government since 1987 when it put together and promulgated the timber strategy which it is currently following. It is the Government's timber strategy which has created a balance to make sure that the forest is dealt with on a sustainable basis where it is logged and that the areas which should be national parks are made national parks. It also ensures the future for the timber industry.

Although I agree with the motion it was an insult to hear the member for Warren say that he would like to hear the Minister for the Environment give a guarantee about the jobs of the people in the timber industry. I have been giving that guarantee for as long as I have been Minister for the Environment and the Government has been giving the same guarantee for a long time - for longer than the member for Warren has been a member of Parliament.

Mr Omodei: What are you going to do about the national estate proposals?

Mr PEARCE: We will adhere to our timber strategy, which sets out those areas which can be logged, and it is proposed in the time scales laid out in the strategy to log those areas. That is the Government's policy. I thought I had heard the member for Warren on previous occasions support the Government's timber strategy. Does the Opposition have a policy that is different from the Government's timber strategy?

Mr Omodei: Do you mean regional management plans?

Mr PEARCE: I mean the Government's timber strategy which is a document that sets out the balance between areas to be logged and areas for national parks.

Mr Omodei: You mean the strategy brought down by the timber industry.

Mr PEARCE: It was not brought down by the timber industry. It was brought down by the Government in discussion with the industry. They are the Government's forests and it will decide which areas will be logged and which will be reserved for national parks. The Government's policy is clear, and it has been in action for the past three years. Does the Opposition have a policy that is different from the Government's timber strategy?

Mr Omodei: We are not in Government.

Mr PEARCE: The member for Warren is saying that if the Liberal Party gets into Government it will not guarantee the timber strategy.

Mr Omodei: That is rubbish.

Mr PEARCE: That is absolutely what the member is saying. I asked whether the Opposition had a policy which is different from the Government's timber strategy, and he said that he cannot tell me the Opposition's policy because the Liberal Party is not in Government. It means that the Opposition does not propose to put in place a policy which is different from the present timber strategy, but no one knows what it will do when in Government.

Mr Omodei: You show a great deal of ignorance. There is not only the timber strategy, there are also three regional management plans brought down by people in the timber industry and ratified by the Department of Conservation and Land Management.

Mr PEARCE: It is not ratified by the Department of Conservation and Land Management.

Mr Minson: We will carry on.

Mr PEARCE: Is the Deputy Leader of the Opposition now the policy maker in this matter?

Mr Minson: You have heard what the member for Warren said; there are regional plans which we will carry on.

Mr PEARCE: You will adopt the Government's policy in this matter?

Mr Minson: It is an ongoing thing.

Mr PEARCE: Will the Deputy Leader of the Opposition give a guarantee for our timber strategy as well? The whole operation of the forests is dependent upon the balance in the timber strategy, and I find it amazing that members opposite are not prepared to guarantee that they will follow it. The timber strategy guarantees the jobs in the timber industry and also guarantees areas of national park, nature reserves and so on. That is the balance. If the Opposition wants to hold a view about the timber industry or conservation aspects of the forests, one would expect that when moving a motion such as this it would have a policy to underpin that view. The Opposition is proposing to recognise the importance of the timber industry to the economy of Western Australia. Is that just rhetoric or is there some substance underlying it?

Mr Bradshaw: We have the runs on the board, the Government does not.

Mr PEARCE: The Deputy Leader of the Opposition has said that a Liberal Government would propose to follow on the policy of this Government. This Government has the runs on the board and if the Opposition gets into office it will carry on with the same baring style.

Mr Omodei: If it is so good, why did 2 000 people attend a rally in Western Australia?

Mr PEARCE: They were not rallying against the Government.

Mr Bradshaw: They were. You should have heard what the member for Eyre and the Federal member for Kalgoorlie said about the State and Federal Labor Governments.

Mr PEARCE: I attended an industry dinner in Manjimup, which is in the heart of the seat of the member for Warren, about two and a half months ago, and I got a standing ovation for the way I had supported the timber industry following the "Four Corners" program. That is the absolute truth. I am sorry that the member for Warren is not aware of what is happening in his own electorate.

There is no doubt about the Government's record with regard to the timber industry. The Government has put the timber industry on a firm, sustainable footing. The timber strategy does exactly that. It will come as a great shock to people in the timber areas to hear that the Opposition was not prepared to give a guarantee on the timber strategy should it become the Government.

Mr Omodei: They will not believe that rubbish.

Mr PEARCE: Then give me a guarantee now.

Mr Omodei: It has been given by the Deputy Leader of the Opposition.

Mr PEARCE: No, it has not. He ducked it because he does not know what it means, but the member for Warren should.

Mr Omodei: I said the timber strategy and management plan will be adhered to by this Government and any Government in power.

Mr PEARCE: The Opposition will adhere to the Government's timber strategy and management plan?

Mr Omodei: To the industry's timber strategy.

Mr PEARCE: The Opposition's policy is the Government's policy. Now that the Opposition has reached that conclusion, I ask for one other guarantee that the Opposition will not disturb the areas laid out by this Government as national parks or nature reserves.

Mr Omodei: From the point of view of mining?

Mr PEARCE: From the point of view of anything. Will the Opposition disturb the allocation of areas for national parks or nature reserves in the forests?

Mr Omodei: I am not prepared to answer that question.

Mr PEARCE: It took five minutes to get the member for Warren to admit that the Opposition's policy is the Government's policy with regard to timber, but he is not prepared to give the same guarantee with regard to national parks. That must be a worry for anyone who seeks a proper balance in the forest area. This Government stands for that balance in the timber areas; that is, a proper balance between the needs of the timber industry and conservation. The Government has a policy for timber production on a sustainable yield basis for a 120 year rotation of the industry. The Government is looking centuries ahead in terms of sustainable yield and the policy it has laid down. It has put aside areas for national parks. The Opposition has said that it supports the Government's timber strategy but it will not give its support to the Government's conservation strategy in terms of safeguarding forever areas of forest from logging. The Opposition should give some thought to this matter of balance before the next election and before moving motions in this House on these subjects again. It is crucial for there to be a balance of these things in the forest. No one is denying the importance of these matters to the timber industry, which is supported and regulated by the Government, but it is equally important to conserve areas of our forest. The industry accepts the timber strategy on both sides; that is, it accepts the need for conservation of areas of the forests as part of our heritage, and also accepts the designation of areas in the timber strategy. The only group of people standing outside that guarantee to preserve national parks and nature reserves is the Opposition. People should be worried about that.

The Opposition has a spokesman on the environment in another place who has said that the Liberal Party will again consider these environmental issues in an effort to win over the conservation movement. The conservation movement may ask the spokesman the next time he fronts its members to explain why the Opposition is not prepared to give a guarantee to preserve the national parks and nature reserves in the forest areas. It is an easy guarantee. Does the Opposition want to give it now? This is a good opportunity.

Mr Omodei: Are you talking about the areas you have gazetted in the D'Entrecasteaux National Park?

Mr PEARCE: I am talking about all the areas in the forest. For example, will the Opposition preserve the Shannon River area?

Mr Omodei: It is preserved now.

Mr PEARCE: That is right, it is preserved by this Government. However, it could be changed. What about nature reserves and national parks in the forest areas; why not give a straight answer to that question?

Mr Omodei: Is it a fact that in your new conservation and land management Bill you propose to cut timber from the Shannon River basin.

Mr PEARCE: No, it is not a fact that the Government is proposing to cut timber from any of the areas currently designated national park or nature reserve in the forest.

Mr Omodei: I think you should go back and check that. Does the Government propose to log areas in the Shannon River basin?

Mr PEARCE: The Government does not propose to deviate from the timber strategy.

Mr Omodei: I suggest you go back and read it again.

Mr PEARCE: I invite the member for Warren to tell me the Opposition's policy on national parks.

Mr Omodei: You asked whether we would cut timber in the Shannon River basin, but your own Government is proposing under its new redevelopment Bill to cut timber in that area.

Mr PEARCE: Less than six minutes ago, the member for Warren would not give a guarantee that he would support the timber strategy, which guarantees the jobs of the timber industry workers.

Mr Omodei: Are you making that guarantee?

Mr PEARCE: I have already given it in the timber strategy. I am now asking the member to give a matching guarantee; that is, to say that he will accept those sections of the timber strategy which deal with national parks and nature reserves.

Mr Omodei: You are expecting me to say that I agree with what you are proposing, but in a Bill that has already been before this House but has been withdrawn you were proposing to cut timber from the Shannon River basin.

Mr PEARCE: That Bill has been withdrawn for redrafting in a number of key areas. We are not proposing to deviate from the timber strategy in any way.

Mr Omodei: That just goes to show how much you know about your portfolio.

Mr PEARCE: I am asking the member what he knows about his policy. He does not appear to know anything. This is the fourth occasion - and I will not do it again - on which I am giving the member the opportunity to say that his Government, if he ever gets the opportunity to be in one, will guarantee the preservation of national parks and nature reserves.

Mr Omodei: Of course we will.

Mr PEARCE: All of them?

Mr Omodei: Not necessarily all of them.

Mr PEARCE: Which ones will be preserved? What process will be followed to decide which national parks will be logged?

Mr Omodei: I find it amazing that you should be asking the Opposition those things when you are proposing to log them yourself.

Mr PEARCE: It is the member's motion. I am asking him what he means by his motion, and I am asking him now because the people of Western Australia might be a bit interested to know which national parks the Opposition is proposing to log. If the member is not prepared to tell us now which national parks the Opposition is proposing to log, can he tell us the principle, policy or process that will be used to decide which national parks will be logged - or has he been told not to say any more, which I can tell members would be excellent advice for him? The truth of the matter is that the member should never have moved the motion because he does not have a policy to support it.

Several members interjected.

The SPEAKER: Order! I do not know whether members are aware but we have some very distinguished guests in the Speaker's Gallery who just happen to be involved with the South Australian Parliament. I am sure they are quite amazed at what is going on at the moment, and I wonder whether members might like to show them how well behaved we normally are.

Mr PEARCE: I saw our special guests shaking their heads. I am not at all surprised that they were astounded that a member of a political party in any State of Australia would refuse to guarantee the integrity of national parks, which is what the member for Warren has done this evening. I will tell the member for Warren, and you, Mr Speaker, and the rest of the House, that the State Government does recognise the importance of the timber industry to the economy of Western Australia. That is why we have guaranteed it for centuries ahead, on a sustainable yield basis, in the timber strategy. We acknowledge that the timber industry is supported by a large number of dedicated workers in the south west region, most of whom belong to a union which is affiliated with the Australian Labor Party. We recognise the work they do for this State and the contribution that they and their predecessors have made to this State's economy and to the establishment of this State.

We also accept the need to carefully manage our forests on a sustainable yield basis. The timber strategy does that, but looks centuries ahead, on a 120 year rotation. We also accept

the importance of retaining reserves for national parks and nature conservation for the enjoyment of all Western Australians. That is why in the timber strategy we have taken the trouble to mark out those special areas which will always be preserved. That is why we have increased by 300 per cent the amount of the forest which has been put aside into such reserves during the period of this Government, most of it formalised in the timber strategy.

I find it strange that the member asks this House to support this motion with its guarantees, but when it comes down to taws the mover of the motion was not prepared to give those guarantees himself. If the member accepts the importance of retaining reserves for national parks why is he proposing to log some of those national parks?

Mr Omodei: I did not say we are going to log them.

Mr PEARCE: The member did say that. I asked the member whether he would guarantee the integrity of all the national parks, and he said no, he would guarantee the integrity of some of them. That means he will not guarantee the integrity of others, and if he will not guarantee the integrity of national parks in terms of logging that means he is proposing to log them. The member went very quiet when I asked him which ones he was proposing to log. We all sat here and watched the member's embarrassment with regard to that matter.

The Government supports the wording of the motion and believes it is a good statement of principle for the timber industry. We are ashamed of the speech given in support of the motion because it seemed to us that a motion of this importance, dealing with an industry of this importance, deserved a decent speech by the mover of the motion. The kind of petty politicking that went on in the member for Warren's speech was not worthy of the motion, and if he had done the decent thing he would have given the motion to us to move and we would have put forward a decent rationale for it, based on the Government's own timber strategy. I want to make it clear that in supporting this motion the Government dissociates itself from the speech of its mover, which was a disgraceful and pathetic effort, and we ask the member's older and wiser colleagues to get together with him before he opens his mouth on this subject again to make sure that next time he will give a guarantee, not only about the preservation of the jobs of timber workers through the following of present Government policy, but also of the national parks in the forest area, because many Western Australians believe the integrity of those national parks should not be questioned.

MR OMODEI (Warren) [5.25 pm]: We have heard a Minister who really does not know very much about his portfolio because if he did he would have known what was contained in the Bill that was before this Parliament only a month or so ago. If the Minister had listened closely to my speech he would have heard that members on this side of the House support the timber strategy and regional management plans as set down by the Department of Conservation and Land Management for the timber industry. Those plans were formulated after extensive consultation with the community and the timber industry in the south west region, and were promulgated by this Government.

[Fire alarm sounded.]

The SPEAKER: Order! I do not want to interfere with the member's time, and we will extend his time into question time a little bit, but I owe members an explanation. Members may be aware that we have not, as far as I am aware, in the history of this place had a fire safety evacuation system, and during the last few weeks we have been developing one. There is no intention to extend that fire drill today, and if you hear that sound again that is really what it will mean, but there is no need to take any action unless it is followed by an announcement telling you to do something.

Mr OMODEI: Thank you, Mr Speaker. In this case, when we have 2 000 people rallying because they are concerned about the timber industry and their livelihoods, there certainly is some smoke. In the Eastern States six different proposals are threatening the timber industry. The Federal Parliament is blockaded, yet the Minister has the gall to tell me that his Labor Government supports the timber strategy. I find that unbelievable. It is a question of credibility, and I will match my credibility against that of the Minister any time he likes. I will take the time to circulate the Minister's speech to the timber industry so that they will know how the Minister has trivialised this debate. I raise this issue now - with the permission of members on this side of the House - quite deliberately because I believe there is a crisis in the timber industry. The main threat is coming from extremists, who are supported by people on the Minister's side of the House.

The comments made by the Federal member for Kalgoorlie, the member for Eyre and Senator Peter Walsh in the south west when they were carted around the timber industry by the Timber Workers Union which is, on the Government's own admission, affiliated with the ALP -

Several members interjected.

Mr OMODEI: The main reason behind this is that we have a Secretary of the Timber Workers Union who aspires to a position in another place in this Parliament. I suggest that the sitting member of that place would be really concerned about his job. Members opposite trivialise those things, but that same member in the other place was told to sit down by the member for Eyre because he was making an absolute fool of himself. It is not for me to denigrate Opposition members, but when a member from his own party tells him to sit down at a public rally it is embarrassing for a number of people.

The motion supports the timber industry and the conservation of national parks and conservation areas for the benefit of all Western Australians and I am not ashamed to have moved such a motion. I have no hesitation at all in urging members to support the motion.

Opposition members: Hear, hear!

Question put and passed.

[Questions without notice taken.]

House adjourned at 6.02 pm

QUESTIONS ON NOTICE

FERTILISER - TRANSPORT POLICY REVIEW *Cabinet Decision*

1124. Mr MacKINNON to the Minister for Transport:

- (1) Would the Minister advise if Cabinet has as yet made any decision on the review of fertiliser transport policy conducted by the Department of Transport?
- (2) If so, what were those decisions?
- (3) Will that report now be released for public information?
- (4) If so, when?
- (5) If not, why not?

Mrs BEGGS replied:

- (1) Yes.
- (2) To deregulate fertiliser transport from 1 October 1990 and to institute a 1¢ per net tonne kilometre charge on commercial road transporters carting newly deregulated fertiliser to rail served areas. This charge will help offset the difference between the additional road damage costs resulting from increased road transport and the added revenues which will flow to the State from existing road user charges.

(3)-(5)

The report was released for public comment in late May.

WESTERN AUSTRALIAN TOURISM COMMISSION - TOURISM PROJECTS ASSISTANCE

1148. Mr MacKINNON to the Minister for Tourism:

- (1) What tourism projects were assisted financially by the Western Australian Tourism Commission during the year ending 30 June 1990?
- (2) Would the Minister list those projects assisted in the form of either -
 - (a) grants;
 - (b) guarantees,
 and also list the extent of grants and/or guarantees?
- (3) If not, why not?

Mrs BEGGS replied:

(1)-(2)

A detailed list of tourism grants paid during 1989-90 will be provided direct to the honourable member. No guarantees were issued during 1989-90.

(3) Not applicable.

GOVERNMENT EXPENDITURE - NATIONAL STANDARD DIFFERENCES

1153. Mr MacKINNON to the Minister for Finance and Economic Development:

In relation to the calculations of Western Australia's relative expenditure performance by Dr Nahan of the Institute of Public Affairs and reported on in *The West Australian* of 27 June 1990, will the Minister explain the reasons for the following expenditures which differ from the national standard -

- (a) education -\$130.5 million;
- (b) general medical +\$52.8 million;
- (c) emergency relief +\$32.0 million;
- (d) police +\$16.2 million;

- (e) corporate affairs +\$2.0 million;
- (f) corrective services +\$31.9 million;
- (g) Government Printer +\$3.3 million;
- (h) mapping and surveying +\$7.3 million;
- (i) Premier and Treasurer +\$8.5 million;
- (j) Public Service Board +\$20.8 million;
- (k) public works +\$19.1 million;
- (l) tax collection +\$1.2 million;
- (m) Valuer General +\$3.9 million;
- (n) local government and town planning +\$4.2 million;
- (o) vermin and noxious weeds +\$5.8 million;
- (p) labour and industry +\$10.6 million;
- (q) transport +\$3.8 million;
- (r) environment and conservation +\$4.0 million;
- (s) industrial development +\$17.5 million;
- (t) overseas representation +\$2.0 million;
- (u) tourism +\$2.1 million;
- (v) coastal shipping +\$12.9 million;
- (w) country water and sewerage +\$5.8 million?

Mr TAYLOR replied:

The difference in the Grants Commission's assessments of expenditures in individual areas between the States should be interpreted with caution. The Grants Commission's assessments indicate how expenditures in each State for particular expenditure areas differ from a national standard - or population weighted average. They do not indicate which State has the "preferred mix" of policies. Furthermore, each State's population will have different ideas about what constitutes the best set of policies for their particular State.

In addition, because of difficulties in determining the national standard as a result of problems in clearly identifying policy differences between the States and data shortages, the differences in some expenditure areas at least partly reflect deficiencies in the Grants Commission's methodology and process.

Furthermore, identification of particular factors and policies causing differences from the national standard for individual expenditure areas is complicated by the fact that the Grants Commission's assessments are based on general indicators of cost and need rather than on a close examination of the particular policies of each State. While the commission has, on a limited basis, sought to explain some of the major differences in State expenditure levels, these should be seen as indicative only. Further information is available in the 1988 Grants Commission report on General Revenue Grant Relativities. Nevertheless, it should be noted that, for Western Australia, both budget aggregate expenditures and total tax revenues in 1988-89 - the latest year for which data is available - were close to the national standards assessed by the commission.

PERTH TECHNICAL COLLEGE SITE - DAVID JONES SITE

Bond Corporation, State Government Insurance Commission - 25 Per Cent Interest Swap

1162. Mr MINSON to the Minister for Finance and Economic Development:

When Bond Corporation traded its 25 per cent interest in the Perth Technical College site to the State Government Insurance Commission for the SGIC's

25 per cent interest in the David Jones site, was there any other consideration, either cash or kind, that accompanied the swap?

Mr TAYLOR replied:

Yes. The following considerations took place -

- (a) \$14 million - paid to Bond Corporation Holdings Ltd by SGIC for exchange of interest in Midtown Property Trust for allocation of a 50 per cent share in Perth Technical College site.
- (b) \$5 million - paid to Bond Corporation Ltd by SGIC for surrender of management rights to the Perth Technical College site redevelopment. The Government Employees Superannuation Board paid \$2.5 million to the SGIC to recoup 50 per cent of such expenditure made.
- (c) \$9.5 million - paid to L.R. Connell by SGIC to relinquish his call option on the Midtown Property Trust Units.

LAND - HEATHCOTE HOSPITAL SITE
Subdivision and Development Plans

1179. Mr LEWIS to the Minister for Finance and Economic Development:

- (1) Has the Asset Management Taskforce or any other Government agency in recent times prepared plans for the proposed subdivision and development of the Heathcote Hospital site at the confluence of the Swan and Canning Rivers at Applecross?
- (2) If yes, are those plans being considered by various Government agencies, including the Swan River Trust?
- (3) If yes, when will the proposals be submitted to the Melville City Council and/or made public?

Mr TAYLOR replied:

- (1) Yes the Asset Management Taskforce - AMT - has.
- (2) Yes.
- (3) The AMT's proposals will be formally submitted to the council and made public only after advice has been received from all relevant Government agencies, including the Swan River Trust and the EPA and the National Trust. No definite date can be set at this stage. The AMT however has already undertaken informal discussions with the Melville City Council on the best possible future uses for this property.

TECHNOLOGY PARK - MANAGEMENT CHANGE
Bryce, Mr M.

1184. Mr MacKINNON to the Minister for Finance and Economic Development:

- (1) Is it proposed to announce in the very near future that Technology Park will no longer be run by Chesterton International but will be run by a Board of Management chaired by the former Member for Maylands, Hon M Bryce?
- (2) If so, why is this change being made?
- (3) When was Chesterton International appointed manager of the park?
- (4) On what basis were they appointed?
- (5) Were tenders called prior to this appointment?
- (6) If not, why not?
- (7) What payment is currently being made to Mr Bryce from Government for any services being carried out in relation to the park?
- (8) What payments will be made to Mr Bryce for his position as Chairman of the Board of Management of Technology Park?
- (9) What industry consultation has there been prior to this change being made, including consultation with park tenants?

Mr TAYLOR replied:

- (1) No. I have announced the formation of an advisory committee for Technology Park. The members of the committee are -

Professor De Laeter, Chairman, (Deputy Vice-Chancellor Research, Curtin University)

Mr Rod Unsworth (Managing Director/Delta West)

Dr Ian Smith (General Manager/CRA Advanced Technology Development)

Mr Charles Hopkins (Lord Mayor of Perth City Council)

Mr F.J. Malone (Chairman, Technology & Innovation Management P/L)

Hon Mal Bryce (Chairman, Technology & Industry Advisory Council)

The committee will not be directly involved in real estate management. I assume the member is referring to Hon Mal Bryce who was formerly the member for Ascot.

- (2) Not applicable.
- (3) 1 July 1989.
- (4) An interim arrangement to allow for the transition from internal management to commercial property management.
- (5) No.
- (6) It is an interim appointment to handle the transition which included establishing appropriate management systems and an effective interface with the Ministry of Economic Development.
- (7) There are no payments being made to Mr Bryce related to management of Technology Park.
- (8) All members of the committee will serve in an honorary capacity.
- (9) Not applicable.

ASSET MANAGEMENT TASK FORCE - RESERVE NO 37138 DISPOSAL

1195. Mr MacKINNON to the Minister for Finance and Economic Development:

- (1) Has the Asset Management Taskforce disposed of Reserve No 37138 which, under the City of Melville town planning scheme, was reserved as a technical school site?
- (2) If so, who purchased the land and for what purpose?

Mr TAYLOR replied:

- (1) Yes, settlement of former reserve 37138 was effected on 15 August 1990 following the sale of the property by the Asset Management Taskforce on the open market by public tender.
- (2) The purchaser was Obermyn Pty Ltd. However, the reason for purchase is not known to the taskforce as tenderers were not requested to provide proposed development details for the property with their tender documentation.

RAILWAYS - RAIL RESERVE, ROCKINGHAM-MANDURAH *Mandurah Railway Station Location - Fremantle-Mandurah Rail Link*

1204. Mr NICHOLLS to the Minister for Transport:

- (1) Does the Government intend to create a rail reserve between Rockingham and Mandurah this financial year?
- (2) Will the Mandurah City Council be invited to indicate the recommended location of a future railway station in Mandurah?
- (3) From the date of approval, how long will it take to construct a rail link between Fremantle and Mandurah?

Mrs BEGGS replied:

- (1) Cabinet has approved the drafting of an enabling Bill for a rapid transit reserve for introduction in the autumn 1991 parliamentary session.
- (2) I understand that the Director General of Transport has written to the council seeking to discuss the rapid transit corridor. There has been, and will continue to be, extensive public consultation during the investigations into public transport requirements in the south west corridor. All appropriate local authorities are, of course, included in that consultation process.
- (3) The mode of transport and the timing of construction will depend on the final recommendations of the south west corridor transport study.

WESTRAIL - TAXES AND CHARGES

Operating Loss

1207. Mr McNEE to the Minister for Transport:

- (1) Would the Minister provide a list of taxes and charges both State and Federal, to which Westrail are subject, and the amounts involved in 1990 dollar terms for the financial years ending June -
 - (a) 1980;
 - (b) 1985;
 - (c) 1990?
- (2) What was Westrail's operating loss in 1990 dollar terms for the financial years ending June -
 - (a) 1980;
 - (b) 1985;
 - (c) 1990?

Mrs BEGGS replied:

(1)	ACTUAL PAYROLL TAX (\$000)	ACTUAL FBT (\$000)	ACTUAL FID (\$000)	ACTUAL BAD (\$000)	TOTAL (\$000)	1990 (\$000)
1980	5 507				5 507	11 540
1985	7 296				7 296	10 404
1990	9 406	578	93	35	10 112	10 112

Westrail also pays indirect taxes, the most significant being Federal excise duty on fuel.

(2)	1990\$ (\$000) Operating Deficit	1990\$ (\$000) Commercial Loss
1980	58 745	Not available
1985	77 883	39 800
1990	43 030	13 500

Commercial loss was not calculated prior to 1985.

STATESHIPS - TAXES AND CHARGES

Operating Loss

1208. Mr McNEE to the Minister for Transport:

- (1) Would the Minister provide a list of taxes and charges, both State and Federal, to which Stateships is subject, and the amounts involved for the financial years ending June -
 - (a) 1980;

- (b) 1985;
- (c) 1990?
- (2) What was Stateships operating loss for the financial years ending June -
 - (a) 1980;
 - (b) 1985;
 - (c) 1990?

Mrs BEGGS replied:

(1)	<u>State</u>	<u>Common-wealth</u>
(a) Year ending 31 December 1980	\$3 239 994	\$300 151
(b) Year ending 31 December 1985	\$5 904 970	\$376 326
(c) Year ending 30 June 1990	\$6 560 724	\$380 813

The lists are extensive and will be provided under separate cover to the honourable member.

- (2) (a) Year ending 31 December 1980 \$9 560 535
- (b) Year ending 31 December 1985 \$15 704 865
- (c) The accounts for 30 June 1990 will be tabled after audit in December 1990.

TRANSPORT - COSTS INCREASE
Government Long Term Strategies

1210. Mr McNEE to the Minister for Transport:

As Australia's domestic oil supplies have peaked, what long term strategies has the Government set in motion to cope with increasing transport costs especially to country residents?

Mrs BEGGS replied:

The Government has instigated reviews of traffics regulated to rail to assist in identifying land freight transport policies which will provide the State with the most efficient transport system to cater for country freight needs. The Government is also examining the adequacy of road user charges to ensure that transport resources are being allocated efficiently. The Government is continuously implementing strategies to improve rail transport services within the State. It is also involved with the other State railways and the Commonwealth in developing a proposal to adopt an integrated approach to the interstate freight task which would produce significant efficiencies resulting in substantially reduced transport costs.

MINERAL SANDS - BEENUP AND JANGARDUP
Rail Transport - Westrail Inquiry Report Tabling

1211. Mr McNEE to the Minister for Transport:

- (1) With reference to the Minister's media statement of 12 June 1990 -
 - (a) will the Minister table papers related to the extensive investigation by Westrail into the rail transport of mineral sands from Beenup and Jangardup to Bunbury;
 - (b) if no, why?
- (2) Will the Minister table any other reports or papers relative to transport requirements of the south west region beyond the year 2 000?
- (3) If no to (2), why not?

Mrs BEGGS replied:

- (1) The papers relating to Westrail's investigations into a rail-based option for the transport of mineral sands contain commercial information which is not normally made public. I am, however, happy to arrange a departmental briefing for the honourable member if he so wishes.

(2)-(3)

The Department of Transport has been undertaking a series of reviews of the remaining rail regulated traffics. Those reports already considered by Government have been released publicly and will be made available to the honourable member on request. The Government also publicly released a strategy document on "South Coast Mineral Sands" in April 1990 through the Minister for Resources and Trade. This document makes reference to transport infrastructure requirements for large volume traffics such as mineral sands.

RAILWAYS - SABRE TASK FORCE

Train Service Vandalism and Violence - Reduction

1215. Mr GRAYDEN to the Minister for Transport:

- (1) Has the establishment of the Sabre task force been successful in reducing vandalism and violence on metropolitan train services?
- (2) Is any upgrading of the task force necessary to increase the efficiency of the unit and if so in what way could the service be improved?

Mrs BEGGS replied:

(1)-(2)

Yes. The establishment of the suburban patrol unit within the Westrail security force has positively contributed to the safety and comfort of passengers travelling on the suburban rail service and has been an effective deterrent to vandalism and antisocial behaviour. In addition to the specialised training given to patrol officers to control antisocial behaviour, there were some 380 prosecutions for offences against the Government Railways Act and by-laws for the year ended 30 June 1990. Westrail patrol officers also assisted the police in prosecution actions undertaken.

TRANSPORT - FERTILISER AND GRAIN

One Cent Per Tonne Per Kilometre Charge - Local Government and Main Roads Department Funds Distribution

1243. Mr McNEE to the Minister for Transport:

Will the Minister give a commitment to the House that all funds collected from the 1 cent/tonne/km charge on fertilizer and grain transport will be divided between local authorities and the Main Roads Department, and that this distribution will be in addition to current grants and allocations?

Mrs BEGGS replied:

As I have previously advised the House, all revenue received from the 1c/tonne/kilometre charge on fertilizer and grain transport will be distributed to the Main Roads Department and local authorities for expenditure on roads. This revenue represents an additional source of funds for roads.

STATESHIPS - DISBANDMENT PROPOSAL

1248. Mr COURT to the Minister for Transport:

- (1) Is the Government proposing to disband the Stateships' operations?
- (2) If yes, what is the timing of these proposals?

Mrs BEGGS replied:

- (1) There is no proposal before Government to disband Stateships' operations at this time.
- (2) Not applicable.

SHIPBUILDING - THREE NEW SHIPS, JERVOISE BAY

Future Decision

1249. Mr COURT to the Minister for Transport:

- (1) Has the Government decided what it will do with the three new ships being constructed at Jervois Bay?

- (2) Are they to be leased by Stateships?
- (3) If yes to (2), where will these ships be operating?

Mrs BEGGS replied:

(1)-(3)

Refer to answers given to Legislative Assembly question 623.

LAND VALUATION TRIBUNAL - CHAIRMAN

Land Valuation Appeals

1252. Mr LEWIS to the Minister for Finance and Economic Development:

- (1) Who is the current Chairman of the Land Valuation Tribunal?
- (2) Is the chairman currently away on leave?
- (3) If yes, did the chairman take leave outside Australia and if so what was the duration of the leave and what type of leave was taken?
- (4) How many appeals against land valuation were referred to the Appeals Tribunal for determination between 1 July 1989 and 30 June 1990?
- (5) How many appeals in (4) above were actually determined?
- (6) How many appeals are currently registered for hearing?
- (7) How many appeals, both referred and registered, are yet to be heard?
- (8) Has any other person been appointed to act in the absence of the chairman and, if so, has the Valuation Tribunal sat during any time in the more recent absence of the chairman?
- (9) What is the expected duration from time of appeal being registered to current hearing date?
- (10) Will the Land Valuation Tribunal not schedule a hearing date, notwithstanding appeals have been registered for over six months?

Mr TAYLOR replied:

- (1) Mr D. Mossenson, managing partner, Phillips Fox, barristers and solicitors.

(2)-(3)

I am advised that Mr Mossenson, who carries out duties as tribunal chairman on an as required basis, has been absent from Perth since 7 August 1990 and is expected to resume in his practice on 16 September 1990.

- (4) 81.
- (5) The tribunal determined 41 appeals. A further 22 were conceded by the Commissioner of State Taxation following certain determinations by the tribunal.
- (6) 37.
- (7) 37.
- (8) The deputy chairman, Mr B.J. Pass, acted as chairman at sittings of the tribunal on 24 July 1990 and 4 September 1990, when a total of six appeals were determined.
- (9) I am advised that the period varies but that appeals are usually heard within four to six weeks of registration. Under the Land Valuation Tribunals Act an appellant must be given at least 21 days' notice of a hearing.
- (10) The tribunal has already scheduled one appeal for hearing on 16 October 1990 and four for hearing on 6 November 1990.

STATE TAXATION OFFICE - FISHING BOAT BROKERS' OFFICES

August Raid

1259. Mr McNEE to the Minister for Finance and Economic Development:

- (1) Did the State Taxation Office raid the offices of fishing boat brokers last month?

(2) If so, why?

Mr TAYLOR replied:

(1)-(2)

I am advised by the Commissioner of State Taxation that compliance officers visited a number of business brokers and marine brokers during the course of a project to ascertain whether stamp duty was being correctly paid on the sale of businesses.

TRANSPORT STRATEGY COMMITTEES - TRANSPORT CO-ORDINATION ACT SECTION 7B

Establishments and Members

1263. Mr MacKINNON to the Minister for Transport:

- (1) How many Transport Strategy Committees has the Government established under Section 7B of the Transport Co-Ordination Act?
- (2) Who are the members of each of those committees and for what purpose were they established?

Mrs BEGGS replied:

- (1) Three.
- (2) The committees were established to examine future transport for the Perth metropolitan region, to investigate the need and location options for further international airport facilities in the north west and to examine and make recommendations on the transport of the Western Australian grain crop. Strategy committees on State ships and road user charges were established under the provisions of an earlier Act, but completed during the currency of the present Act. Membership of the committees is drawn from a range of public and private sector interest groups according to the issue at hand. As the list of members is substantial I will provide the honourable member details in writing.

SCHOOLS - COMO SENIOR HIGH SCHOOL

New Hall, Gymnasium - Bentley Senior High School Closure

1270. Mr GRAYDEN to the Minister for Education:

- (1) Was the closure of Bentley Senior High School in 1982 to have resulted in the construction of a new, full-sized and adequately equipped hall/gymnasium at Como High School?
- (2) Has this as yet occurred?
- (3) Does the Basketball Federation of Western Australia currently propose to erect, at its expense, a four court basketball complex in the grounds of Como Senior High School?
- (4) Would Como Senior High School be able to use a section of the proposed basketball complex for school purposes if the complex was proceeded with?
- (5) Is there a proposal to combine a community facility, in the form of a performing arts centre, onto the proposed basketball complex with the cost to be shared between the City of South Perth and the Ministry of Education?
- (6) If this eventuated, would the proposed performing arts centre be able to be used by Como Senior High School during school hours, thus replacing current inadequate facilities?
- (7) If the proposed basketball complex is funded by the Basketball Federation, and the proposed performing arts centre is proceeded with at least partly funded by the City of South Perth, what would be the saving to the Education Department?

Dr GALLOP replied:

- (1) No. The Government's announcement of the creation of the senior colleges in

April 1981 made no specific reference to improvements or upgradings to Como Senior High School.

(2) Not applicable.

(3)-(7)

Discussions are continuing between the Basketball Federation of Western Australia, the City of South Perth and the Ministry of Education regarding the possible joint development of a recreation centre and performing arts theatre. No finality has been reached on the matters of funding, use or management at present. The ministry would expect that the school's needs for such facilities would be adequately catered for as a condition of the development proceeding.

EVENING STAR - DISPOSAL

1279. Mr TUBBY to the Minister for Education:

- (1) Why has the Government decided to dispose of the Ministry of Education's vessel the *Evening Star*?
- (2) Is it the Government's intention to replace this vessel?
- (3) If so, when will it be replaced and with what will it be replaced?
- (4) Has the Minister received a proposal for the temporary repair of the *Evening Star* for \$10 000 so that it can remain in use for the next three years while a replacement vessel is constructed?
- (5) If so, could the Minister please explain if this proposal is acceptable and, if not, why not?
- (6) Does the Minister support the concept of a "floating classroom"?

Dr GALLOP replied:

- (1) The Ministry of Education decided to dispose of the *Evening Star* following reports from the Department of Marine and Harbours and an independent maritime consultant. The reports detailed extensive structural problems with the vessel, and indicated that costs of rectification were exorbitant, and would not guarantee the avoidance of excessive costs in the future.
- (2) The Government has no current plans for vessel replacement.
- (3) Not applicable.
- (4)-(5) No. Minor expenditure would leave the vessel demasted and operating within a restricted survey as a motor vessel, and not suitable for the ministry's program needs.
- (6) Yes. Experiential education programs are supported because of the contribution they make to excellence in education. The floating classroom program was one of a number of such programs supported by the Ministry of Education.

POWER - MUJA-KALGOORLIE POWER LINE *Capacity*

1307. Mr COURT to the Minister for Fuel and Energy:

- (1) What was the initial installed capacity of the Muja to Kalgoorlie power line?
- (2) What is the current installed capacity of this line?
- (3) In respect of mining or industrial consumers connected to this line, what has been the Government's policy in respect of capital head works charges since the line first came into use and the present time?

Mr CARR replied:

- (1) 70MW.
- (2) 150MW.

- (3) SECWA's policy initially was that customers were not required to make any capital contribution for incremental capital head works charges. The costs were recovered by SECWA by means of the tariff charges. The present policy is that customers are required to meet all incremental capital head works charges.

QUESTIONS WITHOUT NOTICE

DAILY NEWS - CLOSURE

Jobs

348. Dr EDWARDS to the Acting Premier:

Can he advise the House whether the Government has been able to ascertain what action might be taken to save the jobs of the people employed by the *Daily News*?

Mr TAYLOR replied:

Yes, I am happy to advise the House of some action that might be possible in relation to the *Daily News*. I mentioned last night my concern that the decision of the Trade Practices Commission was an abysmal decision and one which, apart from the need, I believe, for two daily newspapers in Perth, did not take into account the need of approximately 200 people to have a job.

Today people involved with me in Government have been working with the *Daily News*, lawyers, and others associated with this matter to see if there is a way around the problem. We are not in the business of buying the *Daily News* or acting as business brokers for the *Daily News*, but it would seem from the advice that has been received to date that there may be a way around this issue in the sense of legislating to effectively put the *Daily News* decision outside the ambit of the trade practices tribunal, or quarantine it from the trade practices tribunal. Apparently that has been done elsewhere in Australia. I am told there are precedents for that in New South Wales, South Australia and Victoria, in those areas.

Mr Watt: All in newspapers?

Mr TAYLOR: No; I was going to add that some are old precedents, and certainly not in the area of newspapers.

Mr Watt: Skywest was the same.

Mr TAYLOR: It was very similar, the member is right. In fact, one of the precedents goes back to the time of the Bolte Government in Victoria and the Ansett monopoly there. I understand that has not been challenged in a legal sense in the courts.

We will be receiving, tomorrow morning I hope, advice from a senior Queen's Counsel who is expert in the area of trade practices law to tell us whether he believes it is possible for the Government to enact legislation which would effectively quarantine the *Daily News* from this decision.

We have been in touch also with the Federal Government on the issue, and basically we have been told by the Federal Minister involved, or people from his office, that it is a matter for the Trade Practices Commission and there is no way the Federal Government will intervene. I think it would be a most unusual action on the part of the Government to take that sort of decision, but I will put my point of view very clearly: If we can find a way to save those 200 jobs, I am of the view that we should try to save them. I am of the view that, if it is possible or necessary to legislate, we should come to this Parliament next week with that legislation and ask for the cooperation of the Opposition in getting it through quickly on the basis that that newspaper would reopen, those people would get their jobs back and that, for better or for worse, WA Newspapers would continue to retain some ownership, or the ownership, of that newspaper.

Mr Court: But you told us earlier you could not trust Bond.

Mr TAYLOR: I was just asked that question by Kevin Hume, and I said I certainly do not feel at all comfortable in dealing with the Bond people in relation to this issue, but I am prepared to put that to one side in the interests of the jobs involved, and I think that is the critical issue. It is very rare for a Government to be able to legislate to maintain jobs. We all know that factories and businesses close and people lose their jobs. It is very rare indeed to have the opportunity - if indeed it does exist - to save those jobs. If that opportunity does exist, I hope all of us will feel it is at least worthwhile, albeit to keep that newspaper in a monopoly situation as it has existed for decades, albeit that it means still dealing with the Bond people, albeit that some may still see it as Government dealing with business. I am prepared to cop whatever people might hand out in respect of accusations of Government in business to try to keep those jobs for those people.

BURKE, MR BRIAN - RESIGNATION

Rothwells Ltd - Government Financial Dealings Involvement

349. Mr LEWIS to the Minister for Finance and Economic Development:

I think the Minister has had a little bit of notice of this question.

Mr Taylor: A little bit is right!

Mr LEWIS: My question is -

- (1) Did former Premier Brian Burke act on behalf of the Government following his resignation in 1988 regarding the ongoing infusion of moneys and the affairs of Rothwells prior to his departure to Ireland?
- (2) If yes to (1), was he remunerated for his services?
- (3) If he was acting for the Government and he was paid, which Minister appointed him, what were his responsibilities and what was the total value of his remuneration package?
- (4) If he was not acting for the Government, is the Minister aware for whom he was acting, and is the Government aware of any remuneration paid to former Premier Burke for acting on behalf of other parties during the period from his resignation as Premier to his departure for Ireland; and if so, what are the details of such remuneration?

Mr TAYLOR replied:

I thought we had seen at the beginning of this parliamentary session a great brotherly love, understanding and cooperation between the Liberal Party and the National Party. Certainly, if that is supposed to be the case it is not the case in relation to questions, because on the Notice Paper today there appears a question from Mr Cowan to the Premier - question 1294, if the member for Applecross wants to quickly look it up - which deals with almost exactly the same issues as the member for Applecross has put to me.

Mr Lewis: So what? I did not even see that.

Mr TAYLOR: That is the point I am making. The member should just have a quick flick through the Notice Paper each day to see what questions have been asked.

The question is substantially the same as question 1294 on the Notice Paper. A reply is being prepared and I am quite happy to respond to the member for Applecross on this issue when I have that reply.

Mr Lewis: Even though you received notice?

Mr TAYLOR: I had notice at 5.05 pm. Brian Burke is probably asleep.

The SPEAKER: Order!

SOUTH WEST DEVELOPMENT AUTHORITY - FUNDING
Ministry for the South West Budget

350. Dr TURNBULL to the Minister for South-West:

- (1) Can the Minister confirm that the funding for the South West Development Authority is through a Budget allocation to the Ministry for the South West?
- (2) Can the Minister confirm that the staff numbers for his ministerial office are five in the Bunbury office and a liaison officer in Perth?
- (3) Can the Minister confirm that he has authorised replacement of an office support staff member in his office in Bunbury in the last few weeks?
- (4) With the budgetary constraints he has explained, can the Minister tell us whether he will be reducing his office staff numbers of six by one?

Mr D.L. SMITH replied:

(1)-(4)

It is true that the funding for the South West Development Authority is made through the Ministry for the South West. It is also true that the South West Development Authority is allocated money to enable the ministry office in Bunbury to be staffed and also to provide one person in my Perth office who is my SWDA adviser.

Regarding adjustments to the staffing arrangements that might flow from any decision which may be made by Government in future, I assure the member for Collie that any cuts will be the greatest in the ministerial office.

ANSETT - AIR FARE DISCOUNTS
Port Hedland and Karratha

351. Mr GRAHAM to the Minister for Transport:

My question has nothing to do with bodies or tables. I ask -

Can the Minister give details of the new air fare discounts to Port Hedland and Karratha which were announced by Ansett WA today?

Mrs BEGGS replied:

I am delighted to reply to the member for Pilbara.

Mr House: Will you charge him 1¢ per body per kilometre?

Mrs BEGGS: Yes, I may!

Today Ansett made a very significant announcement regarding air fares to the north west of this State, and in particular to the Pilbara ports of Karratha and Port Hedland; the two biggest towns in the north west.

Ansett will introduce a revolutionary new concept in discount fares starting from 2 October, and these will offer the cheapest travel in the history of Western Australian aviation. On four nights a week - from Monday to Thursday - the airline will have late departures from Perth flying both freight and passengers to Karratha and Port Hedland and then returning to Perth in the early hours of the morning. The fares for the midnight and early morning return services are significantly reduced and this is very good news for people who live in those two towns in the north west.

The Karratha to Perth air fare will be \$150 - the normal one-way fare is \$314; the Port Hedland to Perth air fare will be \$153 - the normal one-way fare is \$314; the Perth to Karratha fare will be \$199; the Perth to Port Hedland fare will be \$215; the return fare from Perth to Karratha will be \$335; and the Perth to Port Hedland return fare will be \$324. Also, special children's fares will be introduced. Therefore, I congratulate Ansett on recognising the needs of the people who live in the north west, and this is also a great boon for tourism in this State.

STATE GOVERNMENT INSURANCE OFFICE - MOTOR VEHICLE INSURANCE TRUST

Corporate Strategy Development Plan

352. Mr COURT to the Deputy Premier:

- (1) Is the Minister aware of a report in the *Sunday Times* that the Government, through a Cabinet Minister, wrote to the Motor Vehicle Insurance Trust and the State Government Insurance Office on 27 February 1984 asking for their recommendation as to who should carry out a corporate strategy development plan for the SGIO with formal representations having been received from Price Waterhouse, PA Australia, L.R. Connell and Partners and W.D. Scott?
- (2) If yes, is it correct that the MVIT members placed L.R. Connell at the bottom of their list with no board members supporting this proposal?
- (3) Is it correct that the SGIO did not recommend L.R. Connell and Partners?
- (4) If yes, why did the Government choose L.R. Connell and Partners against the wishes of both of these bodies?
- (5) Was it former Premier Burke who insisted that L.R. Connell and Partners be selected to assist with this work?

Mr TAYLOR replied:

(1)-(5)

If the member for Nedlands is serious about asking questions like this, he should put them on the Notice Paper.

Mr Lewis: I did, and you did not answer the question.

Mr TAYLOR: The member did not put the question on the Notice Paper; he gave it to me at about 5.05 pm.

Mr Lewis: It may have reached you then.

Mr TAYLOR: I was in my office when the woman from the Leader of the Opposition's office walked through with it.

The SPEAKER: Order!

Mr Minson: It was at 4.40 pm.

Mr TAYLOR: At the same time the question was already on the Notice Paper as I have indicated.

Mr Lewis: Why do you not answer it?

Mr TAYLOR: I will give a written and considered answer to that question, as I will give to the question from the member for Nedlands.

Regarding the Motor Vehicle Insurance Trust, it was in a sad shape before it went to the State Government Insurance Office, and that was during the course of days gone by when it was let go. We now have a situation in which it has shaped up to the extent that, without the restrictions imposed in other States in motor vehicles accident payments and the like, we have some of the lowest premiums in Australia. In fact, when we increased the premiums recently, it was the first time for something like four years that the MVIT premiums had increased in Western Australia. That is indicative of the correctness of the decision that the SGIO take over the operations of that body.

CABINET - "PETTICOAT BRIGADE"

353. Mr READ to the Deputy Premier:

Perhaps this question should be read by the member for Kenwick; however, I ask -

Is he aware of alleged widespread community concern about the so-called "petticoat brigade" ruling State Cabinet and the "ladies rolling" police

Minister, Hon Graham Edwards, as was reported in *The West Australian* today?

Mr TAYLOR replied:

If they rolled the Police Minister, Hon Graham Edwards, they would be the first people ever to do that. I have time for the Liberal Party member concerned with these comments who describes himself as a north west man who settles his differences of opinion with people by taking them out into the bull ring and sorting them out.

Mr Blaikie: We note that you qualified your comments about him.

Mr TAYLOR: Yes, I am being a little careful in what I say about him! However, this member may be a little confused about the role of women in a modern society in which an issue is decided through discussion of its merits and the different points of view involved. As women represent something like 51 per cent of our population, the views of women are not based on the fact that they are put forward by women but they are based on equality; women have as much right as anyone else to put a point of view. The comments of the member in question indicate that he may have missed the point that some five years ago this Labor Government enacted equal opportunities legislation in this State. He may have failed to notice that women make an equal contribution to this State. He should notice that the Premier of Western Australia is a woman - she is an outstanding Premier - and that four women Ministers are in our Cabinet in charge of huge portfolio areas. Also, Perth's newest university is about to be named after Australia's first woman MP.

Mr House: Hear, hear!

Mr TAYLOR: Indeed, that is right.

This member may notice in his own party, with its ordinary effort of recognising that the majority of the population are female, that the Whip in the other Chamber is a woman. I wonder whether what he calls the "petticoat brigade" applies in that House when that woman member, as Whip, tells that member that he should be in his seat or that he can or cannot have a pair.

Mr Clarko: He actually congratulated them on the radio this morning; he was complimenting them on their skills.

Mr TAYLOR: I am sure that 51 per cent of our population, if not many more, are quite happy that women have a voice in the Cabinet of Western Australia, and that the Cabinet is very well served by them. We consider ourselves to be absolutely equal and as far as we are concerned no "petticoat brigade" is trying to roll a person of the quality of Hon Graham Edwards on these issues.

HOSPITALS - BUNBURY REGIONAL HOSPITAL *Beds and Theatre Services*

354. Mr MINSON to the Minister for Health:

Can he give the House any indication as to when full bed numbers and full theatre services will be restored to the Bunbury Regional Hospital?

Mr WILSON replied:

Those discussions are going on. These matters, like many others, will ultimately be resolved by the final decisions associated with the Budget. Until those decisions are finalised I cannot give any assurances.

ELECTORAL DISTRIBUTION ACT - AMENDMENT *Gerrymander - Three Commissioners, Redistribution Responsibility*

355. Mr KOBELKE to the Minister for Parliamentary and Electoral Reform:

The West Australian of 6 September 1990 attributes the following comments to the Deputy Leader of the Opposition regarding the electoral redistribution of 1988 -

Mr Minson said any move by the Government to amend the Electoral Act will have to be viewed with grave suspicion. Its last amendment created a gerrymander . . .

What action will the Minister take to remove this possible slur on the three commissioners responsible for the redistribution?

Dr GALLOP replied:

Parliament approved in 1987 the Electoral Reform Act which led to a redistribution of boundaries by early 1988. Amendments to the Electoral Distribution Act abolished boundaries in the north west drawn by the previous Liberal Government and charged three independent Electoral Distribution Commissioners with the task of drawing the electoral boundaries. The three commissioners were: Sir Francis Burt, who was the Chief Justice and is now the Governor; the Electoral Commissioner, Mr Les Smith; and Mr Brian Pink, the Government Statistician.

At the time the new boundaries were announced, all parties acknowledged that, within the present Act, the independent commissioners had drawn sensible boundaries without fear or favour. In view of these facts, no credence can be given to claims by an Opposition spokesperson that the last amendments to the Act created a gerrymander. However, the Opposition would be absolutely right if it said that unjustifiable weighting is a feature of the present Act and Parliament should move to abolish that undemocratic feature.

When the election results were posted, the party which received a majority of votes in a majority of districts became the Government. Elementary knowledge of an electoral system based on single member districts would make the Opposition aware that there is always a possibility that a party can win a majority of districts but not win a majority of the votes Statewide. The Government makes no apology for either winning a majority of the votes in a majority of seats or for running a better election campaign than the Opposition.

Claims of a gerrymander are a slur on the three independent Electoral Commissioners. Such claims cannot be substantiated on the basis of Statewide figures but must detail line by line the electoral boundaries about which the claims are made and demonstrate the effects. The Opposition has failed to produce evidence capable of substantiating its claim of a gerrymander. An apology is due to the Electoral Distribution Commissioners from the member for Greenough and Deputy Leader of the Opposition.

GAS - NORTH WEST SHELF GAS PIPELINE

70 Terrajoules a Day Sale - Expressions of Interest

356. Dr TURNBULL to the Minister for Fuel and Energy:

Will the Minister confirm that the State Energy Commission has received firm expressions of interest for the sale of the 70 terrajoules a day of energy which will be delivered by the North West Shelf gas pipeline when the compressor program on the pipeline is completed?

Mr CARR replied:

I have some difficulty answering the question because I did not really understand it. I am not sure which 70 terrajoules a day the member is referring to.

Mr House: She is talking about the increased amount that will be delivered by the pipeline when the upgrading is done.

Mr CARR: The upgrading will take it from about 350 terrajoules to about 440 terrajoules a day. Therefore, we are looking at more than 70 terrajoules. That is being upgraded to provide the gas that is needed for the gas turbines which are being installed for the peak load capacity.

I am not quite sure what the member means by expressions of interest. I ask the member to put the question on notice and I will give her a considered answer when I have a clearer picture of exactly what she means by the question.

SPORT - SOUTH EAST ASIAN GAMES
Western Australia's Participation Support

357. Mr CUNNINGHAM to the Minister for Sport and Recreation:

Will the Minister advise the House if the State Government has any intention of supporting Western Australia's participation in the South East Asian Games or in other Asian sporting competitions?

Mr GORDON HILL replied:

I returned last night from extensive and fruitful talks with Government and sporting officials in Asia. Without wishing to make an extensive statement to the Parliament, it is important to advise that, in Sri Lanka, I met with Mr Roy de Silva, the acting President of the Olympic Council of Asia. Mr de Silva also heads the Asian Games Federation and is shortly to have his position as incoming President of the Olympic Council of Asia confirmed at a meeting in Beijing. He will then represent 49 nations in the Asian region.

On behalf of the Government and the sporting community of Western Australia, I told him that we would be interested in becoming part of the South East Asian Games and the Asian Games which will be held in four years. Mr de Silva was most enthusiastic about that. I indicated to him that I and the Government have always held the view that sport can help to build bridges between countries. Through sport we have the opportunity to build very important economic and social links with the Asian region.

It is not well known in the Western Australian sporting and business communities that sporting leaders in the Asian region are often leaders of Government and of the business community. That is appreciated by the Government. With that in mind, I made the approach so that through sporting links we can improve our economic links with South East Asia and the Asian region in general.

This initiative will lead to further ongoing sporting contacts, such as joint training camps and exchanges of coaches, sports scientists and administrators. These contacts will lead to significant support from the Asian region for other bids for international sporting competitions to be held in Western Australia in the future.

I am looking forward to a very long, fruitful and positive relationship with the acting President of the Olympic Council of Asia and the countries that he represents.

SCHOOLS - MARGARET RIVER PRIMARY AND HIGH SCHOOLS
Classroom Increase and Year 12 Upgrade

358. Mr BLAIKIE to the Minister for Education:

With two major sand mining operations in the Augusta region expected to start their construction phase in early 1991, what provision is the Government making to ensure that more classrooms are provided at the Margaret River Primary School and that the Margaret River High School is upgraded from a year 10 to year 12 high school?

Dr GALLOP replied:

In the last few days the Government has received a number of questions which I think have bordered on what one could call a desire by the Opposition to eke some details from the Budget process. Many of these questions have come from the National Party.

I think it is more appropriate for me to provide a detailed response to the

member. The Government believes that we should not speculate on Budget matters until the Budget is released. I will respond in writing to the general issues raised in the member's question.

JUVENILE DETENTION CENTRES - HIV PROTECTION

359. Dr WATSON to the Minister for Community Services:

In light of recent newspaper articles on prisoners who are HIV positive, will the Minister please outline the procedures followed in juvenile institutions to protect inmates and staff?

Mr D.L. SMITH replied:

The member for Kenwick's interest in AIDS is well known and she deserves the congratulations of everyone in this House for the work she has done in that field. Her contribution has been outstanding.

The Department for Community Services is promoting the development of good general hygiene and associated management practices in its detention centres as a means of protecting both staff and detainees. It is important to note here that there are some important operational differences between juvenile detention centres and adult prisons. The level of supervision and staff contact available in juvenile centres is far greater than that in the adult system. Hence, intravenous drug use and homosexuality are not major problems in juvenile detention centres. However, work is being carried out in association with the AIDS Council of Western Australia to develop and implement an education initiative to improve awareness of the dangers and problems associated with HIV infection and its prevention. Wherever appropriate, access to HIV testing is being made available to detainees through the mainstream health services along with appropriate specialist counselling and support. The maintenance of confidentiality is a high priority.

The question of isolation would arise in the context of the detainee who becomes ill and requires a separate setting such as a sick bay in which to be treated. It is possible, however, that in such cases the requirement for treatment might suggest that hospital is a more appropriate location. The department has also convened a working group to consider the implication of the Select Committee's report on AIDS and to make appropriate recommendations for policy and practice development. That, of course, will include proper education about sexuality and especially what they need to do to avoid AIDS and other sexually transmitted diseases. It will also include the issue of intravenous infection arising out of needle sharing and drug use generally.
