

Legislative Assembly

Tuesday, 1 July 1986

THE SPEAKER (Mr Barnett) took the Chair at 2.15 p.m., and read prayers.

TRANSPORT: RAILWAYS

Northern Suburbs: Petition

MRS WATKINS (Joondalup) [2.17 p.m.]: I have a petition from 433 citizens of Western Australia in the following terms—

To The Honourable The Speaker and Members of The Legislative Assembly In Parliament Assembled

The undersigned residents of Western Australia call upon the State Government to provide a passenger rail service to the northern suburbs as originally contained in the Stephenson Plan for the following reasons:

- (a) To alleviate the volume of traffic on the existing highways and freeways;
- (b) To give the travelling public an alternative and safe mode of transport;
- (c) To boost the tourist access to out-lying attractions; and
- (d) To assist in decentralisation

and your petitioners, as in duty bound, will ever pray.

I certify this petition 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. 10.)

TRANSPORT CO-ORDINATION AMENDMENT BILL (No. 3)

Introduction and First Reading

Bill introduced, on motion by Mr Laurance, and read a first time

BILLS (5): ASSENT

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

1. Mining (Validation and Amendment) Bill.
2. Transport Co-ordination Amendment Bill.

3. Financial Administration and Audit Amendment Bill.

4. Acts Amendment (Financial Administration and Audit) Bill.

5. Treasurer's Advance Authorization Bill.

CONSTITUTION AMENDMENT BILL

Third Reading

MR PEARCE (Armadale—Leader of the House) [2.22 p.m.]: I move:

That the Bill be now read a third time.

MR HASSELL (Cottesloe—Leader of the Opposition) [2.23 p.m.]: I am simply amazed that the Government is proceeding with the third reading of this Bill. After all that has been said in this House—and bearing in mind that at this very moment the Premier is on the steps of Parliament House seeking to deal with the complaints of the Public Service about the cuts he is making in that area—the Premier is proceeding with legislation to increase the size of the Ministry.

The Government has refused to recognise that if it wants the community to accept restraint, it must set an example. The Government must itself be prepared to give up some of its demands for more and more all the time. The best example that this Government could have set in this past week would have been to abandon its plans for two extra Ministers.

No compelling argument has been put forward by the Premier at any stage of the debate to convince anybody that this State cannot be governed effectively and properly with the existing number of Ministers. The increase in the Ministry should not take place now because it is a moment of national economic difficulty—some would regard it as a crisis—a moment at which there is a general call on the part of Governments, Federal and State, Labor and non-Labor, for restraint, sacrifice, reduction, and acceptance of less than people demand.

The moment that that is occurring is neither the right nor appropriate moment for the Government to proceed with its request of Parliament that it approve the creation of a larger Ministry. What is that Ministry going to do that cannot be done by a Government with 15 Ministers? What is it that is so essential, of such tremendous priority, of such great importance, that while everyone else in the community is being asked to make sacrifices—and in many cases being forced to do so—the Government cannot do without increasing its Ministry? The answer, of course, is nothing; there is nothing the Government cannot do

without that increase. It is simply a matter of political convenience, because the Premier wants to be able to exercise more influence in Caucus. It is a matter of convenience in terms of spreading the work load amongst his members; convenience in giving them an easier time. It may be that those are acceptable objectives in normal times; they are not acceptable now when they will add significantly to the public cost and the burden of Government and the expansion of activities by Government at a moment when we need less of it.

People in the rural communities who have been suffering for some time from a number of factors, including low commodity prices and the impact of home-grown costs, should not be expected to pay more taxes to support additional Ministries. Neither should the working people who have just been asked to accept a 2.3 per cent wage increase at the same time as the Government has imposed on them increases in power, water, and gas charges be expected to accept those substantial increases in State taxation.

When I asked the Premier on Thursday whether we had heard all the news about the State taxation increases, he was prepared neither to confirm nor deny that he had come to the end of the road with State taxation increases. We will see many more difficulties in this country in the next 12 months, not fewer. If anyone thinks that the initial burst of this Government or the half-hearted attempts of the Hawke Government represent the end of the line in terms of hardship and sacrifice, they are kidding themselves. They do not realise how serious the situation is.

The Government is framing a Budget on the basis of the assumption that the inflation rate will be seven per cent. I put on the record now my belief that the inflation rate will be significantly more than seven per cent within a few months. That inflation rate will be contributed to by the disastrous fall in the dollar and the increase in prices flowing from that and the continuing increases in labour costs, despite the level of restraint that has been exercised.

All those factors are relevant to what is happening in Australia and in Western Australia today. As those factors come forward and bring forth their crop of results, decisions, sacrifices, cuts, and other controls on what people are doing, it is not the time to increase the size of the Ministry. If the Government had an ounce of sincerity or sense, between last Thursday and today it would have made the

decision not to proceed with the increase in the size of the State Government Ministry. It is not needed; it is not justifiable; and it has not been supported by any convincing argument.

I oppose the Bill.

MR LAURANCE (Gascoyne) [2.29 p.m.]: I contribute to the third reading stage of this Bill, partly as a result of the announcement that you made, Sir, when you passed the second reading. You indicated then—I think my words are correct—that you were pleased to announce that a constitutional majority was not required for this particular measure. I emphasise the word “pleased” that you used in that context. You said that that had been backed by a Supreme Court decision. I see, Sir, that you are obviously checking that.

The **SPEAKER**: Did I say that?

Mr LAURANCE: You did, as I recall it.

You emphasised the point that this measure did not require a constitutional majority, because some six years earlier a similar measure was before the Parliament to increase the size of the Ministry from 13 to 15 and that was the sticking point at which the legislation bogged down. It was felt that a constitutional majority was required. In fact, Speaker Thompson ruled that it was not required. However, his decision was the subject of a very lengthy legal challenge that took 2½ years to resolve. In 1980 the Government decided to expand the size of the Ministry from 13 to 15. That action was vehemently opposed by members opposite and, indeed, they supported the legal challenge that continued for some 2½ years to frustrate the then Government and prevent it from expanding the Ministry.

I was painfully aware of that decision. Like you, Mr Speaker, as indicated in your statement the other day during the second reading debate, I was pleased that it has been proved beyond doubt by the courts of the land that a constitutional majority is not required to increase the size of the Ministry. However, as a result of the delaying tactics and the enthusiasm of members opposite for frustrating and obstructing the increase in the size of the Ministry then, I spent two years as an Honorary Minister.

I say in passing that I was very grateful to my colleagues of the day because they saw fit to take a cut in their salaries in order to provide me with some remuneration. The Premier and the Deputy Premier of the day took a proportionately larger cut in their salaries and with the other Ministers shared the loss which

provided me and the other Honorary Minister at the time with the same salary as that Ministers received. One difficulty arose because the Honorary Ministers did not have to pay tax on that amount. It had been ruled by the Commissioner for Taxation that as the money was contributed to us after the other Ministers had paid tax on that amount, the tax did not have to be paid twice. However, that factor was taken into account when the calculations were made.

I was certainly very grateful to receive some remuneration, by leave of my colleagues' generosity, to compensate me for the responsibilities I assumed. The situation caused some difficulties. For example, constitutional difficulties arise from being an Honorary Minister. I found those to be particularly onerous when I was an acting Minister for a lengthy period for the then Minister for Local Government, and Urban Development and Town Planning, Mrs June Craig. She was absent from her ministerial duties for an extended period following a fairly major operation. I was acting Minister for eight weeks. The present Minister for Local Government would probably be aware of some of the problems.

Mr Carr: The department has not recovered from the problems caused during those two months when you were acting Minister.

Mr LAURANCE: Constitutional difficulties arose with regard to the signing of a number of documents within the areas of local government and particularly town planning. From memory I think it was unconstitutional for an Honorary Minister to sign town planning schemes and, therefore, although I was doing the work, it was necessary for some documents to go through another Minister before completion. Logistically that created a problem for us.

I did not appreciate being put in that position. It occurred because it took a long time for the matter to be cleared before the courts. I had become an acting Minister and two other colleagues were also placed in this invidious position for a couple of months and remained so until the position was clarified and they were able to take their places as substantive Ministers.

Never at any time during those 2½ years did members opposite indicate that they were prepared to speed up the process involved or that they did not support the obstruction of the legislation in that way so that the then Govern-

ment could not expand the Ministry. What hypocrisy it is for the Government today—that same party that stood by and watched the difficult position in 1980, saying that it was not necessary to increase the Ministry to 15, that 13 was an adequate number, and which did everything in its power to obstruct and delay the increase—to say that it wants to increase the size of the Ministry from 15 to 17. Talk about political dyslexia! Members opposite are certainly seeing things differently today. If the Government wished to be in any way consistent it would obviously say that 15 is far too many, and one would have expected it to introduce a Bill to reduce the size of the Ministry to 13. When I heard that a change in the Constitution was proposed to amend the number of Ministers, I assumed that the members of the Government would not be hypocrites and go for a further increase, but that they would stick to the principles outlined some 2½ years ago and reduce the size of the Ministry from 15 to 13.

In relation to the interjection by the Minister for Local Government, I came away from that experience of having responsibility for three of my own portfolios and then picking up another two portfolios for a lengthy period while acting for Mrs Craig, with a great admiration for the public servants. The Minister said that it has taken all that time to overcome the results of my period as acting Minister for Local Government but I think he was being lighthearted. Certainly I would have found it impossible to maintain my three portfolios, take on the extra two, and perform my public duties in normal working hours. The public servants involved in those departments worked fairly extraordinary hours to assist me.

I recall on one occasion that the only time I was able to see the officers of the town planning department was after a dinner at 10.30 p.m. I think we worked through until 2.00 a.m. to clear the matters that had built up. I make these comments at a time when the Government is bashing the Public Service. Certainly many public servants work extremely difficult hours and I needed them to work flexi hours when I was working in that capacity. I certainly would not have been able to carry out work during normal office hours. I add also that they performed their work cheerfully, even during the crazy hours which were required at the drop of a hat. I came to respect them a great deal for that. It is appropriate to make those comments when public servants are campaigning outside the doors of Parliament

House about the changes proposed in their working conditions.

I am not opposed to an increase in the efficiency of administration because as the State grows it will require more people at every level in order to carry out the functions that make the State run efficiently. However, there have been few increases in the size of the Ministry in the history of this State and I think the previous increase from 13 to 15 would have carried this State forward for many years. It is quite obvious that members opposite at the time felt that an increase to 15 was not warranted and they did everything in their power to delay and frustrate that move. They were in favour of maintaining the size of the Ministry at 13. If they really believed what they said at the time one would expect them either to reduce the Ministry to 13 or at least stick to the figure of 15. For the few years the Labor Party has been in Government there has been no great increase in activity in the State; not one major resource development has been initiated since this Government came into power. It has concentrated on administration and bringing to fruition developments that the previous Liberal Government initiated. The North-West Shelf gas project has proceeded with the assistance of this Government but there would have been no project without the work of the previous Government. The Argyll diamond mine project was well and truly under way before this Government took office. Any other development proposals in the pipeline have dropped from the wrong end of the pipeline in the meantime.

Look at the major developments that have taken place since the Burke Government came to office. There have been none. I am not saying it has not been an active Government; in many ways it has. In terms of economic activity in this State, there has been very little in the way of major resource development to put pressure on Ministers and public servants in the way we did in the 20-odd years of our own magnificent growth period in this State during the 1960s and 1970s under Liberal Governments.

When we return to a Liberal Government in 1989, I am sure we will enter a magnificent decade in the 1990s. There will be confidence and the level of activity will increase again, as it always does under those people who provide incentives and proper jobs, those who create wealth and prosperity for the State. Those are the sorts of things which will happen only under Liberal Governments.

These things will commence again in 1990. That may be the time when the people opposite can come to us and say, "You need an increase in the size of the Ministry." We may be able to say, "We thank you for your far-sightedness."

Nothing has been generated in terms of economic activity in this State in the three years that this Government has been in existence which would necessitate an increase in the size of the Ministry. I can only agree with my leader that this is something of a square-off. Somebody must have been cheated in some way. Some faction of the ALP was not being looked after sufficiently. To square it all and even it up two extra Ministers, a couple of cars, and offices had to be provided to balance the system and to keep the Premier in his position. There was no economic reason why this should have been done. It seems a pity.

I remind the electors in such seats as Collie, Warren, Geraldton, and so on, that just a little further swing at the last election a few months ago and this move would not have been necessary. The Minister for Local Government, the member for Geraldton, would have gone out with another 30 or 40 people voting the other way—

Mr Bryce: We would still have had a majority.

Mr LAURANCE: I appreciate that. I am not saying that the Opposition would have been elected as a Government; I am saying that if the electors of this State had realised, if a few more of them had voted for us rather than for the ALP in those couple of key seats, the numbers would have been different and the factions might have been appeased without this increase in the Ministry. Look at how much those few electors could have saved the people of this State if they had only had the foresight to know that if those seats which are on a knife edge but which remain with the Labor Party had gone across to the Liberal Party, we would not have needed this increase in the size of the Ministry.

With those remarks I indicate my opposition to the third reading of the Bill.

The SPEAKER: At the commencement of the remarks by the member for Gascoyne, he indicated on several occasions that I had used the words, "I am pleased to announce", referring to my comments on the constitutional majority. That fact is not the case, and I draw his attention—and that of anyone else who is interested—to page 988 of last week's *Hansard*.

MR CRANE (Moore) [2.44 p.m.]: I too would like to reiterate in the third reading debate my concern about the increase in the Ministry, not only at this time but at any time, and the unnecessary expense which will accompany such an increase.

As I said, when the Ministry was previously increased from 13 to 15, at that time there was considered to be a very real reason for the increase because of the additional workload as a result of 20 years of expansion in the State. Like those of us who have had to paddle our own canoe, as it were, and make our own way in this life I am always concerned at an increase in costs. We are perhaps ultra-conservative at times. But at that time it was pointed out that the increase was justifiable, yet there was a considerable rejection of the proposal by the then Opposition—now the Government.

As has been explained by the previous speaker, for two years the Honorary Ministers and the Ministers themselves were frustrated by the action taken to show that the move was not legal. It cost the Ministers dearly to square the salaries which the Honorary Ministers received. They took it out of their own pockets, and it is commendable that they did because they realised that the Honorary Ministers were carrying part of the workload.

The present Government, which was then in Opposition, and violently in opposition, was not only prepared to speak against the increase in the Cabinet, but those members were prepared to support legal action against such a move. Suddenly they have turned a complete somersault and now want to increase the Ministry at a time when there is no appreciable increase in the workload being carried by the Government. This speaks very loudly of humbug. I believe it is humbug to oppose the previous move, and when the Government is appointed, to turn around and propose an increase.

I would like to know which part of the Labor Party platform advertised this proposal during the last election. I may have missed it because I was too busy with my duties in my electorate. Perhaps it was in very small print, or in invisible ink. Perhaps the Premier will point out to me afterwards where it was indicated that such an increase was contemplated and would be put into effect if he won office.

Since I was elected to this House in 1974 it has been my responsibility, pleasure, and privilege to represent rural people. During that time I have never failed to put forward the cause of

those people who, through no fault of their own, are often disadvantaged. At this time when the rural industry is going through such a serious stage in its history in Western Australia, we ask its members to pull in their belts, to make sacrifices—perhaps in the minds of some, small sacrifices—such as walking off farms which may have been in their families for generations and leaving them for someone else. Those sacrifices may appear small in the minds of those who do not understand what the rural industry and rural people are all about.

While this is being asked of those rural people whom I represent, and whom I am proud to represent—and I will never fail to remind members that I represent them—the Government itself is increasing its expenditure. This is an insult to the intelligence of all rural people, and of all people in this place who represent rural people genuinely. Anyone who represents those people ought to be on his feet at this time speaking for them. There is plenty of time during the third reading debate. I hope others may be encouraged to speak for them.

I make no apology for repeating myself many times on behalf of those rural people. Have members any idea of the tragedy which faces them at the moment? Over the last few years there has been an increase in costs and a reduction in returns. Anyone with the slightest amount of intelligence knows what the net result of that will be.

Some of us even warned this House as long as four or five years ago, but unfortunately most of the members did not take any notice. It is here today, and we in this place should be prepared to stand up and fight this legislation which will increase the cost of Government. This Government is, at the same time, denying meaningful relief to people in the rural areas, whether they are working on farms or in towns, whether they are businessmen or machinery dealers, or whether they are parents of children who cannot get to school because of restrictions in the school bus services. Those people are being disadvantaged, and if we do not have the courage to stand up and speak on their behalf we have no right to ask them to elect us to this place.

Therefore, in the strongest possible terms, I object to the proposed increase, not only at this time but possibly at any time in the future, because by proposing the increase the Government has shown that it is incompetent. It cannot run the affairs of State with 15 Cabinet Ministers, whereas its predecessors, the Liberal-National Country Party coalition Govern-

ment, did. The Government is admitting to the people of Western Australia its own inefficiencies. It is admitting that to do that job, it must have more Ministers. It is saying, "The Opposition did it when in Government, and did it well; but I am afraid we must admit our own inabilities and a need for more people to help us."

The rural people of Western Australia will eventually pay the cost, because all wealth comes from the sea or from the land. There is nowhere else for it to come from—it must come from the sea or from the earth. The rural people of this State create that wealth. I, and a few other people in this place who seem to have lost their voices, are elected here to represent them.

Therefore I oppose this legislation most vehemently on the part of rural people whom I am proud to represent.

MR BRIAN BURKE (Balga—Premier) [2.52 p.m.]: Again I thank those members who have contributed to the debate. While it may be true, as the member for Moore has pointed out, that the position occupied by the Government on this Bill is different from that which it occupied in respect of the other Bill to expand the Ministry, to which he referred; then, just as accurately, his position is completely different too.

If the Opposition is to claim strength for its argument by being able to term the Government contradictory in its views, then the same strength applies to the Government's position because the Opposition is just as contradictory now as is the Government. While the Opposition blithely says that all the expansions in the Ministry that it proposed were justified and worthwhile, I suppose that excuses the Government on this occasion saying the same sort of thing. So I do not think members opposite can really say that tit-for-tat mentality claim is sometimes right and sometimes wrong.

Mr Crane: There is a difference between the numbers 15 and 17, or at least there was when I went to school.

Mr BRIAN BURKE: There is a difference. In fact, an increase from 13 to 15 in the Ministry is, percentage-wise, greater than an increase from 15 to 17, so the member for Moore justified in his own mind a bigger increase previously.

One cannot draw any logical strength from that sort of argument. What one can do is look at the reasons advanced for the proposed expansion of the Ministry, and I do believe that the Government has advanced a number of

very sound and substantial reasons. They include the range of new portfolio responsibilities in the economic and social spheres, as referred to in my second reading speech. They include, for example, Defence Liaison, with the very major task allocated to the Deputy Premier of trying to ensure that we secure a construction contract for the Royal Australian Navy's new submarines.

Mr Hassell: Not many people have much faith in it, either.

Mr BRIAN BURKE: I think the Deputy Premier has done a fine job, but what one can say, whether or not he has done that fine job, is that he has been occupied on an essentially new and much more thorough effort in that responsibility. The special responsibility of the Minister for The South West must surely be something that pleases the Opposition. I know there is a gulf between the Government and the Opposition in the matter of Women's Interests and perhaps that is one portfolio responsibility the Opposition, if in Government, would do away with. But we have chosen not to, and we do list that as an added responsibility; as we do Parliamentary and Electoral Reform, Aboriginal Affairs, Communications, The Family, Budget Management, The Aged, Employment and Training, Youth, and Technology.

In all those areas substantial new responsibilities are borne by the Government and by Government Ministers. At the same time, if one looks to the America's Cup and the very broad area of responsibility involved in planning that event from the Government's view, that is another collection of responsibilities that previously were not responsibilities borne by Government Ministers.

The size of the Ministry has been changed six times since the State's Constitution provided for a responsible Ministry of six. In those six changes the number of Ministers has grown from six to the figure of 17 proposed now, and that puts us roughly on a par with most other States when we look at the proportion of members of the Parliament and the proportion of Ministers taken from those members.

It is also true to say that the recent increases in the numbers of Ministers have been largely increases made at the behest of the conservative or Liberal Parties in this Chamber. From the last four occasions on which the Ministry has been expanded, on only one occasion is it true to say that a Labor Administration has

sought to add extra Ministers into the Government.

The Government believes that it has made out a compelling case that indicates it will in fact improve the efficiency and save money in Government as a result of the decision to expand the Ministry. We have pointed to the areas in which new responsibilities are being borne by the Government. We have pointed to areas in which heightened economic activity means there is an extra workload. We believe we have made out a compelling case that says, at least in terms of the Ministry's expansion under the previous Government, that the increased size of the Ministry on this occasion is well-warranted and justified in terms of workload, in terms of the quest for efficiency, and certainly in terms of past performance.

I therefore commend the Bill to members and remind them in conclusion that if they draw strength from what they perceive to be an opposite and contradictory attitude adopted by the Government in respect of expansion of the Ministry, that same challenge is just as easily levelled at them because their position is just as different as is the Government's from that which it adopted when this Parliament last considered such a Bill.

Question put and a division taken with the following result—

Mrs Beggs
Mr Bertram
Mr Bridge
Mr Bryce
Mr Brian Burke
Mr Terry Burke
Mr Burkett
Mr Carr
Mr Cowan
Mr Evans
Dr Gallop
Mr Grill
Mrs Henderson
Mr Gordon Hill
Mr House
Mr Tom Jones

Ayes 32

Dr Lawrence
Mr Marlborough
Mr Nalder
Mr Parker
Mr Pearce
Mr Schell
Mr P. J. Smith
Mr Stephens
Mr Taylor
Mr Tonkin
Mr Trenorden
Mr Troy
Mrs Watkins
Dr Watson
Mr Wilson
Mrs Buchanan

(Teller)

Noes 15

Mr Bradshaw
Mr Cash
Mr Clarko
Mr Court
Mr Crane
Mr Hassell
Mr Laurance
Mr Lewis

Mr Lightfoot
Mr MacKinnon
Mr Rushton
Mr Spriggs
Mr Thompson
Mr Tubby
Mr Williams

(Teller)

Pairs

Ayes	Noes
Mr Hodge	Mr Mensaros
Mr Read	Mr Blaikie
Mr Peter Dowding	Mr Grayden
Mr D. L. Smith	Mr Watt

Question thus passed.

Bill read a third time and transmitted to the Council.

THE LATE HON. F. J. S. WISE AO

Condolence Motion

MR BRIAN BURKE (Balga—Premier) [3.05 p.m.]: I move, without notice—

That this House records its sincere regret at the death of the Honourable Frank Joseph Scott Wise, A.O., a former member of this House and a former Premier of this State, places on record its appreciation of the long and devoted public service rendered by him to the people of Western Australia and tenders its deep sympathy to his widow and members of his family in their bereavement.

Mr Frank Wise died on Sunday, 29 June 1986 at the age of 89. He was Premier for 20 months and a Minister for 12½ years, serving in both the Legislative Assembly and the Legislative Council. Most of this time was during the more difficult period in our State's history, the Depression, World War II, and the immediate post-World War II period. Frank Wise was at times Leader of the Opposition in both Houses of State Parliament.

Frank Joseph Scott Wise was born at Ipswich in Queensland on 30 May 1897. His childhood was spent in Woodford about 80 kilometres from Brisbane and he left school when he was 12, but three years later won one of four State bursaries to the Gatton Agricultural College where he specialised in tropical agriculture and was dux of the college.

In 1920 Frank Wise joined the Labor Party, thus making his first move towards a political career. In 1923 he came to Western Australia as an adviser to the State Government on tropical agriculture. A year later he returned to Queensland to farm privately at Gympie before being appointed to the Federal Government's north Australian commission to report on agriculture in the Northern Territory and part of the north-west of Western Australia.

In 1929, then Mr and later Sir Hal Colebatch, the Premier of Western Australia, asked Frank Wise to investigate the establishment of a banana and pineapple industry on the Gascoyne River. Just 18 months later ba-

nanas were being shipped to Perth. Members will be aware of the importance of the banana and vegetable growing industry to the region and the State. Today the output of that industry is worth about \$15 million annually.

Frank Wise was elected to the Legislative Assembly seat of Gascoyne in the Labor landslide of 1933 after an unsuccessful attempt to win the Legislative Council seat of North Province in 1930. Two other future Premiers were also elected at that election. They were the late Bert Hawke, who died in February this year, and John Tonkin. In two years Frank Wise became the Minister for Agriculture and the North-West in the Collier Government bringing with him a wealth of experience and ideas to those portfolios.

During the next 10 years, he held the portfolios of Agriculture, Education and Police, and Lands and Agriculture until he became the State's sixteenth Premier on 31 July 1945 when John Willcock resigned. Just before he became Premier, when he was Minister for Lands and Agriculture, Frank Wise was responsible for the establishment of the Rural and Industries Bank, which replaced the old Agricultural Bank. After two years of negotiations, and with the support of his Labor colleagues and some of the Opposition, he convinced the Premier, Mr Willcock, that it was possible. When the bank opened on 1 October 1945, its assets were the old debts owed to the Agricultural Bank, the abandoned farms, and some cash. In a year, the assets had grown to \$11 million.

As Premier, Mr Wise was concerned with returning the State to a peacetime existence. The postwar election on 15 March 1947 was very close but the Wise Government was voted from office. For the next four years, Frank Wise was Leader of the Opposition in the Legislative Assembly until his appointment as Administrator of the Northern Territory by the Federal Minister for Territories, Mr, later Sir, Paul Hasluck.

Frank Wise resigned that position in June 1956 because of ill-health and returned to Western Australia, but just three months later he won the Legislative Council seat of North Province which he held until he retired in 1971. In November 1958 Frank Wise returned to the Ministry with the portfolios of Industrial Development, and Local Government and Town Planning in Bert Hawke's Government. The Hawke Government was defeated in the election of 21 March 1959 in what Frank Wise was to later say was his greatest disappointment.

Frank Wise had one son and two daughters by his first wife, Elsie.

Points of Order

Mr GRILL: I do not think it is appropriate in circumstances such as this that there should be the roar coming from the Opposition benches that we have been experiencing over the last five minutes.

The SPEAKER: Before the Premier resumes his speech, I must say I concur with the remarks made by the Minister for Agriculture. Furthermore, I ask members to cease moving around the Chamber and remain in their seats, if they can, until the conclusion of this condolence motion.

Mr LAURANCE: I have been listening to the Premier in absolute silence. I intend to speak on this condolence motion to support it and I think there was a very high level of background noise in the Chamber. I agree with the Minister in that respect, but he mentioned only the Opposition benches. I am sure it was not only the Opposition benches that were involved, and for my part I take offence at the remarks which he made. I am certainly most interested in this condolence motion and I strongly support it. I was certainly listening to it in silence.

Debate Resumed

Mr BRIAN BURKE: Frank Wise had one son and two daughters by his first wife Elsie and, after a time as a widower, he married his second wife, Patricia, in 1944. They had one son and three daughters.

Few members of the present Parliament were personally acquainted with Frank Wise. On that basis the incentive to pay proper tribute to his memory during this condolence motion is perhaps a little less compelling than it might have been, had the late Frank Wise been known to most members. At the same time, I think it is very important, if only for the reputation and the forms of this House, for these sorts of motions to be moved and generally agreed unanimously across party lines, when we consider the passing of one of the greatest of Western Australia's sons and certainly a man who contributed to much of the present way of life we all enjoy. I know that no member of the Parliament would wish to do anything but honour the memory of the late Frank Wise, to record his esteem for his achievements, and to say that those achievements have improved the lot of his fellow citizens, Western Australia's standing generally and expanded the breadth of community life in our State.

Frank Wise was an intellectual man who had a fierce and aggressive mind. That aspect is demonstrated by his return to his studies and by his exceptional results, having previously departed school and joined the work force at an early age. He was uncompromising in his intellectual honesty and in many ways was a forthright and very aggressive exponent of what he believed to be the truthful and just proposition of that which may have been put before him from time to time.

Without doubt, he made a special contribution to the north of this State and was one of the first truly well-qualified experts who contributed to the basis of the economy, particularly in the region of the Gascoyne River.

I know that Frank Wise's big family will grieve his passing and although he was of an advanced age—and at 89 not many of us could say that we had not had a fair innings—his family can rest comfortably in the fact that his achievements set him aside from the majority of men and women in this State. He has earned for himself and his family a niche in our State's history that will not easily be forgotten.

In conclusion I simply refer to the Rural and Industries Bank. Very few people will leave this place with an institution or organisation as authentic as that standing to their credit. In moving this condolence motion I invite the Leader of the Opposition to join me in extending our full and sincere sympathy to the Wise family.

MR HASSELL (Cottesloe—Leader of the Opposition) [3.14 p.m.]: I second the condolence motion moved by the Premier and endorse his remarks in relation to the former Premier and parliamentarian in the broadest sense, Hon. Frank Joseph Scott Wise.

The late Mr Wise, as the Premier has described in some detail, had a very broad background and one which reflected a capacity to succeed through determination and hard work, based on his own will and not dependent so much on having a formal education readily provided. As the Premier mentioned, Frank Wise as a result of receiving a scholarship, went to study at the Gatton Agricultural College where he was dux. He held positions with both State and Commonwealth Governments on specific agricultural matters and is credited with the responsibility for establishing a banana industry in the Gascoyne. That is something to which I am sure the member for Gascoyne will refer in his remarks.

Frank Wise came to the Parliament in the difficult years of 1933 and remained the member for Gascoyne from that date until 1951—a considerable period in itself. He became Premier in 1945 at a time of difficulty, in the closing stages of the war. He was the sixteenth Premier and in the short time he was Premier, he faced the task of readjusting the State after hostilities ceased in 1945.

I do not think the Premier mentioned, although he may have done, that Frank Wise held the position of chairman of the Federal Commission for Post War Rural Reconstruction.

Having lost Government he then held the position of Leader of the Opposition before going to the Legislative Council where he was also the Leader of the Opposition. During his break from politics he was subsequently the Administrator of the Northern Territory. He held various portfolios including Agriculture, Police, Education, the North West and Lands at one time or another.

Frank Wise is quoted as having said, "I was in Government only when things were difficult, during the Depression, the war, and the post-war period". He is not someone I knew personally although I did meet him very briefly. I have made inquiries of people who were in this place at the time and who do remember him personally. The advice given to me was that he was very much an independent thinker who was not always comfortable with the confines and disciplines of the party. He sometimes caused some consternation within his own ranks because of the independence and determination of his thinking. The Premier referred to his intellectual capacity. I am also informed that he was a man admired or at least respected on both sides of politics. That is indeed a very important tribute.

The Opposition joins the Government in the condolence motion moved by the Premier to the family and widow of Hon. Frank Joseph Scott Wise.

MR COWAN (Merredin) [3.19 p.m.]: The National Party joins with other parties in supporting the motion moved by the Premier. It goes without saying that the late Frank Wise has a very special place in the rural history of Western Australia for his contribution to agriculture. The greatest memory that will be left by him, as the Premier has said, was the introduction of the R & I Bank, not so much because of the introduction of that bank but because it meant the demise of the Agricultural

Bank which so many people involved in agriculture had come to despise. It was a very difficult task to try to recover funds owing to that particular bank during the Depression years. Many people must have been pleased to see the end of the Agricultural Bank and the establishment of the R & I Bank.

From what has been said to me by various members of my party who had a direct relationship with the late Frank Wise, I believe I can say that he found it very easy to cross both the real and imaginary boundaries so often created by party political matters. He found it easy to converse with members of Parliament, regardless of the side of the House on which they sat or the party to which they belonged. That is an admirable quality, and one for which we should all strive in this place.

The National Party joins with the other parties in extending sympathy to the surviving members of the Wise family.

MR LAURANCE (Gascoyne) [3.21 p.m.]: I add my support to this condolence motion, and I do so because, as the member for Gascoyne, it gives me an opportunity to pay tribute to a former member for Gascoyne and, as has already been indicated, a great Western Australian, a former Premier, and a long-serving Minister of this State.

Frank Wise was the seventh member for Gascoyne and he served in that capacity for 18 years. He took part in quite a tradition of long service to the Gascoyne electorate. There have been only 10 members for Gascoyne since 1890, and the electorate's boundaries have changed very little over that time. A Liberal member served the electorate for a brief 13 months after Frank Wise resigned as the member for Gascoyne. That Liberal member was followed by Danny Norton, who became the ninth member for Gascoyne, serving 21 years in the Parliament, including a period as Speaker of the House before retiring and being replaced as the member for Gascoyne by me in 1974. Another member, Ted Angelo, served as the member for Gascoyne from 1917 to 1933, being replaced by Frank Wise.

Those three members for Gascoyne are the only members for the seat who have served longer than I have, and between the four of us we have served the Gascoyne electorate for 68 years. I think I can say that most members for the seat have tried to aspire to providing the sort of service which Frank Wise gave to the area and to the State. It is interesting to note

while talking about long service to the Gascoyne electorate that Ted Angelo replaced a member who lost his life in the First World War, so that member's service to the area came to an abrupt halt; he did not have the opportunity to serve for a long period.

It is true that Frank Wise was very heavily involved in the commencement of the banana industry in the Gascoyne region. Several earlier attempts had been made to get a banana industry under way on the Gascoyne River as well as on some of the other rivers in the area. Some very old townsites and other small areas of land at the mouth of a number of rivers in the area still exist where attempts were made to start a banana industry. However, Frank Wise was the first agriculturalist with scientific expertise to come along and assist in the establishment of that industry.

He has been acknowledged as the father, not only of the R & I Bank but also, and more particularly in my area, of the banana industry in this State because he was the first to achieve any success and to organise it as an industry. At the time, he was head of the Gascoyne Research Station, which is still in operation. That research station on the banks of the Gascoyne River is a living testimony to his work. I am sure he was aware before his demise that our banana industry on the Gascoyne River is experiencing one of its best years. This is the result of difficulties caused by a cyclone in Queensland which destroyed much of that State's banana crop. Nevertheless, for whatever reason, the banana industry here is experiencing a boom year.

Frank Wise also was able to give a great deal to the Gascoyne area when he was Minister for Lands, and the Leader of the Opposition has already referred to him saying that he had had the responsibility of presiding over a number of difficult periods. When he was Minister for Lands in the late 1930s the pastoral industry suffered an extreme drought and he was the Minister responsible for putting in place a very thorough examination of the difficulties then faced by the industry. There is a sense of history in the fact that some 40 years later I was also the Minister for Lands and found myself responsible for assisting the industry during a similar period of drought. I was not the Minister who actually instigated the Jennings report, but I played a small part in administering the report and legislating for some changes to assist the pastoral industry. There is a lot of similarity between what I did and what Frank Wise did all those years ago

when he was able to do a great deal for the pastoral industry.

It is always a great thing for an area when its member rises to the rank of Premier, and I am sure the people of Gascoyne were delighted that Frank Wise was able to attain that high office. So there are many reasons why the people of Gascoyne and the people from other areas of the State, from all walks of life and across the political spectrum, feel thankful for the work done by Frank Wise. I have taken a leaf out of his book and that of his Labor successor, Danny Norton. I am the first to admit that, in many ways, I try to represent the area in the way they both did.

I did not know Frank Wise as well as I would have liked and I am sure I am the poorer for that. On the occasions I did meet him, often casually in the street, he was always ready to talk about the area and about any difficulties we were facing and how he might have had to overcome similar difficulties in the past. I appreciate those several opportunities I had to be personally associated with him.

On behalf of the people of the Gascoyne electorate and of the north-west generally, I pay tribute to this great Western Australian and offer my sympathies to his family. I am pleased to add my support for this condolence motion.

MR CRANE (Moore) [3.26 p.m.]: I knew Frank Wise only briefly but I know of him a great deal. As one who was around in those war years when he was a member of Parliament, and a very wise one at that, I well remember his contribution not just to the agricultural industries—which seems to be of paramount importance, as indeed it is—but also to the State as a whole.

Frank Wise was a person whom more members of Parliament would do well to emulate. His was a concern for Western Australia and for the institution of Parliament possibly more so than for his own political party. He had an independence of his own and a tremendous amount of commonsense; and it is commonsense that developed this great country of ours and it is commonsense to which we must return. We would all do well to remember the example he set for us.

Members have already mentioned his part in restructuring the agricultural industry after the war. It is well to remember the part he played in establishing not only the Rural and Industries Bank, an institution which took over from the Agricultural Bank, but also the war service land settlement scheme. Some members here

would know this scheme, and others would have heard of it. It gave returned servicemen the opportunity to take up land. This was done because it was seen that agriculture would play a very important part in the prosperity of the State. Frank Wise was paramount not only in designing those things which were to come but also in ensuring the scheme was successful.

It is said that some men are born great, that some achieve greatness, and that some have greatness thrust upon them. Frank Wise was a person who achieved a very real greatness. He started from humble beginnings and with a very humble but probably very learning initial education. He went on to improve his lot and became a very prominent person in agricultural science. Because of his ability to teach himself to get on and not to be afraid of making mistakes but rather to learn from them, and because of his continual research, he left behind him a wealth of experience and a heritage which we would do well to emulate. It is something we must preserve.

It would be wrong for me to let this moment pass and not give that support for an agricultural industry of which I was a very young, but perhaps important, part at that time. I remember, and I have often said in this place, that I paid cash for my first house, a tent which cost £8 10s., but I did not pay cash for my second house, because of the reconstruction finance which was available from a very "wise" Government of the day. I was able to borrow £1 000 to go towards the building of my house which stands on the property that I have sold only recently.

It was this foresight from people such as Frank Wise and his colleagues which made this possible for those ex-servicemen who came back. We got that little bit of assistance from Government and politicians who were prepared to look at the problem, not just the party political implications.

I certainly am proud to stand in this place on behalf of all those ex-servicemen who received a great deal of encouragement and assistance from Frank Wise to pay tribute to him.

Question passed, members standing.

ADMINISTRATION AMENDMENT BILL

Second Reading

MR GRILL (Esperance-Dundas—Minister for Agriculture) [3.33 p.m.]: I move—

That the Bill be now read a second time.
This Bill proposes to amend section 25 of the Administration Act.

Historically, entitlement to a grant of letters of administration has been, to a large extent, dependent on the right to share in the distribution of the estate in question, those having the prior right to share in the distribution also being preferred in the grant of the right to administer.

Prior to an amendment in 1984, section 25 of the Act identified those preferentially entitled to the grant of administration as those having such a relationship to the deceased as would entitle them to share in the distribution as "the husband or wife of the deceased or one or more of the next of kin".

The 1984 amendment deleted from the Act all mention of "next of kin" and substituted for the above-quoted words the words "any person referred to in the table following section 14 (1)". The persons mentioned in that table are those who will be, in certain circumstances, entitled in distribution.

It has been suggested that the substituted words do not carry the desired implication that the first right to a grant is to go to those entitled in distribution. It is, therefore, proposed to replace those words with the words "one or more of the persons entitled in distribution to the estate of the intestate".

Clause 3 of the Bill effects the above change.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Hassell (Leader of the Opposition).

LOCAL GOVERNMENT AMENDMENT BILL

In Committee

Resumed from 26 June. The Deputy Chairman of Committees (Mrs Henderson) in the Chair; Mr Carr (Minister for Local Government) in charge of the Bill.

Clause 7: Section 521A inserted—

Progress was reported after the clause had been partly considered.

Clause put and passed.

Clauses 8 to 14 put and passed.

Clause 15: Section 548 amended—

Mr CLARKO: When my colleagues and I considered this question of the deficit we initially had reservations about it. Our concern has been principally satisfied for the moment by the interpretation that a council cannot have an aggregation of deficits, and 10 per cent of the rateable income is the maximum position to which a council can go into deficit.

Other situations may prevail. One is where councils may make decisions about deficit budgeting instead of the conventional methods of raising funds such as by loan, higher rates, or overdraft, which may in some way add another limb of debt to the local authorities. I ask the Minister to respond to that point and say whether he sees that as a possibility. Could it be another debt sector for certain local authorities?

The other aspect is that there is a likelihood that some councils may be less prudent in regard to deficits in an overall sense. I do not think that is likely because I respect the judgment of local authorities in Western Australia, and I remind the House of what was said to me by the chief inspector. He said that, as far as he was concerned, not a single local authority in Western Australia was in a serious financial position, although when the Minister spoke I thought he implied that one or two were having a tough time.

All of us would support a means of helping councils in tough times. Some people said there was no need to change this part of the Act because the section of the Act which allowed the Minister to approve deficits in the past was sufficient. I tend to go along with the Minister's view on this in that he sees this measure as moving to a situation in which local authorities are given a greater say in making decisions. If the Minister is giving them another option, he has my support and that of the Opposition.

We are wary about a situation—and I am talking theoretically, rather than in a practical sense—in which a local authority could get into a position where its debt is greater in real terms. We can understand local authorities getting into greater debt in particular circumstances. The easiest example to understand is that of a farming area where drought or something of that sort has occurred.

This amendment was the result of the initiative of the Local Government Department and I ask the Minister whether he has any evidence which shows that this provision will be used extensively. I know the legislation will come into force from today. I do not like retrospective legislation, but I cannot object to this sort of retrospectivity.

Mr CARR: In answer to the member for Karrinyup's query about whether I see this as permitting councils to increase their level of debt, my answer is that I do not expect that to be the case. If a council wants to go into debt there are a number of mechanisms available to

it to do that. For example, a council can take out an extra loan to increase its debt providing there is no loan poll to stop it from taking that action. By this method it can increase its debt considerably—probably by much more than this provision would allow. I do not expect councils to use this provision as a major means of extending their debt. I see councils as being more likely to use it as a management tool so they are better able to arrange their finances.

I agree with the member for Karrinyup when he said that he expects the majority of councils to use this power responsibly. I share his confidence in the standard of administration of local authorities around this State. There are a number of examples where councils have got themselves into some difficult financial circumstances. A couple of councils have sorted out their problems, and there are a couple which still have difficulties, but I am confident that they will resolve their temporary difficulties. I do not see any widespread irresponsibility regarding the usage of this power.

I give again an assurance that there is no provision for the deficits to be aggregated. As I have said, I do not expect many councils to use this power and I expect that the majority of the 139 local authorities in this State will continue to balance their budgets.

My guess is that some councils will utilise the surplus provision, but will not take advantage of the full 10 per cent. I expect a number of councils to budget for a five per cent surplus in this financial year with the intention that there will be funds available at the financial year changeover period in 12 months' time. This action would eliminate a problem which councils have at the end of the financial year when they have expended the funds in the current budget and do not have an inflow of rate revenue in the first or second months of the new financial year. I do not expect all councils to utilise this measure but it is a measure which is available to them to be used if they think it appropriate.

Clause put and passed.

Clause 16: Section 548A amended—

Mr CLARKO: The Opposition supports the proposed amendment and the one which follows because they will overcome the inequities which arise as a result of the rating system being based on valuations. I am sure the Minister would not like me to make a long speech about my objections to the valuation system, but I will make a brief comment.

Currently, there are too many changes because the current valuation system is not very good, and does allow for movements within the community. For example, after a period of three or four years a council may have a revaluation and if the CPI movement has been in the order of 30 or 40 per cent over that period, it will frequently be granted an increase of between two or three hundred per cent. In the early 1970s a new valuation which was carried out in the City of Stirling resulted in a total valuation of \$300 million, and the valuation which had been carried out about three years earlier produced the figure of \$100 million only. That was a trebling in the valuation. My colleague, The Deputy Speaker, knows that there is a tendency that when a revaluation is undertaken the actual rate in the dollar decreases. Many people in local government like to defend themselves in that position by saying they have lowered the rate in the dollar, but the individual ratepayers are paying more dollars in actual and real terms. That highlights one of the weaknesses of the valuation system.

In the example I gave concerning the City of Stirling the valuation trebled, but the rates did not treble. We also have the problem of inequities within various sections of a district. The Minister is aware of the problem which arose in an area close to my electorate; that is, the southern part of the City of Wanneroo which involved coastal properties. Although the tailored rate in the dollar was decreased, the people in the Sorrento area were faced with tremendous rate increases. That circumstance continually comes to the fore in similar situations.

From a professional point of view, many valuers believe that the valuation of properties which overlook Lake Joondalup, the Karrinyup golf course, or the ocean—in the case of the City of Canning the properties overlook the river—should be significantly increased. The Minister is aware of the problems which occurred in the City of Canning and which involved properties overlooking the Canning River. What may be a reasonable increase in one part of the local authority becomes unreasonable in another.

Some years ago the residents in the Balga ward of the City of Stirling paid less in rates—about \$20 on average—than they had paid the year before. At the same time the people in the Hamersley ward, with which I was associated, paid an average of \$40 extra in rates. That was a transfer of rate raising from one ward to another and it shows how silly this system is

where we pay rates on the notional value of properties.

It is my earnest desire that when the Opposition becomes the Government it will give councils the option to have a system which is different from that based on property valuations. I look forward to the day where residents in a municipal area will pay the same rate bill regardless of the value of their properties. The same rate will apply to owners of vacant blocks.

Over the years there has been a movement within local authorities to break up the rate bill into various sections. For instance, some local authorities may charge \$60 for rubbish removal and that charge applies regardless of the size or the position of the property.

Under this legislation the same fee will apply in relation to TV broadcasting. The Minister supports the amendment which was dealt with last Thursday and which will introduce equality. I strongly support it especially because taxes in Australia are growing rapidly and are based on income. People who are paying high levels of income tax—the wealthy people in the community—are being well and truly caught up with, and they should not be caught again with local authority rates.

I support the clause and I have given my reasons why I believe we will continually have problems if the current system prevails.

Mr CARR: I am not going to be drawn into lengthy debate on a valuation based rating system compared with a rating system based on equal contributions from all ratepayers. Sufficient for me to say that I do not necessarily agree with the view that charging people equally is equitable. Having said that, I am not going to rush to say that the particular valuation based rating system we have is completely equitable. I would argue that it is probably more equitable than alternatives that are available.

I also make the point that the Government's aim throughout the time that it has been in Government has been to offer councils as many options as possible in deciding the most equitable way of levying rates in their area consistent with the valuation based rating system which is in place. I have nothing further to say on that point.

I move the following amendment, which became necessary because of a minor error in the drafting of the Bill—

Page 10, line 30—To delete “under section 23”.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 17 to 21 put and passed.

Title put and passed.

Bill reported, with an amendment.

VALUATION OF LAND AMENDMENT BILL

Second Reading

Debate resumed from 12 June.

MR CLARKO (Karrinyup) [3.54 p.m.]: This Bill will give the Valuer General the power to provide interim valuations to local authorities which seek them, following a council's decision to use phasing-in powers with the adoption of new valuations in its district. This change to the Valuation of Land Act is consequential to the amendments proposed in the Local Government Amendment Bill which has just been dealt with by this Chamber.

The Opposition supported those changes and, therefore, because amendments to this Act are consequential to the other changes, naturally it supports the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

STATE ENERGY COMMISSION AMENDMENT BILL

Second Reading

Debate resumed from 12 June.

MR MacKINNON (Murdoch—Deputy Leader of the Opposition) [3.57 p.m.]: At the outset I indicate to the Government that the Opposition will be supporting this Bill, at least at the second reading stage. However, through the second reading debate and during the Committee stage of the Bill we shall ask the Government a number of questions to which we hope to receive answers. We shall be opposing some of the clauses in the legislation if the explanations provided at the time are in our view unsatisfactory.

The primary objective of the legislation is spelt out at the beginning of the Minister's second reading speech when he said—

... the Government has decided to establish an office within the Public Service and independent of the Energy Commission to

advise the Government on all matters relating to energy policy and planning.

The Opposition supports that principle and, in fact, at the elections in both 1983 and 1986, the Opposition gave such a commitment in its policy. For the sake of the record I read from each of those documents briefly. From the Liberal Party policy in 1983, under the leadership of the then Premier, Mr Ray O'Connor, our commitment was as follows—

We will add a new dimension to our total energy planning by establishing a Standing Energy Conference, with a Chairman of proven experience to provide the Government with independent advice on maximising our energy advantages.

In 1986, under our present leader Mr Hassell, the policy statement included the following—

In government, we'll:

... Legislate to return the State Energy Commission to being a responsible energy utility—by ending its overall planning and energy management and control functions.

Establish an energy planning and management body involving private industry and reporting directly to the responsible Ministers.

Therefore, based on the Minister's second reading speech and those policy commitments we support the principle of the Bill.

Those whom we have consulted in the private sector and in the community generally also have expressed little opposition to the principle of the Bill but they, along with us, have several questions to pose.

The first is: Why has it taken so long for the Government to end up in this position? As you would know, Mr Deputy Speaker, because you were elected at that election, the Government came to power in 1983 with a record of quite trenchant criticism of our Government's handling of the North-West Shelf gas proposal. The Labor Government vowed to lift the veil of secrecy relating to that project and the contract—which it did not—and then said it would take action along the lines we now see.

That commitment was repeated in both 1984 and 1985, but it is only now, in 1986, that we see this action—welcome though it is, but delayed in its implementation. Therefore, the first question is: Why has the review taken so long, particularly when we find out by question 412 of 19 June that the review was carried out by the Minister alone? In that question I asked

who carried out the review, and the Minister answered, "I carried out the review." If the Minister alone was responsible, why did it take so long?

The second question is: Who was consulted as part of that review, and who has been consulted with respect to this legislation? Have representatives of industry, the unions, the APEA, PACE, and all other interested bodies been consulted? If so, what were their responses, especially those of the big bodies that represent industry?

The third question is a very important one: How does this legislation fit in with the Stanford Research Institute report on energy planning? Again, that report was commissioned when we were in Government and it was an extensive and, I understand, expensive report. As I recall, the report came out just towards the end of our time in Government, or it may have been just after we lost office.

Mr Parker: You are right, you commissioned it. It had only just been commissioned a month or two prior to your leaving Government. When my predecessor became a Minister he called Stanford in to discuss it. The terms of reference your Government gave it were maintained, and some others were added. It was not until 14 or 15 months later that the report was brought down.

Mr MacKINNON: I thank the Minister for that information. Exactly how does that fit in with the report and its recommendations? I feel the Government has paid good money for expert advice and I would like to know how that fits in with that advice.

In line with that: Why was the Solar Energy Research Institute not included in this exercise? The Minister said specifically that it was excluded. That organisation has done outstanding work in its time. Perhaps it is best to leave it independent—I do not know. I have not determined a final attitude myself in that regard, but we are interested to know why that body was excluded.

Mr Parker: Is that a political or a family interest?

Mr MacKINNON: It is just an interest. The first series of questions I posed related to the review. The second series relates to the establishment of the office itself in the Public Service which, in the words of the Minister, will be separate from the commission. The Minister has a responsibility to explain in greater detail what is involved. I understand that legislation establishing this office is not to be brought to

the Parliament, and therefore, the only time that the Parliament will receive any explanation of this notice that there will be some separate ministerial statement or otherwise is right at this time, as a part of this debate.

We are being asked to authorise and legitimise the establishment of the office, indirectly, by changes to the State Energy Commission's legislation, and we have no idea about that office and no idea of what is going on. For example, when will that office be established? How many people will be employed as part of that organisation, and how many will be represented in the directing body? I understand that the Minister will establish that office and then have either an advisory body or a board of directors, or some such group. Who will be the representatives on that advisory group? We would be especially interested to know who in that group will be representative of industry.

Where will the group be housed—will it be at the State Energy Commission or separately, and what are the likely costs involved? Has a budget been taken out in that regard? If so, who will pay? Will the energy consumers of Western Australia or general taxpayers pay? Will it be funded from Consolidated Revenue? What will that body be called?

That is a general list of questions. When, how many, who will be represented, what will the organisation be like, where will it be housed, what will be the cost, who will pay, and what will the organisation be called? They are all pretty basic questions which legitimately we are entitled to ask. We should also be given an outline of the body's total role. What will be its role in an energy planning sense, and will it have any advisory or other role whatsoever in relation to energy tariffs?

The State Energy Commission has recently announced—as every consumer will be aware, or will be aware of soon if he is not already—that SEC charges are to rise by an average of 12 per cent across the board. Will this advisory group have any role in examining the tariffs brought down by the SEC? Will it have a role to advise Government as to how the Government can better structure tariffs? Will it have a role in advising Government on how tariffs can be restrained or brought down? Will it advise how we, as a State, can bring our tariffs back into line with our Eastern States counterparts?

I make that latter point because during the time that the whole question of the SEC charges was being debated, I compared my own account for that period 14 March to 19 May

1986 with all other States. My account totalled \$161.08 for that period. I used a comparable basis of use of electricity and gas, and for States where only bottled gas is available, I used an average of all the other States' gas charges so I would not overestimate the figure. I worked out that the average two-monthly power charges for all other States in Australia, including the Northern Territory—where interestingly enough the charges are not very much more expensive than most of the other States—

Mr Parker: It is, of course, very heavily subsidised by the Commonwealth Government.

Mr MacKINNON: Correct—that is the reason for it. The average cost in all other States for a two-monthly account, assuming the same consumption level as my own—a married man with three children—was \$114. My energy account will now go up by 12 per cent to approximately \$180. In other words, Western Australian tariffs for the average family man are 58 per cent higher than the average tariff of all other Australian States; or, on average, Western Australian family consumers are paying \$7.60 per week more for energy than are consumers in all other States.

I know that the State Energy Commission annual reports and the Minister will inform us that the figures are not strictly comparable as other States in Australia use more energy because they are colder or hotter than Western Australia. They must be using a lot more electricity when Western Australians are being charged 58 per cent more than the average of all the Australian States and the Northern Territory.

Mr Court: What was the increase this time around?

Mr MacKINNON: The increase for Western Australia was 12 per cent. Last year, in November, South Australia reduced its tariffs by two per cent. I understand Victoria is reducing its gas tariff to encourage consumption and industry.

Mr Parker: It is not trying to encourage consumption of gas as it is running out of it. The Hydro-electricity Commission in Tasmania is increasing its tariffs by 15 per cent.

Mr Court: Is that because it could not build a new dam.

Mr MacKINNON: That could be the reason. Tasmania could have a 13 per cent increase and still be well behind Western Australia in average tariffs. Our tariffs are significantly higher than those in other States. That point

has been made adequately during the week of the tariff increase. However, in relation to the new body to be set up, will the Government have any role in examining electricity tariffs independent of the commission? If not, why not? It would seem to the Opposition that it is a perfect opportunity for the Government to acquire an independent assessment and advice on tariffs. I would have thought that if the Government made that information public it would be good discipline for both the Government and the commission to ensure that energy tariffs are structured in a proper manner.

A further area of concern relating to tariffs and to the general taxpayer revolves around the question of duplication. I refer to the second reading speech where the Minister said—

It is believed that such finite committees which will be removed from the auspices of the commission will be more flexible and can be used to much better practical advantage.

In other words, the Minister was saying that the new body will have its own ability to establish non-statutory or strategic committees to advise it on matters within its proper role.

He then went on to say—

However, the commission will still retain the ability to form, of its own volition, advisory committees under the existing provisions of the 1979 Act.

I refer to the subject of duplication. How will we ensure that the State Energy Commission does not establish a series of committees to advise it on tariffs, gas policy, gas reserves, coal, or any other issue? Yet, at the same time, we have the new body—whatever it is to be called—doing exactly the same thing. That is apparently what happened back in the history of this organisation. It has not happened as I understand it under the current organisation. While the Opposition is not critical of the new structure, it would be most concerned if the new structure set up duplicate bureaucracies that cost a great deal of money for no real purpose. How is it that the Government will be planning to avoid any threat of such duplication?

Could the Minister explain how the new body is to be set up and will any steps be taken to impose upon that body an effective sunset clause? I am a great proponent of sunset legislation. I do not mean review legislation such as the Government has implemented. Whenever similar bodies have been set up, a review is undertaken after a period of time. By "sunset

clause" I mean that the body should cease to exist after a certain date unless this Parliament makes a positive decision to renew it. That is what I understand to be an effective sunset clause. Is the Government planning to impose upon this body such a provision and if not, why not?

I now refer to the State Energy Commission as it will be retained as an operating utility. Why increase the size of the commission from five to nine? The Minister, in his second reading speech, stated that this would increase efficiency. From my experience a membership of nine is probably too large, particularly as the commission will not have energy planning advisory functions and a membership of five would be quite sufficient for the commission to operate. The number could be increased to seven at the most, but increasing it to nine would almost double its size. Why is it considered necessary for it to be increased in an organisational sense?

If the chairman is to be independent of the commission, as has been indicated in the second reading speech, why is that not in the legislation? On my reading of the legislation there is no indication that the chairman of the commission has to be independent of it. I think it is highly desirable that that is so. The Chairman of the State Energy Commission should be totally independent, and not an officer of the commission, just as the same person is not the chairman of a board and the managing director. That is exactly what should happen with the SEC. The Minister has indicated his intention to incorporate the new revised commission along those lines, and if that is the intention then why has that intention not been followed through into legislation?

Several other questions in relation to the general organisation of the commission need to be answered. When will the SEC come back into credit? Last year, the commission operated at a deficit of \$15 million as evidenced by the Minister's answer to question 413 of 19 June. In the reply to question 411 the Minister indicated that in the current year, even after the 12 per cent increase in energy tariffs, the commission would operate at a further deficit of \$7 million.

If a corporation is continually running at a deficit, does that not imply that interest is then being paid on interest, overheads are increasing, and the energy tariff is increased. What is the long-term plan of the SEC and when is it expected that it will balance its budget? When can the consumers of Western Australia expect that imposition to be redressed?

What is the SEC's attitude—because the Minister has not to date come clean; he has refused to answer questions—to the three per cent superannuation productivity case?

What will happen in that regard? The Minister has refused to give us any indication as to whether or not an estimate of that amount has been included in the State Energy Commission budget this year.

We now know the result of the Arbitration and Conciliation Commission decision. Basically it has maintained that agreement must be arrived at by the employers and the unions in this matter. The State Energy Commission, of course, is one of this State's largest employers and the Minister wants to amend the parent legislation to give him the ability to more adequately direct the activities of the State Energy Commission. So we, the consumers of Western Australia, are entitled to know the current estimate, if any, in the Government's 1986-87 Budget in regard to the three per cent superannuation productivity case. What will be the Government's attitude to the case now that the arbitration commission has handed down that decision? Will the Government enter into negotiations to implement that three per cent superannuation productivity case immediately; will it do so on a staged basis, or when will it do so? Has the Minister given the State Energy Commission any direction in that regard?

These are all questions which the general community is entitled to have answered by this Government. If the Government is sincere in its attitude and approach to these matters, and if it is sincere in its criticism of the Opposition's supposed cover-up of the North-West Shelf agreement, how much more sincere can a criticism be if the Government, through this Minister, refuses to answer those basic questions? On a fundamental principle the community is entitled to know what this Government's attitude is.

Of course other matters need addressing at the same time; for example, the Minister's answer to my question 611 asked today. For the benefit of members I read it out to the House—

What is the estimated cost to the State Energy Commission of increases in payroll tax announced by the Premier on 24 June for the 1986-87 financial year?

Members may or may not know that bodies such as the Education Department, the State Energy Commission, and all the hospitals, pay payroll tax. The Government has significantly

increased payroll tax for large employers. The State Energy Commission, one of the State's largest employers, will have this additional cost imposed upon it. It is estimated to cost the State Energy Commission this year \$1.6 million. Again this question needs to be answered: Was that estimate included in the 1986-87 State Energy Commission budget? The Minister estimated that the State Energy Commission deficit this year will be \$7 million. Will the deficit now be \$8.6 million or was that payroll tax increase foreshadowed in the Minister's answer to my question of 19 June? If it is the case that it has not been included, or even if it is included, the public of Western Australia are entitled to know that this Government's announcement in relation to payroll tax has not only added to industry costs directly, but also indirectly through its imposition on the State Energy Commission.

A further question about the costing of the commission which the Minister could address at this time relates to my question 415 of 19 June. I asked about administration costs which have been included in the financial statements of the State Energy Commission as presented to this House on 10 October 1985.

Members will see that in 1981-82 those financial costs amounted to \$18.7 million. It is now estimated that they will cost the State Energy Commission in 1985-86 \$53.6 million—a massive increase, almost exactly three times the amount of 1981-82. The largest increase relates to administration, materials, and services which will cost \$25.2 million this year, and the amortised foreign exchange gains or losses—losses in this case—of \$13.7 million. Why have those costs increased so dramatically?

Mr Parker: I got the amortisation of loans and gains, but what was the first one?

Mr MacKINNON: Administration, materials, and services increased from \$11.5 million in 1981-82 to \$25.2 million in 1985-86, with a dramatic increase in 1985-86 over the 1984-85 figure of \$15 million.

In relation to the amortised foreign exchange gains or losses, perhaps the Minister could explain something to me. I just do not know the answer and I want to know it. I thought the State Energy Commission would have insured itself or hedged against foreign exchange losses, but the loss is still \$13.7 million, a significant loss when one considers it is almost double this year's estimated State Energy Commission deficit.

Mr Parker: I will explain that to you. They are two different things, the amortisation in a long-term notional loss.

Mr Court: Just on that point, is the State Energy Commission the only Government authority which borrows overseas?

Mr Parker: I think the Central Borrowing Authority does, but no other independent authority.

Mr Court: I do not think it does at present, but it can do so under the new Treasury Corporation legislation.

Mr Parker: You would have to ask the Treasurer, but my understanding is that the State Energy Commission is the only significant overseas borrower in this State.

Mr MacKINNON: Debating this State Energy Commission legislation gives us the ability to question the Government on an important current issue—the State Energy Commission's astounding admission that it may run short of gas this winter due to the dispute it is having with the Swan Valley fringe dwellers. I say "astounding" because, as I understand it, the State Energy Commission itself identified as far back as 1982, the potential difficulty that it would run into in the area currently in dispute. In fact, the State Energy Commission commissioned a report in 1982 to address those particular problems. That report was, I understand, received by the State Energy Commission in 1983. The commission again, I understand, received varying advice; firstly, that some areas of Aboriginal significance in relation to the creek needed to be taken into account; but there is some alternative advice that the report was somewhat biased and not acceptable as a basis for any subsequent decision-making. The Government has a responsibility to indicate to the Parliament if that is the case, and if it was aware of the potential problems in 1982. That was four years ago. Why is it that now, almost at the eleventh hour and fifty-ninth second mark, we are still in the difficult position of having that problem unresolved?

Mr Parker: I would be happy to explain that to you.

Mr MacKINNON: The Minister needs to indicate to the Parliament whether or not the Press report of 28 June was true.

It reads as follows—

Yesterday, Mr Stephenson warned that the SEC faced a crisis if it was prevented from connecting its gas pipeline across Bennett Brook.

"SEC engineers have made projections that in about three weeks the peak load of gas demand for the year is likely to emerge," he said.

"Even if the commission starts now, it is doubtful whether it will be able to complete the pipeline connection for the North-West shelf gas before the peak period.

"There are seriously held fears that if the connection cannot be made the commission could find itself in difficulties maintaining gas supplies in a period of peak demand."

I am a gas consumer, as I am sure many other members of the community are.

Mr Parker: You are all right. You are south of the river.

Mr MacKINNON: If I am south of the river I am okay? I am fortunate, am I? But what about gas consumers north of the river? If that report is accurate, what action is being taken to overcome the problem, if any action can be taken to overcome it?

Mr Court: I heard Senator Peter Cook was going to organise a convoy to come in and put in the pipeline.

Mr MacKINNON: Like he did for Noonkanbah? Maybe he is going to do that.

That question needs to be answered. I think the Minister has a responsibility to explain to the Parliament what the position is and the reason for the delays. He should also explain why the negotiations have taken so long and why, at the eleventh hour, the gas line is still only on both sides of the creek and is yet to be put across the creek. Why has the Government not been able to resolve the problem earlier than this and why were not the ideas of the fringe dwellers accepted? I have read in newspapers that they put proposals to the Government about which they were happy. Also—again relying on Press reports—I understand that they have said that they did not oppose the gas line going across the creek as long as it was constructed in the proper way. Why were those proposals rejected by the Government and why does it appear, if the commission's officer, Mr Stephenson, was correctly reported, that the gas consumers in the northern suburbs—from the Minister's interjection—are being threatened

as a consequence of the maladministration of this Government?

As I have indicated previously and throughout my comments, the Opposition supports the legislation in principle. It believes that the changes to be made by the Government are overdue. If we had been elected in 1983 we would have moved to implement this legislation earlier. Part of our concern is that there is little knowledge of the new body's organisational structure and who is to be involved. We would like some further detailed clarification in that regard and some further information on the costs involved.

I will be raising further matters on the individual clauses in the Committee stage. I have pleasure in indicating the Opposition's support for this Bill.

MR COURT (Nedlands) [4.33 p.m.]: I support the comments of the Deputy Leader of the Opposition in respect of this very important piece of legislation. The State Energy Commission is one of the largest authorities that this Government has to manage and is one in which we all have a vital interest.

This legislation proposes the restructuring of the commission into two parts, a planning body which will be independent of the SEC, and an operating body which will operate the traditional power utility. Unfortunately, on reading the second reading speech and the legislation, not a great deal has been said about the planning body. Like the Deputy Leader of the Opposition I would be interested to know just what the Minister is proposing in restructuring the planning authority. Perhaps he will be able to give us more information than was provided in the second reading speech.

In the second reading speech, the Minister said basically that the Government has decided to establish an office within the Public Service, independent of the State Energy Commission, to advise the Government on all matters relating to energy policy and planning. I hope the Minister will be good enough, at the appropriate time, to give us more details about the planning authority.

It has taken the Government some years to introduce this proposal. I have looked through old Press cuttings and in doing so noted that, in 1983, the then Minister for Fuel and Energy, Mr Peter Dowding, said that the Government was considering setting up a separate planning body. I think he was waiting for a further report from the Stanford University research group before putting the proposal into effect. It is

now many years later that we see this legislation introduced.

The legislation still does not reveal a great deal about how the body will be set up. Perhaps the Minister will explain during the Committee stage why the planning powers of the commission have been left in the principal Act. Does the Government intend to change section 27 so there is not seen to be an independent body having a planning function together with the SEC still having the ability to carry out its own planning functions within its operations?

While we are talking about planning, it is very important that we look into the future to ensure that we have proper energy supplies for our nation. The Minister has had the opportunity to travel overseas a great deal, as have many members of this House. It is fascinating to look at the planning that has taken place in countries such as Korea, Japan, France, Germany, and the United States. I suppose the only extreme case of bad planning that I have seen was in Brazil, where a huge hydro-electric scheme had been put into place. Some of the best hydro power stations in the world had been constructed. Half-a-dozen German-built nuclear power stations were to be constructed, but as far as I know only one has gone ahead. Brazil is trying to get out of constructing the rest. To be on the safe side it has also developed oil-fired power generation. The country has power coming out of its ears. It should have very cheap energy but it has not turned out that way.

We have made very important and bold decisions about energy over many years in an attempt to ensure that we have plenty of power in the years ahead. It has been difficult to work out future requirements. However, with a certain amount of good planning we can make sure that we do plan properly and the study which was done by the Stanford Institute, as the Deputy Leader of the Opposition said, will help that.

I think the Minister indicated, by way of interjection, that that group reported a year ago.

Mr Parker: A year or 18 months ago, I cannot remember exactly.

Mr COURT: I will be interested to know how the proposals that we are now debating fit in with the report. I think the Minister is continuing to receive advice from that group.

Mr Parker: Not recently, but certainly from time to time. They have done particular areas of work for us, but not on this issue.

Mr COURT: Has the first report been made public?

Mr Parker: I am almost certain it has been, but I will check. I am happy to provide you with a copy of it.

Mr COURT: I am interested to see how the new structure will work and who will be responsible for it. Basically there seems to be three sides of a triangle: The Government, the independent chairman and the commissioners, and the SEC commissioner, the chief executive officer. The chief executive officer, as the Minister knows, has been able to act independently in the past. I am interested to know how the Minister believes the system will work. Will the chief executive officer report directly to the Minister or will he deal with the Minister through the chairman and the commissioners? What will be the chain of events? How independent will the chief executive officer be?

It is an interesting structure and no doubt it will depend on the personalities involved. In 1982 the then Opposition, this Government, made much noise about the SEC. It wanted to know all sorts of things about what was happening with it.

In 1982, as recorded in *Hansard*, the member for Kalgoorlie, Mr Taylor, who is now a Minister, was very keen for the Public Accounts Committee to look into the activities of the SEC. He was not satisfied with the answers the committee was getting when looking into the SEC.

Mr Parker: Very strongly resisted, you will be pleased to hear, by the then three Liberal party members on the committee.

Mr COURT: That is the question I was about to come to. Is the Minister keen for the Public Accounts Committee to look into the activities of the SEC in detail? Is the Minister keen for that to happen?

Mr Parker: I will answer you when I speak.

Mr Hassell: It is a very interesting question because the Premier, in his economic statement the other day raised the proposition that we needed an effective and powerful Public Accounts Committee.

Mr COURT: I have to be careful how I ask these questions, because if I ask them through the questions system, I will create a bill for \$160 or so. Therefore, I am asking them directly of the Minister to try to save costs.

Mr Parker: I will give you the answer for free.

Mr COURT: I am making the point that in 1982 a lot of noise was made about the fact that the Public Accounts Committee should be able to examine closely the operations of the SEC. I just want to know whether Labor members would apply the same principle now.

The next point I make is in connection with the North-West Shelf. It has been very interesting to watch the attitude of the Labor Party over the years, when in Opposition and now in Government; it has ducked and dived over the North-West Shelf project. The Minister would know only too well that this is the greatest single energy project that has taken place in this country. Not too far down the track, the project will be the saviour of our economy because it will create some very good cash flows. The sorts of problems that are being experienced in the short term will pale into insignificance when compared with what will happen down the track.

The Deputy Premier keeps talking about how we have to develop new manufacturing, high-tech industries, and the like to help our economy to get out of its mess. I would certainly agree that that is one part of it, but in reality our primary industries of agriculture and mining, with energy projects such as the North-West Shelf project, will help get this country out of its current position. It will certainly be very good when we start to receive some of the export income from the project. It is interesting that over the years members opposite have sometimes cursed the project and blamed it for the fact that the Government has had to increase charges or whatever, and have said that they do not know what to do with the excess of gas produced, while at other times they have said that the project is a great one. Over the last week the Trades and Labor Council has said that it is relieved that the project is currently providing so much work for its members in the north-west.

I will come back to the question of what can be done with the excess gas, but I would like to touch briefly on the purchasing arrangements of the SEC. As one of our largest authorities, the SEC purchases millions of dollars-worth of goods and services. Before the last election, we released a policy which made a big play of the fact that we would like to see bodies such as the SEC used by the Government as a means to help stimulate new industries and to allow existing industries in Western Australia to move into new fields, particularly higher technology fields.

Mr Parker: We have done precisely that in the case of the SEC.

Mr COURT: I know that the SEC has had a track record of trying to do something in this field, and it has offered assistance through tertiary institutions, research projects and the like.

Mr Parker: It has also placed advance orders and the like. To give just two examples, recently we managed to get gas regulators and gas fittings which previously were manufactured in the Eastern States or imported, manufactured here by giving the company concerned a two-year order for our advance which enabled the company to put the capital into doing it.

Mr COURT: That is terribly important.

Mr Parker: In the higher technology area we have done a lot in data logging and similar sorts of telemetric areas to get companies involved in the SCADA system and so on. There has been a huge amount done in that regard.

Mr COURT: I know work has been done, but there is scope for a great deal more to be done. We have a tendency in this country to employ consultants to help us out with technical problems. More often than not they are overseas consultants. They tend to recommend overseas suppliers of equipment and the local people do not get a chance. I think the Minister would agree that the SCADA system used for the gas pipeline is such a case. I know that a legal problem is involved because it has not worked, but equipment was purchased from overseas and never operated properly.

Mr Parker: You had better talk to the former member for Narrogin about that; he purchased it. But never mind, basically you are right.

Mr COURT: I am saying that the problem is that the system never worked properly and now the SEC has to spend more money to try to put a system in place. It is an ideal opportunity to allow local people with this type of expertise to do their research work in this State on that project. They can then go overseas or to the Eastern States or wherever and start selling some of that equipment.

I have visited some of the companies which have such a capability. I realise they could probably not do the whole lot. We cannot just go to an industry in Perth and ask for a specific item; it is probably more messy than that. The purchasing officers at the SEC would not be too pleased with having to put the deal together, but it is important that we accept the difficulties involved and see whether we can, if neces-

ary, bring together a consortium of local people to take on some of these sophisticated projects. Instead of talking "high-tech" and spending money on setting up a technology bureaucracy, we can do something constructive to help the local industry get off the ground.

Mr Parker: We are doing a great deal in precisely that area, and we have been for some time.

Mr COURT: I am glad to hear that from the Minister. I hope a great deal more will happen, because I refer not only to the SEC, but also to many Government agencies.

Mr Parker: The first tender that was let on the main SCADA system was let during the time of the former member for Narrogin's occupation of this portfolio. I am not blaming him for this because there were many problems with it. It had an eight per cent local content figure, as opposed to 92 per cent overseas content. I am not sure of the figures for the current local content position because tenders have not yet been let, but it is somewhere between 45 per cent and 50 per cent.

Mr COURT: That is the sort of thing that has to be done, not only by the SEC, but also by other authorities.

The Minister would know that in the United States defence purchasing was the main reason the United States was able to move so quickly into new industries and high technology fields, their space programme and their defence programme.

Mr Parker: It is causing them problems now, though, isn't it?

Mr COURT: In what way?

Mr Parker: I agree with you, but what got California going was all the things necessary for the Pacific war. But defence purchasing on its own without a proper overview can lead to massive inefficiency such as is happening in the United States. They are now having to deal with it in terms of structural readjustment and so on.

Mr COURT: I do not know about that. I do not write off defence spending in Australia, small as it is. Western Australia does not get its fair share of the three per cent allocated. Authorities such as the SEC and the Water Authority could have their purchasing officers take the more difficult route to try to get the local people more involved.

The next problem is the issue of excess gas. It is said to be a problem, but it is really an opportunity. When this Government first came to

office more than three years ago it had a briefing about the North-West Shelf project and it came out saying that it was a "you beaut" project. When things started going a bit sour with the aluminium smelter down south it became time for the Government to start attacking the project. As I said earlier, we really do not know whether the Government is behind the project. Sometimes Government members attack the project and at other times they say it is the greatest thing since sliced bread. It seems that when it suits Government members they praise the project and when it does not they use it as a scapegoat for some of the problems that they are having.

The Government must go out and get new industries which can take advantage of the energy which we have, along with all the other things we can offer.

The Minister has been working for some time on the Chlor-Alkali plant with the CSBP and Farmers Ltd. I understand a feasibility project is being done by NORSCO.

Mr Parker: A consortium with CSBP and Norsk Hydro.

Mr COURT: When is it expected that they will be coming down with their findings?

Mr Parker: There are different stages, but by the end of this year it should be a going situation.

Mr COURT: The Government is obviously getting those people to look at different locations to see whether it can be implemented in Kalgoorlie, Bunbury, Geraldton, or wherever. These are things which must be put together so that we can take advantage of that energy. We know what has happened in the past and the tremendous things which have been done.

The Government must widen its horizons. This has been going on for some years now and there has not been a great deal of action. The Government talks about declining commodity prices. When one looks at the world, apart from Australia, things are going pretty well. Economies in most parts of the world are doing well.

Mr Parker: The Australian mining industry is perhaps the best-performing mining industry in the world.

Mr COURT: It is not all the doom and gloom we are having painted here. Those economies are performing well.

Mr Bryce: That is a very broad generalisation.

Mr COURT: The Minister is saying the international economy is as depressed as it was four years ago, is he?

Mr Bryce: I would not describe it as being something which is sailing plainly.

Mr COURT: It is certainly doing pretty well. Apart from Australia, the world economies are doing pretty well.

I am glad the Minister has returned, because it is time the Deputy Premier, the Minister for Industry and Technology and the Minister for Minerals and Energy starting working more as a team to try to win some of these new projects.

We hear a lot about conflict and who is responsible for what.

Mr Parker: What conflict?

Mr COURT: Someone has to put these deals together.

Mr Parker: Those to which the member has referred to date are without question in my area.

Mr Bryce: They always have been.

Mr COURT: What industrial development is the Minister trying to get for the State so that we can use up some of this excess gas? What is the Minister for Industry and Technology doing?

Mr Bryce: Most of the projects associated with downstream processing, which involves consumers of large quantities of gas, are associated with the Minister to whom you have just been talking.

Mr COURT: Will these go to Kalgoorlie, Bunbury, or Geraldton? Will the Minister for Regional Development be involved?

Mr Parker: What are you talking about?

Mr COURT: If one wants to establish new industrial areas and attract new industries, as is proposed, who does it?

Mr Parker: The ammonia-urea plant will not be going to Kalgoorlie.

Mr MacKinnon: Is it going to Bunbury?

Mr COURT: Is the Minister going to send gas to Kalgoorlie? That is the sort of thing we want to know. That is the sort of thing we want to see being done so that it is not a problem.

The other point mentioned by the Deputy Leader of the Opposition was a question of the finances of the SEC. The Government seems rather nervous about the SEC's financial situation. We have just witnessed a 12 per cent increase in charges. I do not know why it has been necessary to impose such a large increase.

Would the Minister be able to tell us why charges have been increased by that amount?

I would like to make brief mention of the stockpile at Collie. I listened last week to the member for Collie's very good speech on what was happening in his town. I ask the member for Collie not to jump down my throat.

Mr Tom Jones: I never do that. I have never done that since you have been here.

Mr COURT: I can recall my first visit to Collie. I was given the task of doorknocking at the member's house. I told the member at the time that he had one of the neatest gardens in Collie. It was certainly very pleasant.

On a serious note, the questions that I would like to ask the Minister are these: There is much talk about excess gas, the problems involved with the contract for gas and why industries are not taking up the gas.

As I mentioned earlier, I agree that it is difficult to plan. One has one's ups and downs, and there are bound to be a few problems.

I am told about five million tonnes of coal will be stockpiled at Collie. Is that the correct figure?

Mr Parker: No, there is current approval for two million to three million tonnes. The Press article which suggested five million tonnes was wrong.

Mr COURT: That represents an investment of about \$120 million. I would appreciate it if the Minister could explain how that is to be funded—whether internally or otherwise—and what effect it will have on the operating costs of the SEC; namely, interest charges and the like. What sort of effect will it have upon the cost structure of the SEC? I do not think we have read a great deal about how that stockpile will be funded and how it will affect costs. Perhaps the Minister might like to enlighten us there.

The Deputy Leader of the Opposition covered the problem being experienced in the metropolitan area in trying to get the gas pipeline across Bennett Brook. Considering the problem goes back to the Noonkanbah experiences, I would be interested in the Minister's answer. It must be causing some consternation. It would be interesting to see, now that they are in Government, how members opposite handle that type of situation. From what I have seen from papers and the like, I am not sure why the pipeline must go underground anyway. Is it for a safety reason?

Mr Parker: I will explain the whole thing, but it is principally to do with safety.

Mr COURT: The SEC went to great lengths to sell gas because a lot of gas was coming down and many industrial users were talking about converting to gas. They were told there would be considerable price advantages.

Mr Parker: And there were.

Mr COURT: The point I am making is that those price advantages do not seem to have materialised. People are considering moving to a different form of power. They might go back to oil or convert to solar power to control the cost structure they are now facing with these new charges.

With those comments, I indicate that the main achievement of this legislation is that the planning authority will be set up independently. As I understand it, the chain of command will be modified in the SEC. I look forward to the Minister's answering my queries, and during the Committee stage we will go into further detail about how these changes will affect the operations of the SEC.

MR PARKER (Fremantle—Minister for Minerals and Energy) [5.00 p.m.]: I thank the Opposition for indicating that it will support the second reading. I shall deal with the questions raised by members opposite in relation to the specific clauses when we come to the Committee stage.

In his contribution to the debate the Deputy Leader of the Opposition raised a number of questions as to the basis of the legislation before us. I should like to answer as many of those questions as I can at this stage—I think I can deal with most of them now—and then, during the Committee stage I shall provide answers to queries which I do not have at my fingertips at the moment.

Firstly, the Deputy Leader of the Opposition asked why it has taken so long for the Government to reach this stage, bearing in mind the criticism of the North-West Shelf project and the talk about lifting the veil of secrecy which hangs over it. The Deputy Leader of the Opposition asked why we were coming forward only now with this legislation.

Since the Government has been in power a considerable amount of work has been done on the overall energy planning situation of the State. The Deputy Leader of the Opposition referred correctly to the Stanford Research Institute, although it is not now called that. It was necessary to get rid of the word "Stanford", because of some problems experienced with defence contracts.

However, the SRI has done a certain amount of work with the SEC and the Government in respect of energy planning. A report has been furnished and I thought it had been made public. If that is not the case, I shall provide a copy of it to the Deputy Leader of the Opposition and the member for Nedlands.

In essence, that report said that it was important that there be a body outside the SEC which should be responsible for providing independent advice to the commission. There used to be a saying in the United States that what was good for General Motors was also good for America. I think it is true to say that, within the SEC over many years now, not just recently, there has been a feeling that what is good for the SEC is also good for the State. On quite a number of occasions that is not the case, because in some situations the State may want to take a position completely different from the commercial interests of the SEC. It is true also that the SEC may have very legitimate commercial interests which it should not necessarily be dissuaded from holding, but at the same time, as a State, we may have different interests more related to consumers, our ability to attract industry, welfare issues, or a whole host of other things which we may wish to take into account, but which are different from the commercial interests of the SEC.

There is no doubt that, on several occasions, those distinctions have arisen and, indeed, in the time of the last Parliament, the former member for Narrogin and I had some interesting discussions in this House about that issue. In general terms we were in fairly fundamental agreement in respect of those problems which had arisen in regard to the SEC, and although we may have had different perspectives of them, the principles were the same.

As has been pointed out, the Government has been in power for just under three and a half years now and I have been Minister in this portfolio for about two and a half years. The SRI report came down some time ago. A large amount of other work has been done on my behalf by officers of Government departments and people within my own office on this issue over the past year or so. In fact I took to Cabinet the proposals which are reflected in this legislation some months ago. Of course, the Parliament commenced sitting only a few weeks ago and this was one of the first Bills we introduced into the House; so certainly we could not have done it between last November and now.

What has happened is that we have tried to find the right way to do things rather than simply move too quickly. The other problem which at least some members opposite will have experienced is that it is all very well to have a policy and get it approved by Cabinet; it is another matter to get it drafted. Inevitably there are problems in drafting and, without being critical, we simply do not have enough Parliamentary Counsel to get as much as we would like done. Originally I hoped this legislation would come before Parliament in the last session prior to the election and I was planning towards that end, but we did not get the drafting done in time.

In the meantime, other mechanisms have been set up in an ad hoc manner to ensure that there are other ways in which the Government can obtain different sources of advice from the advice provided by the SEC. For example, about two years ago, at my instigation, Cabinet set up the gas strategy committee which has been chaired by Mr McCarrey who has worked virtually full time over that period on matters of gas strategy, particularly in relation to the North-West Shelf project and contracts related to that. He has also worked on other issues of relevance in that area and he has a team of people in the Office of Economic Development. Mr McCarrey has just retired, but he brought together that team of people and they are working very closely with me and the Government on issues of particular relevance to the North-West Shelf project and the SEC's finances and energy planning mechanisms.

As well as that, an in-house consultant, Dr Saunders, who was employed originally during the time of the former Government, has been working closely with me on the same sorts of issues, although they may be a little broader than the issues Mr McCarrey and his team have been working on.

We have been dealing with issues as they come up and problems as they arise, as well as trying to get the broad issues carried out and to get them right. Talking about the North-West Shelf project, the Deputy Leader of the Opposition said that we promised to lift the veil of secrecy. In fact that has been done already. In August last year I released a booklet called, "The Implications of the Gas Sales Agreement". It was a green booklet which I am happy to provide to the Deputy Leader of the Opposition if he has not seen it already. It was tabled in the House at that time, but I shall provide a copy to the Deputy Leader of the

Opposition and the member for Nedlands if they so desire.

That booklet lifted the veil of secrecy, to which the Deputy Leader of the Opposition referred, over the general position of the SEC's finances and the impact on the SEC of the North-West Shelf project.

As the member for Nedlands acknowledged, and I concur with him, it is not easy to plan precisely and these things are changeable. Obviously some issues change, depending on circumstances over which no-one in this State could be expected to have control. For example, we had the recent change in world oil prices. Assuming that that is fully reflected ultimately in the SEC's gas prices—I expect that it will be—it has implications for the question as to whether or not we should continue with coal stockpiling. What we really have is a primary energy surplus and whether it is coal or gas that is surplus to our requirements depends entirely on the configuration of the power generation sources we use. Obviously we can use less gas and more coal or we can use less coal and more gas in our power systems; that does not work out the position altogether, but it can have a big impact. The question as to whether we use more or less gas or more or less coal depends on a range of factors.

It is worth dealing with the energy stockpile situation, because it has been referred to in two or three different contexts and perhaps I can deal with it up-front. In talking about the situation, I am not at liberty to reveal the price of gas in any of the contracts to which the SEC is a party. Prior to the recent substantial drop in world oil prices we were paying a certain amount for coal. We bought that coal and it was in our possession on our stockpile. The SEC has always had stockpiles of a certain degree and that coal was then fed into either the Muja or Kwinana power stations to be burnt. Whether or not we burnt it made no difference whatsoever to its price. In other words, we bought the coal, it was ours, and we could do what we liked with it. We could put it in the stockpile or we could burn it for power generation.

A different position prevails in respect of gas, because there are about four different prices for gas. It is all the same gas, but the price we pay to the North-West Shelf joint venturers for that gas depends upon the use to which it is put. There is Pilbara gas and south-west gas. South-west gas is divided into coal-competitive and oil-competitive gas and there is also now incremental gas. In general terms, incremental

gas is a new category of gas which came out of the negotiations last year. It has been substantially less in price than oil-competitive or coal-competitive south-west gas. The position of this gas is dependent on our take or pay contract with the North-West Shelf joint venturers. If we do not take gas that we contracted to buy—if we do not burn it or sell it to third parties—we must still pay for it, but the title to that gas remains in the hands of the joint venturers.

Two things happen. The amount that we pay for holding that gas which is held in inventory is substantially more than the amount we would pay for the same gas if we took it down the pipeline and burnt it in our power stations. In general terms there is an advantage to us in burning as much gas as possible because we pay less for the same gas than we would if we kept it in inventory. It was in our interests to look at a coal stockpile instead of a gas stockpile. It is still primary energy. The current position is that with the change in the price of oil and although we have not finally reached agreement with the joint venturers on how that price change will be reflected in our gas price—

Mr MacKinnon: When do you expect it?

Mr PARKER: That is a very good question, a bit like, "How long is a piece of string?" It is one of those things that has been going backwards and forwards for a couple of months. We come close at times and then move further apart. The commissioner expects that agreement will be shortly reached.

Mr MacKinnon: Is that retrospective?

Mr PARKER: Yes it is. There is an interim arrangement which means we are not paying the full cost for the gas that was in place before the decline in the prices. That has been reflected in our sales to third parties such as Alcoa, who are the major contract users of gas.

Assuming that that lower price is fully reflected in our gas price it now appears likely that it will no longer be in our interests to burn gas and stockpile coal, because the price of gas will be coming down to a price commensurate with the coal price. The cost of financing that inventory will be smaller because the same energy value will cost us less if we buy gas, keep it in the ground and burn coal. It is a financing cost. So, we have a financing cost of keeping the gas in the ground or the coal stockpiled, which depends on the total amount one pays for it. The other impact of the gas price, under the terms of the contract, is that if we do not take that gas for four years we pay the then pre-

vailing price for gas, which in most cases would be a higher price. It becomes very expensive gas.

We are trying to manage as best we can, the total primary energy sources that this State is contracted to buy. From the point of view of the SEC, it is effectively gigajoules of energy manifested in the form of gas or coal as the case may be. We have to try to decide—given that we have a surplus of gas—whether it is better to burn more of one and stockpile the other, or vice versa. It is quite likely to change now that we will not be doing any more coal stockpiling.

Mr Court: You went into Government when there was an excess of gas. You have to fund that and if you do not use it you have to pay for it. When you stockpile the coal are you not doubling the problem?

Mr PARKER: We are stockpiling the coal to avoid stockpiling gas. We burn and sell more gas into the system as a result of stockpiling. We cannot solve the problem completely. That is point one.

Point two is that we still have an energy surplus. Some of it is now a coal stockpile, but it is the same surplus. We have transferred it into what is the most cost-effective way for us to manage it. In gross terms the surplus is not getting bigger. Instead of some surplus gas, some of it is now coal.

Mr Rushton: You get a benefit from stockpiling coal as against stockpiling gas.

Mr PARKER: That is right. That has been the position until now. It is under review at the moment because of the change in oil prices that may cease to be the case. Those are the sorts of things that happen in the world energy scene and to which we have to react. We have to manage as best we can. We have certainly got a great deal of energy; there is no doubt about that.

Those points answer the questions of the Deputy Leader of the Opposition and some of the questions asked by the member for Nedlands in particular.

I refer to the second point and that is, who has been consulted with respect to the review? Basically, after years of running this portfolio I have formed certain views about the SEC and have talked to myriad people about the State's energy needs and to the different energy authorities in their different forms and titles that exist in other States. I had a team of people travelling to each State and talking with people about how their systems operate. I have had all sorts of people to see me ranging from consulting engineers to industrial gas users. I

have not specifically consulted with these people about this legislation. I have consulted with them about the general principle.

As the Deputy Leader of the Opposition indicated, there is a consensus that the general direction in which we are proceeding is correct. That is the point that most people are interested in talking about. They are not interested in the detail until they see it operating. The SRI report goes further than what I am proposing to do. It talks about issues besides energy planning. In terms of energy planning it certainly talks about a separate body reporting to the Minister. It puts up a variety of scenarios as to how it believes it might operate. It did not come down with any conclusive recommendations except that in general terms it certainly tried to direct us away from the current system and towards the one I am proposing at the moment.

They have a number of other useful suggestions, many of which may be implemented as time goes by.

The fourth question the Deputy Leader of the Opposition asked was why was SERIWA not included. The reason is that when I embarked on this programme I had intended to completely restructure the system including energy research, both renewable and non-renewable. I wanted to have an energy research institute. I still intend to do that. In the meantime, the functional review committee has reported on the role of SERIWA and the role of WAMPRI—the Western Australian Mining and Petroleum Research Institute, which I think everyone agrees has been operating extremely effectively—and it has recommended their amalgamation.

I have some concerns about that because WAMPRI has been working extremely well. I think that some of the WAMPRI ethos will devolve into and improve SERIWA, and it may be that economies can be achieved. Those economies will be very few because WAMPRI's administration runs on the smell of an oily rag. I am worried about putting the two organisations together because one in particular has been running successfully, and particularly economically from the point of view of the Government. I am worried about accepting that FRC recommendation because I do not want to create a new bureaucracy which will be self-perpetuating. As a result, I pulled it out of this review. WAMPRI was never to be part of it and the energy research should be looked at separately. I am looking at it at the moment.

There will need to be legislation about it but it is not part of this proposal.

It is my intention to have a body which will be in charge of energy research generally and which will have a division related to renewable energy—not just solar, but wind power and a range of other energy sources available. I expect that that will be based on SERIWA. It will involve the transferring of some energy research functions from within the SEC to this new body. It may or may not have a link with WAMPRI.

Mr COURT: You will actually look into nuclear energy?

Mr PARKER: There is no question of looking into it for our purposes. Everyone acknowledges that Western Australia is not in a position where it will need nuclear power, putting aside the environmental and political issues, but on a pure energy-generation planning basis. There is no justification whatsoever for looking at nuclear power in Western Australia in the long term.

Any energy body which does not look at all forms of energy available and ask what are the benefits, the disadvantages, and whether it should think about a particular form of energy in 40 or 50 years' time is not doing its job properly.

Mr COURT: It is important in Japan in the sense of how much gas we sell to Japan.

Mr PARKER: It is important for all those reasons—Japan, Korea, and Taiwan are all potential gas customers.

Mr COURT: They are going off coal for environmental reasons.

Mr PARKER: And for cost reasons. Gas is the most environmentally positive source of energy, but nuclear power is by far the cheapest for them, and that is the reason Japan is going that way. That has implications for Queensland in relation to its sales of coal.

The Deputy Leader of the Opposition asked about the office and how it would operate. The reason I have not outlined in the Bill precisely how it will operate and I will not outline it in considerable detail now, is, frankly, that the whole process is under review in order to try to maximise efficiency and minimise cost to Government, and to get the service we want. We have a proposal for an office of energy policy and planning—not a large office; it is my intention that, initially, four or five people should be involved in the policy side of the office, and one at least would be at a very

senior level. Most of the work would not be done in-house in the Public Service, but rather by its supervising the work of consultants.

I am loath to build up a major new bureaucracy with a lot of staff to look at energy policy and planning, but there is room for a small staff of four or five, which may get bigger in the future. Basically it would be contracting to the private sector to give it advantages in the way the Department of Resources Development works. It has a small 60-person department and uses consultants to do the detailed work on particular projects.

Mr COURT: You do not want to create another Minister?

Mr PARKER: No, I do not want another Minister, or even another department to handle it. One of the things we are looking at at the moment is the question of whether it should be on its own but reporting to me as a separate departmental structure, or whether it would be more efficient to have it as a division of the Mines Department or the Department of Resources Development.

I mentioned earlier the work that Les McCarrey's group has been doing in the Office of Economic Development and that is a small group of about five people. Because of his retirement that position is somewhat in flux and we may try to find some way of getting the great resources there and the resources that I am proposing and those which are in DRD and amalgamating them. We are not sure yet; it is not precisely the case. I assure the Deputy Leader of the Opposition that at the time it is finalised I will make a ministerial statement to enable it to be discussed and debated in the House.

It is not intended that the office will be a large body or that it will be very costly. Where it will be housed precisely will depend to some degree on what division it goes with, but I would say that one place it will not be housed is within the SEC. I make that very clear; it will be housed in conjunction with another department. It will have a role in advising the Government on matters of general energy policy—the trends of energy policy throughout the world; the sort of work the EEC is constantly doing in Europe, and which various bodies such as the Institute of Energy Studies and others are doing in Japan, and other bodies are doing in other parts of the world. It will advise us on all of those aspects; what one might call a general policy overview—where we are in the world type situations—and also look at the

micro-needs of the State. For example, I mentioned earlier that the interests of the SEC and the State are not necessarily the same. An example of that is off-peak tariffs, a policy which the SEC has resisted strongly because it would result in lost revenue, is complicated to administer, and the SEC does not like it much.

It was only when I set up the McColl committee and he reported on tariffs that he drew our attention to the fact that we could simplify the low-voltage business tariff, which we have done in the recent change. It means that a lot of smaller businesses are actually better off under the tariff proposals which came out a couple of weeks ago than they were previously. He identified an area in which we could work to at least pilot off-peak tariffs. We have done that in the horticultural industry as a result of that external work. Those are the sorts of cases where it is often inimical to the SEC's financial interests to be drawing attention to those things. But if it is in the State's interests, or in the interests of a particular group of consumers, or of general energy policy interests to do those things, the office will be looking at them. It will be giving advice on general tariff issues.

The other point I should make is that the SEC is a massive institution, as members opposite have pointed out. This year its turnover on revenue account alone will be in excess of \$1 billion, and when one takes into account the SEC's borrowings, it will be turning over about \$1.3 billion. If members look at the review of Australia's top 500 companies in *Business Review Weekly* they will see that the SEC is about 90th, so it is a substantial body by any stretch of the imagination. This proposed body will look at the SEC's borrowing policy, and whether it is best to borrow overseas or internally.

Mr Court: Who will look at that?

Mr PARKER: The planning body. It is one of the things it will look at.

Mr Court: The financing side?

Mr PARKER: The financing side of it as well, because it has a very direct impact on tariffs and on a whole range of future options, and the SEC and the State.

Mr Court: Can I pose a question on this planning aspect. Section 27 of the existing Act gives the SEC power to plan and coordinate. Who would be involved in something like the new power line to Kalgoorlie? That powerline now is starting to get up to capacity, and a decision has to be made whether it should be expanded or whether gas should be put in, or whatever.

Who is going to be doing that sort of planning, the SEC or the planning body?

Mr PARKER: I was just coming to that because it also relates to what the Deputy Leader of the Opposition perceived might be a potential duplication of functions. As I said, the SEC is a major financial corporate institution in its own right. Any substantial financial institution has to be in a position where it can make its own moves in a planning sense—it has to have in-house capability to determine what is in its own corporate interests. What we need as a State, and in this case being the only shareholder of the SEC, is to be in a position to sometimes challenge the SEC on the question of, for example, the Kalgoorlie line or the proposal to put a gas line to Kalgoorlie, but all of the detailed work on justifying that would continue to be done within the SEC. However, there would be a review to Government—to me as Minister and my Cabinet colleagues in committing ourselves ultimately to those sorts of funds if that were the case—as to what the broader overview would be. In other words, it would give us a different perspective.

It would give us a perspective which may see us validate the plans of the SEC or challenge it and say, "This may be a good idea from the point of view of the SEC, but if you look at it from Westrail's point of view, or somebody else's point of view, it is not such a good idea". It gives us the opportunity to refer the sorts of things the SEC does in-house. No-one is trying to duplicate the SEC's engineering functions or any of its work in that area. The SEC is very good in that respect; I do not think anyone has ever criticised the fact that the SEC is a very well-run institution so far as its engineering and power generation activities are concerned.

The SEC will do its own corporate planning but I as Minister, and whoever follows me, need to be able to say to somebody else, "They have come up with this minute recommending that we spend \$95 million on the Kalgoorlie transmission line. Take it away and have a look at it and the assumptions they have made, and the other implications it has for the State, and tell me whether it is in the best interests of the State for that to take place."

The ultimate control over that decision is vested in the Minister by virtue of another clause in the Bill which proposes to amend and substantially strengthen the Minister's power to direct the SEC. It so happens that the Kalgoorlie line is a very successful one, and it is very profitable at the moment. If that were not

the case, or if at the time it was thought not to be the case, or a new project of that sort was thought not to be profitable, it would be possible for the Government to have proper advice upon which it might be able to say to the SEC, "Stop that".

At the moment the SEC comes forward with the advice, and I suppose the Government can still say, "Don't do it", but if it is looking for someone to find flaws in the argument it has to go back to the SEC.

That is the problem that has been experienced by previous Governments and this Government. The problem has been recognised and it forms a large part of what the Government is proposing at the moment. It will need corporate planning, and external advice will be sought from time to time. For this reason the SEC will maintain its existing powers to set up advisory committees. The new Public Service Department will have energy advisory bodies and I do not see the need for statutory bodies to be set up, thus eliminating the need for secretariats, which are self-perpetuating. The Government is trying to get away from self-perpetuating bodies and it feels that a sunset clause is not appropriate in this case.

Leave granted to continue speech at a later stage of the sitting

Debate thus adjourned.

TRANSPORT CO-ORDINATION AMENDMENT BILL (No. 2)

Message: Appropriations

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

[Questions taken.]

Sitting suspended from 6.00 to 7.15 p.m.

STATE ENERGY COMMISSION AMENDMENT BILL

Second Reading

Debate resumed from an earlier stage of the sitting.

MR PARKER (Fremantle—Minister for Minerals and Energy) [7.15 p.m.]: The next question that the Deputy Leader of the Opposition asked related to the composition of the board and the increase in its size. He said that he could not see the reason to have what he described as a large board of nine people when the current board is composed of five people. I point out that the current proposal is to increase the size of the board from five to eight.

Although we have provided for two new deputy commissioners, I have indicated that we will be appointing only one new deputy commissioner; therefore, that is one extra person. The chairman of the board is another extra person and there will be one more director.

At the moment there are only three non-executive directors of the board. What I am anxious to achieve, firstly, is to maintain the position in which the majority of the board is still made up of non-executive people so that the management of the SEC does not in effect have de facto control of the board. Secondly, I want to bring some greater business expertise into the SEC. Although the people who are there now have a great deal of that, when one is talking about an organisation of the size of the SEC—I described its size earlier today—there is no doubt that the boards of equivalent sized companies are composed of many more members than is the SEC.

I do not think that the increase in the size of the board of the SEC from five to eight, given the fact that two of the new directors will be non-executive directors, will be a problem.

In relation to the position of chairman, specifically it is intended that the position of chairman be independent. It is certainly intended that the position of chairman not be filled from within the structure of the SEC, but rather that it be filled by someone whom I appoint and the person I have in mind will be a rather prominent member of the business community who can look particularly at the business side of the SEC. The reason for that is, as I have said, that the SEC is now very much a big business. It has been left open deliberately as to whether or not the position of chairman will be a full-time, part-time, or honorary position which attracts a normal sort of director's fee.

From time to time the situation may change as to precisely how we want to fill that position. I envisage that the person I hope will take on the position of chairman will be one who would spend two or three days a week in the SEC, at least for a period of time until he feels it is no longer necessary, in order to examine a whole range of fairly critical financial management issues which the SEC must face up to.

It may well be, once some of those issues are dealt with and some other areas have been looked at, that it will not be necessary to spend that amount of time. It may also be that, at some stage, a Government of the day may decide that it wants to appoint a full-time chairman to have greater in-house control than is

currently the case. Therefore, we have deliberately left that position open, but certainly it is intended that it be independent.

I did not quite understand the point of view of the Deputy Leader of the Opposition when he said he wanted a guarantee of independence. It is quite clear in the legislation that an SEC employee will not be appointed as chairman of the board. Perhaps if the Deputy Leader of the Opposition deals with that matter in the Committee stage I can look at it then, but I do not see where his problem lies.

The other question asked by the Deputy Leader of the Opposition was whether it would be likely that the SEC would come into credit. Last year the SEC made a profit of \$4.4 million and the year before it made a small surplus as well. This year the SEC has been budgeted to make a loss. I think originally it was budgeted at \$16.7 million and, in round figures, it is now likely to be \$15 million.

The problem with a budget of that size is that some items go up and some come down. That applies to the question of productivity and all sorts of things such as labour costs and the like. Therefore, one can never be entirely certain from where one's costs will come. Some costs will be certain, but others will be very difficult to gauge. However, we are talking about something less than one per cent; about 0.7 per cent of the total costs of the SEC.

That is a very small margin. It could go either side of that by an equal margin. It would make little difference.

One of the points of concern is this idea of capitalising interest. It would be possible for us to show a surplus on the current account with the SEC if, instead of paying interest on the gas or coal inventory, we were to capitalise that interest as we could legitimately do from an accounting point of view and pay it off over a period of time. If we were to do that, a surplus could be shown now. We are anxious not to do what the Deputy Leader of the Opposition and the member for Nedlands said, and that is to pay interest on our interest. I understand some statutory authorities are doing this in other States. The full cost of servicing the debt-servicing charges of the SEC has been borne by the revenue. I agree that that is a slippery path one goes down if one tries it.

It is possible to legitimise it during the period of construction when one capitalises interest until such time as the instrumentality comes into operation.

Mr COURT: There is a big difference between capitalising interest on equipment and capitalising interest on a stockpile.

Mr PARKER: There is a technical argument in favour of it which I will not go into the detail of now because of lack of time. We are not doing it. That is certainly not proposed.

The other point I make on the productivity case is that one of the reasons why I deliberately did not answer the Deputy Leader of the Opposition's questions about what we budgeted for is that the SEC is a commercial organisation. It is in a negotiating position with unions. If I were to say we had budgeted \$X for productivity or wage increases, people who were employed by the SEC could come along and say there were so many million dollars set aside for them and they wanted it.

Of course, we have taken into account those factors that we believe will be applicable to energy costs and labour costs. Under no circumstances will I divide those costs into their various components. I do not believe it is in the commercial interests of the SEC to do so.

It is true that the Budget did not include provision for that particular payroll tax, because it was not known about at the time the Budget was prepared. On the other hand, it does appear that other labour costs will be down as a result of some of the changes that have taken place in the economic environment, following the Prime Minister's statement and the Commonwealth Conciliation and Arbitration Commission's decision.

The commission has now said we do not need to have a three per cent productivity claim. I am sure someone will want to negotiate a claim with us. The extent to which we decide to negotiate and, if so, what we will do, is very much something that we will decide at the time in the light of the tactical position we are in.

No specific instruction has been given to the SEC except the general instruction to keep all costs down as much as possible. That includes labour costs. The other specific instruction is that nothing the SEC does in the area of labour costs and dealing with its unions who have members employed by it, is in any way to damage the wage-fixation principles which have been laid down by the Federal Government.

Mr MacKinnon: But you won't be instructing them against proceeding with negotiations on the three per cent?

Mr PARKER: I will decide that depending on the circumstances that arise at the time. Certainly, the Government will take a position

on its employees in relation to any productivity claim. The Commonwealth Conciliation and Arbitration Commission has rejected the specific ACTU claim, and we will look at what ever happens with our own employees in that regard. As members know, we are introducing a new superannuation scheme for our own employees in any event.

I do not want to go into great detail about the Swan Valley fringe dwellers for two reasons. One reason is that the Minister for Aboriginal Affairs referred to this matter. It is simply that part of what I may say is before the courts at the moment; in particular, issues relating to the substantive Minister's powers under the Aboriginal Heritage Act.

Mr Court: What the Minister said has nothing to do with it.

Mr PARKER: That is not true. At least one part of the question asked by the Leader of the Opposition very directly related to one of the points that is being raised by those people in the court. It is almost word for word. I have no doubt the Minister for Aboriginal Affairs was correct in what he said.

I very briefly want to comment on a couple of points about the matter. There has been an extraordinary degree of consultation about this pipeline between this Government, the SEC, the two people who have had the portfolio of Aboriginal Affairs during the currency of this Government, and the Swan Valley fringe dwellers. It is now said that the group will accept an above ground pipeline. The reason we wanted a below-ground pipeline, putting aside what was in the Minister for Aboriginal Affairs' mind, relates entirely to safety. The SEC can put it above ground, but it would cost a lot more because the pipeline would need to be strengthened, insulated, and fenced to keep people away from it and to stop people riding trail bikes along it. Environmentally, it would be an eyesore and would be less safe than it would be if it were underground.

Mr Court: Whether or not there is any significance in the site depends on the cost of digging it up.

Mr PARKER: No. That has nothing to do with the significance of the site. There are two different issues: One is the SEC's desire and the other is the desire of the Minister for Aboriginal Affairs.

The other point I make is that it has been said that had we negotiated we may have been able to get somewhere. We have been negotiating for three years. Last year, despite the prob-

lems it would involve, we proposed to spend the money and put in an above ground pipeline. We came to an agreement on that and then Mr Bropho, who is now saying he is prepared to have an above ground pipeline, took us to the Supreme Court and got an injunction against our doing that. Now we are proposing to go ahead with a below-ground pipeline and he is going to the Supreme Court to take out an injunction against our doing that!

Mr Clarko interjected.

Mr PARKER: It highlights the difference between this Government and the Opposition when it was in Government. For three years—maybe we did too much—we sought an amicable solution to this problem.

Mr Court: Without success.

Mr PARKER: True, but we tried very hard to achieve an amicable solution.

There have been extensive consultations. All I am saying is that we believe we can supply that; we are now in a legal position to do so. I do not want to go into that because of the court proceedings.

Mr MacKinnon: What about supply to the northern suburbs?

Mr PARKER: That issue is before the courts and I would rather not comment.

Mr Clarko: Ducking for cover!

Mr PARKER: I am not. I have certain responsibilities, and I am going to live up to them. The pipeline is laid everywhere except Bennett Brook. Once we have the right to go across Bennett Brook, there will be a day or two's work to finish it.

Mr MacKinnon: Your officers said they would not be able to complete the work—

Mr PARKER: They said they were not sure. They did not know whether it was possible, given the mobilisation question and so on. Once the court case is out of the way I am more than happy to go into much greater detail. I can certainly entertain the House for some tens of minutes about some of the things that have happened in this case, but is is not appropriate to do so at the moment.

The Deputy Leader of the Opposition asked about the administrative costs. I have not been able to get all the details of that. I understand there are two particular issues which he identified; one is the increase in lease payments. Lease payments have gone up substantially because the Muja to Kalgoorlie transmission line is a leased line. When it was built leasing was the most cost-effective way of doing it, and the

most tax-effective way from Western Mining Corporation's view. Perhaps I can deal with the question of amortisation in Committee. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr Burkett) in the Chair; Mr Parker (Minister for Minerals and Energy) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Commencement—

Mr MacKINNON: I would appreciate it if the Minister could give an indication as to the timing in respect of this clause. It indicates the Bill will be proclaimed in two parts. For example, when will the chairman and the commissioner be appointed, and when will the new energy advisory body come into being? When does the Minister anticipate finalising these matters?

Mr PARKER: Some of these clauses will come into operation on the day the Bill receives the Royal Assent. The rest of the provisions relating to the long title, interpretation, composition of the commission, appointment of the commissioners, proceedings of meetings and the Energy Advisory Council will not come into effect until a day fixed by proclamation. It is not my intention that that date be very far away. I desire to have it done very quickly because I am anxious to appoint the chairman and the new associate commissioner, and I am anxious to proceed to advertising and go through the rigmarole that will be involved in the appointment of a new deputy commissioner.

We need to get all those sorts of things in place, particularly the appointments, and do them simultaneously so that we can proclaim the Act and appoint people through the Executive Council.

Mr MacKinnon: One, two, or three months?

Mr PARKER: I would hope less than one month. The Deputy Parliamentary Counsel considers the courts should be given reasonable notice of any changes to the commission's powers to make regulations exempting certain contracts entered into by the commission from the provisions of the Trade Practices Act or similar legislation, and where there is any change in penalties. Again, that would be done within a month.

So far as the new body is concerned I cannot be quite as specific about that except to say I am in a great hurry to do it. I hope it will be within two months, but there are a number of factors to be taken into account. We are working actively on it at the moment, and it is my desire to put it in place within a fairly short space of time.

Mr MacKinnon: Why the indecision about where the body is to be located?

Mr PARKER: As I said, we now have a national energy policy body; we have the Office of Economic Development which was headed by Mr McCarrey with a staff there doing good work in this area, the Department of Resources Development, and the Department of Mines. Frankly I think it will go with the Department of Resources Development, although that has not been decided by Cabinet, because it is another small body and we can put those two small pieces with it without doing any damage. It is related to our desire to get these new projects to which the member for Nedlands refers.

The Deputy Leader of the Opposition would be aware from his time as a Minister that getting these things done and through the board is not the easiest task in the world. I am hoping to do it quickly, but I cannot be specific about a date.

Clause put and passed.

Clauses 3 and 4 put and passed.

Clause 5: Section 4 amended—

Mr MacKINNON: I would like the Minister to explain a point I raised during the second reading debate. Unless we specify in the legislation that the chairman of the commission is not an employee of the commission it is always possible to appoint an employee of the commission or a commissioner to be the chairman. I would not think that that is advisable. Why is it not possible to be specific in that regard to ensure that the chairman is always somebody independent of the commission? That is a point of view that the Opposition and I have held all along, and we would want to see it operate in that way.

My second question relates to paragraph (c). What is this amendment getting at? I cannot envisage what it is talking about. It refers to something being deemed to be a department for the purposes of the Act. Perhaps the Minister has an explanatory note that would clarify that point.

Mr PARKER: To answer the second part of the question first, it seems to me to be a certain amount of gobbledegook. It is consequential upon the introduction of the Interpretation Act 1984 and how Government departments are to be regarded—whether they are Crown departments, and that sort of thing. I am happy to have this looked at in more detail and will respond later to the member.

In relation to the other question, this amendment simply defines the chairman, and his appointment is contemplated in clause 9 of the Bill. It indicates there that the commission will be constituted by the chairman and a commissioner and not fewer than four associates and not more than three deputies. My notes indicate that it provides for the appointment of an independent chairman, and I can give a categorical undertaking that that is what we intend. I agree with the Deputy Leader of the Opposition that if it is not specified in the Bill it should be.

He referred to the chairman not being an employee. We would want the remuneration for the chairman to come from the commission, and I do not know whether that makes him an employee or an officer. I will have that point clarified and get back to the member. It is certainly our desire that the chairman be independent, and it is my understanding that the Bill provides for that. If it does not make it sufficiently clear I will make sure that is done.

Clause put and passed.

Clause 6: Section 6 amended—

Mr COURT: The proposed paragraph (c) states, "In relation to land vested in the Crown in right of the State." I ask the Minister the reason that private land has not been included.

Mr PARKER: Clause 6 makes it clear that the Bill binds the Crown in certain respects, but not in others. The existing Act binds the Crown in relation to safety, and under this legislation it will bind the Crown in relation to the Crown's property. It will not be necessary to deal with private property in this clause and there are other provisions contained in the Act which make it clear that the SEC has rights with respect to private property. The way the legislation reads at the moment the Crown, through its property, is not bound by the Act. In other words, the SEC's power is in relation to property entrances, easements, and those sorts of things which do not apply to the Crown. This clause specifically introduces that power and, therefore, private property is not an issue.

Clause put and passed.

Clause 7: Section 8 amended—

Mr COURT: This clause refers to delegation of powers. Is there a reason that it has not been written into the Bill that the Minister must approve any delegation of powers or, at least, be advised that there will be a delegation of power and for what purpose?

Mr PARKER: There are overriding provisions with regard to contracts for certain sums of money which the Minister must approve. For example, contracts to the value of \$500 000 must be approved by the Minister and those contracts over \$1 million must be approved by the Governor in Executive Council. It is not proposed to change that provision. What is proposed is that contracts, especially in the area of offshore and interstate financing, will be dealt with in a different way. At the moment Government officers are sent offshore, or personnel from the companies concerned are sent here to sign certain documents. We want to execute these instruments—such as promissory notes—by the facsimile signature of an authorised officer. In a number of jurisdictions I am told this is common market practice. On other occasions a large number of identical copies of instruments requiring signature on behalf of the commission would justify the use of facsimile signatures.

The existing powers in relation to facsimile signatures are not applicable to the kinds of financial instruments under consideration. It does not alter in any way the need for the commissioners to obtain the necessary authority of the board of commissioners for all such transactions into which they enter, nor for those transactions which have certain other characteristics, which I have mentioned, for the board of commissioners to obtain the Minister's or the Governor's consent. It means that having obtained that consent the nominated officer does not have to sign the document; he can delegate the power to someone else. There is no real change in the ultimate authority—it is just a matter of the practicality of the way it is carried out.

Mr COURT: In the light of that explanation, it is primarily to do with the whole question of handling the paperwork for overseas borrowings and the like.

Mr PARKER: Yes, that is right.

Mr COURT: The question of overseas borrowings concerns me. There have been wild fluctuations in exchange rates in recent times, and the Commonwealth Treasurer (Mr

Keating), has said his Government will allow the exchange rates to move up and down. Is it the opinion of the SEC that the question of offshore borrowing becomes not only a risky exercise, but perhaps marginal? By the time it goes ahead with the hedging requirements and the like, it would be just as well off to borrow locally.

If the SEC wanted to use overseas funds it could have Australians dealing overseas doing the borrowing for it. In other words, it could be dealing with the Citibank Limited which would take the risk of going offshore.

Borrowing offshore concerns me and we have seen the problems which have arisen in the rural community in recent times where people have been caught with the fluctuating exchange rates. I can understand the reason for the delegation of power, but is overseas borrowing necessary?

Mr PARKER: Perhaps I could use this opportunity to answer a question which was asked by the Deputy Leader of the Opposition and which I did not have time to answer in my reply to the second reading debate. I refer to the amortisation of foreign exchange losses. I think that the Deputy Leader of the Opposition and the member for Nedlands said that they understood that the SEC had hedged and could not understand the reason that such a large amount of money was provided for that.

Two completely different aspects to the accounting methods are used in overseas borrowings. One is actually to take into account in the current year the losses or gains made in terms of currency fluctuations in overseas borrowings. If a gain is made in the process of repaying a loan, it is brought down as an income. If a loss is made it is noted as such.

As well, there is a notional gain or loss—at the moment I am afraid I must say there is a substantial loss—involved with overseas borrowing. There will always be those types of fluctuations. The notional loss to the SEC in overseas borrowings is about \$240 million. Most of the SEC's loans are over 10 or 15 years, and in this case there is no actual loss incurred until such time as it comes to pay the loan back. At that time it may well be that the currency has fluctuated again and there may be more losses or there may be gains. We do not know what will happen in five or 10 years' time.

Mr Court: There is an actual loss if you have to repay the loan.

Mr PARKER: If the loan had to be repaid there would be a substantial loss.

Mr Court: I have a court case with the WADC on that very question.

Mr PARKER: I do not know the position in that case. At the moment they are not actual losses; they are notional losses. The prudent thing to do from a financial point of view is to look at the term of the loan and if the worst comes to the worst, and at the end of 15 or 20 years we are in the same currency position we are in at the moment—

Mr Court: It will be good by then. The right mob will be back in Government.

Mr PARKER: There will be probably be two or three changes by then.

If it gets back to parity, obviously there will be no problem. However, if the Australian dollar stays at US 67c we would amortise the loss over the period of the loan. For example, if \$240 million were involved, we would look at each loan and work out what it requires to put aside sufficient funds into a sinking fund each year to allocate against the repayment of that loan. Prudently that is the only thing to do. We might end up with that money set aside and it may not be required. It would then become internal funds and would be properly accounted for. It is certainly in accord with what the Institute of Chartered Accountants recommends for foreign exchange losses.

Mr Court: Are you amortising the losses?

Mr PARKER: The notional losses. We are taking into account the actual losses and amortising over the periods of the respective loans the notional losses, which may or may not be losses. However, if the worst comes to the worst we shall have the money set aside to pay the loans back.

The \$13 million which is part of the hike in administrative charges to which the Deputy Leader of the Opposition referred is as a direct result of our amortising the \$240 million loss over the various periods of the loans that comprise that loss.

I take the point about overseas borrowing and the general point that the member for Nedlands is making. Both his party and the Labor Party have borrowed overseas when in Government and by far the bulk of the loans relating to this loss were for the North-West Shelf pipeline and entered into during the period of the Liberal Government.

At the time the reason was that a much greater diversity of financial instruments was available overseas and thus the tradeability of those financial instruments was heightened. Also, more attractive interest rates were available overseas at the time.

Taking into account the currency fluctuations since then, the SEC tells me that even with that substantial depreciation of the Australian dollar in the interim, the cost of servicing the debt is still marginally lower than it would have been had they borrowed onshore given the differential in the interest rates.

With regard to the future, it depends very much on one's view of the currency situation. Obviously at the moment interest rates available overseas are even more attractive. For example, in Japan it is possible to borrow money at three or four per cent. However, one must take into account the yen-dollar relationship. It has dropped very substantially in the last year, as has the US dollar-yen relationship. When I first went to Japan the exchange rate was 240 yen to the dollar and it is now 112 to 115 yen to the dollar. The US dollar was worth almost 300 yen and it is now down to 160 yen to the dollar. The problem has not been confined to Australia.

We are certainly being much more cautious about where we borrow. Most of the overseas borrowing currently being undertaken by the SEC is not new money being borrowed but rather swapping of funds from existing borrowings into financially more efficacious borrowings. I am sure the member for Nedlands is aware that in modern financial management one does not take out a 15-year loan and pay it off over a period. The loan is managed, as are the borrowings and the borrowing programme. One swaps from one currency to another and from one instrument to another depending on one's best interests at the time. No-one just takes out a loan which starts in 1968 and will be paid off in 1993 and leaves it at that. One is constantly moving in and out of different currencies. If one swaps from an overseas loan into an Australian loan one immediately has to realise the capital loss.

More and more of the world's funds—I am not an expert in this matter—are, of course, in almost non-real currencies, for example Eurodollars, Euroyens, ECUs and those sorts of things. In terms of the SEC being able to borrow the amounts it is looking at, it is sometimes in its best interests to borrow overseas. It must be looked at cautiously, especially in the

short term, as many people believe the trend is for a further depreciation of the dollar.

Mr Court: Who inside the SEC handles the borrowing programme?

Mr PARKER: The person specifically in charge is Bill Heron, assistant commissioner, finance and administration. There is also under him a manager of the borrowing programme, Alan Chiew. I would be happy to have either of those officers brief the member for Nedlands and the member for Murdoch if they so wish. It is an interesting subject. I have spent hours with those officers in the last 2½ years going through matters. It is a fascinating area and the SEC is one of the major borrowers in Australia.

Clause put and passed.

Clause 8: Section 10 amended—

Mr COURT: This clause will give the Minister greater power to direct the commission with regard to the performance of any function in relation to which the power is conferred. I think that is desirable. I mentioned in the second reading debate that there are three centres of power in the new structure: The Minister, the chairman, and the commissioners and the chief executive officer. I am interested to know who takes responsibility for what.

The Minister has mentioned that he would initially like the position of chairman to be a part-time appointment of two or three days a week. However, pretty quickly the situation would arise in which it was a matter of the Minister and the chief executive officer running the show and the chairman being an adjunct. I would be interested to know how the Minister anticipates that working.

I refer also to section 27 of the Act which outlines the different functions of the commission, including a planning function. In the Minister's summary he mentioned that he will be leaving those powers in the Act because the SEC will need to carry out some of the functions. It is an opportune time to ask where the responsibilities will lie.

Mr PARKER: Like all non-executive board members, the chairman will, in fact, be the Minister's representative on the board. I would expect there to be a lot of interaction between the chairman of the board and the Minister. Essentially, the SEC will continue to do, as it does at the moment, its own internal organisation and planning. As a major financial and corporate institution, quite apart from any other role, it must have a corporate planning capability and function and, in particular, as an

engineering organisation it must have corporate engineering capability.

The Government as its shareholder on the one hand and the consumers' representative on the other—perhaps in some respects it represents almost an inconsistency of role—has to be able to satisfy itself that that planning role is being undertaken in a way which is consistent with Government policy, and with what is good for the State as a whole, but which may not necessarily be entirely in accord with the commercial interests of the SEC.

I see the chairman very much as someone who will play a role rather like, for example, that played by Sir James McNeill when he was the Chairman of BHP. He was a sort of overall conceptualiser and checker of things that were going on. When one looks at BHP when McNeill was chairman and Loton was managing director, McNeill was full-time but the day-to-day running of the operation was left to Loton as managing director, with the chairman very much looking over the shoulder and saying, "That figure does not tally up, and what about this?" At the same time as dealing with all sorts of broader issues, conceptual issues, he played a checking role to make sure the figures really added up and asked questions such as, "Are you coming to the board of management in the way in which you should be?"

Mr Court: That is not a very good example, because in that particular case that was a 10-day-a-week chairman.

Mr PARKER: True, I know that, but the member knows the point I am making. I see the chairman very much in that role, as not being involved in day-to-day matters such as making sure the Muja Power Station is operating, but being given reports about how it is operating, what it is costing, what is being done to make it cost less, and so on.

The chairman will also have an impact in that he will put Government policy to the board; but the critical area where the change will take place is that I see the chairman being fundamental to the upgrading of management ability of the SEC, no matter what its energy policy might be. The energy policy unit that the Deputy Leader of the Opposition and I have been speaking about is a body that, on a major issue such as the Muja to Kalgoorlie transmission line—or, say, a proposal to build a pipeline from the North-West Shelf gas pipeline to Kalgoorlie or something which was going to have an impact on the consumer, and would affect tariffs—will put forward a view,

and we would be able to take the board's ultimate view as developed within the SEC and test it against other considerations that we or any Government might have and say, "That is your view, but is it a correct view?"

So far as day-to-day contact with the commission is concerned, I have contact on a daily basis with officers ranging right down to manager level within the SEC, which is about the fifth level down, on particular issues of concern to them, or to me, or to people who approach me. I imagine that that would continue and that there would continue to be regular meetings between the chief executive officer of the commission and me. But certainly, a lot depends very much on the personalities involved. I believe there is a need for a much greater infusion of management talent, especially into the SEC, putting aside the way in which it is run from an energy point of view, and that is very much the way I see the board's changing.

In other words, I see two distinct problems: One is a management problem that exists whether or not there is a need for more Government review of energy policy and planning; and the other is that Government review of energy policy and planning.

Mr COURT: I thank the Minister for that explanation. Could he perhaps tell us the main reasons for his belief that the Minister should have the power to give more direct directions? Are there any specific reasons for this?

Mr PARKER: Firstly, although under the existing section it appears that the Minister can give directions, in fact that has been interpreted—not specifically in relation to the SEC, but in respect of similar provisions in other Acts—by the courts as meaning that the Minister can give only generalised directions as to policy, and not directly as to specifics.

The member for Floreat has often talked about the fashions that develop from time to time; about whether we have statutory authorities and how independent they are, and whether we have departments. He has made the point, and I agree with him, that the fashion was at one time to set up everything under independent statutory authorities. Whitlam did it a lot with Telecom and Australia Post, other people did it here, the Opposition did it when it was in Government, and we have done it when in Government.

In my view democracy requires accountability, and the only way in which something like the SEC can be accountable is through its Minister to this place; and if I am to be ac-

countable for the SEC, I am damned sure I am going to be able to run it if my career and my position here are going to be on the line because of the SEC.

Mr COURT: Would you use that same argument for WADC and Exim?

Mr PARKER: I will not comment on that; I will leave it to the member to take it up at another time.

Mr COURT: I am glad you said what you just said.

Mr PARKER: The position simply is this: There have been a couple of occasions on which the SEC has raised with me the interpretations of my powers on some issues that have been in dispute between us, and I think the former member for Narrogin was in a similar position. I think it is very necessary to have these much more direct powers. In one sense it is almost tantamount to turning the SEC into a department where, of course, there is no question of the Minister's powers; but as the SEC is a trading concern, in my view it is very important for it to have a statutory position. Of course, from the point of view of its borrowings and all those sorts of things it is simply impossible now, even if it were ever desirable, to change it.

The answer is to give the Minister of the day the power to ensure that this Government statutory authority does what the Government of the day wants it to do.

Clause put and passed.

Clause 9: Section 11 amended—

Mr COURT: As to the make-up of the commission, as I see it there are four members from the SEC and five from the outside, so to speak.

Mr PARKER: Potentially, yes. It is not the way it will be, but potentially that is quite possible. At the moment there is a commissioner and three deputies as proposed by this clause, although I have indicated in my second reading speech and again in my response that it is proposed to appoint only one extra deputy. But the chairman will be from the outside.

Mr COURT: The chairman will be an outside person. New paragraph (c) reads, "Not less than 4 persons appointed as Associate Commissioners".

Mr PARKER: They are from the outside.

Mr COURT: I thank the Minister.

Clause put and passed.

Clause 10: Section 12 amended—

Mr MacKINNON: I refer to subclause (e) which repeals subsection (7).

I cannot see from my reading of the Act and all the amendments thereto that that subclause takes into account any consideration that may be necessary to dismiss a deputy commissioner. It appears to provide that the dismissal applies to a commissioner or associate commissioners, but no reference is made to deputy commissioners.

Could the Minister advise me whether my reading of the Bill is correct? Is there a deficiency there? If that is the case, it is a significant deficiency.

Mr PARKER: Are you saying that existing subsection (6) talks about dismissal of a commissioner or associate commissioner but that no reference is made to a deputy commissioner?

Mr MacKINNON: Correct. Does the member follow me?

Mr PARKER: I think you are right.

Mr MacKINNON: It seems to me that if the wrong person is appointed—it does not often happen—but when it does we want to make sure the Minister has the power to dismiss that person. It seems from my reading that a deputy commissioner is not covered. I think the clause warrants examination to ensure that it is correct.

Mr PARKER: I think the Deputy Leader of the Opposition may be right. If it is a deficiency in what I am proposing, it is also a deficiency in the existing Act because it is not mentioned there, either. It is something that could be relatively easily changed by inserting the words "Deputy Commissioner". But rather than having it done now I would prefer to take it on notice and do it in another place because I would like to get counsel's advice on it.

Having said that, it seems to me that it may well be that the Deputy Leader of the Opposition has identified something that is wrong in the existing Act which has been continued into the new one, and I would certainly prefer to remedy it.

Clause put and passed.

Clauses 11 and 12 put and passed.

Clause 13: Section 16 repealed—

Mr MacKINNON: I would like an explanation as to why section 16 of the principal Act is to be repealed. That section reads as follows—

16. No proceeding or act of the Commission or of a committee of the Commission shall (if there is a quorum) be invalidated or illegal in consequence only of there being any vacancy in the number of members at the time of such proceeding or act, or in consequence of there being some defect in the appointment or qualification of a person purporting to be a member.

It is a pretty straightforward clause, but why is the section being repealed at this time?

Mr PARKER: This clause was put in by Parliamentary Counsel. I understand that as Bills come up for amendment, this is being done with them all, as the Interpretation Act 1984 deals with that en globo through Government, and counsel is trying to clean up all the Acts.

Mr MacKinnon: That is in respect of clause 14 which talks about section 18?

Mr PARKER: Yes. The provisions are identical with those in the Interpretation Act.

Clause put and passed.

Clauses 14 to 16 put and passed.

Clause 17: Section 28 amended—

Mr MacKINNON: This amendment is to section 28 of the legislation and I would appreciate it if the Minister could indicate to me the purpose of this amendment. I understand it refers to funding and the Minister did not indicate to me how he expects the body to be funded. Is it directly under the Department of Resources Development? If we assume that is where it goes, are its funds to come out of the department's allocation from the Consolidated Revenue Fund, or is there to be some special allocation from the State Energy Commission?

Mr PARKER: During my second reading speech I did not have time to comment on this point, but it is relevant to this section. I expect that ultimately the full funding of this body will be by taxpayers through the normal taxation process. I think that is the appropriate way of doing it; that is, in the same way as any other function of Government in which revenue is raised and spent and the priorities of that raising and spending are shown and voted upon in this House.

In relation to this body, however, at the moment there is a situation in which the SEC has this function and it has been paid for, however

inadequately we might think it to be, by the tariff payers through the SEC. Therefore I propose to phase out that payment by having the SEC make a payment to wherever it is and still come through the CRF as an income. This payment will be an amount of money necessary in the first year to meet the whole of the cost of the function, which, as I have indicated, will not be all that substantial because I am talking about a fairly small body. Subject to the budgetary process, I have in mind that it will be over three years, with two-thirds payment being made in the second year, and in the third year a one-third payment, and at the end of the day it will be absorbed into the normal CRF funds. Just to make less of an impact on the CRF of the function, which has been carried out within Government and already been paid for by SEC tariff payers, that payment will be transferred across to the CRF and then gradually taken out.

Mr COURT: Just on that point, the Bill says "may provide financial assistance". Should this not be "shall provide"?

Mr PARKER: The word "may" provides the SEC with the power to provide financial assistance, within a permission to provide financial assistance. Section 10, as amended, means that the Minister can tell the SEC that, having the permission, it shall undertake that task. Therefore there is no problem; the SEC cannot get out of it.

Clause put and passed.

Clauses 18 to 21 put and passed.

Clause 22: Section 48 amended—

Mr MacKINNON: Could the Minister explain to me the purpose of this amendment and why it has been inserted into the Act. If possible, with that explanation, could he give an example of what the amendment means when it refers to commission officers having to, as I understand it, enter people's property in cases of emergency and then wanting those people to make good to the commission any damage which may have been incurred as a consequence of that emergency?

Mr PARKER: I am advised that section 48 deals with the commission's power of entry onto land and so on in cases of emergency. The existing provision requires the commission to remove its equipment after the emergency has ended and make good damage caused in dealing with the emergency, and it should not extend to emergencies arising with supply systems not belonging to the commission. The new provision differentiates between those

systems owned by the commission or for which the commission is responsible and those which are not. Liability for damage caused in dealing with the emergencies is therefore apportioned accordingly. Provisions of this section should not be confused with those in section 57, covering system emergencies.

Section 48 deals with the rights of entry and the payment of compensation for damage caused, while section 57 deals with the steps that may be taken where there is, or is likely to be, a restriction of the supply of energy—for example, industrial disputation or failure of equipment.

Clause put and passed.

Clauses 23 and 24 put and passed.

Clause 25: Section 61 amended—

Mr MacKINNON: This clause amends section 61 of the principal Act which deals with the maintenance of lines and the lopping of trees. The Minister would be well aware that in recent years there has been some controversy about that matter, especially in the hills area of Western Australia. I would appreciate the Minister's advice as to whether this amendment is to accommodate or deal with this issue. If not with this issue, what exactly is the purpose of the amendment, what is its application, and where is it likely to apply?

Mr PARKER: There are two separate tree lopping problems which the SEC has faced in the last couple of years, both resulting from the Ash Wednesday experience in the Eastern States.

The first problem relates to certain areas, particularly the hills area, which was to do with a dispute between the SEC and local government authorities in some areas and, indeed, to some degree with some of the other statutory authorities, about who was responsible for power lines, and trees growing onto power lines, road verges, and other non-property areas, including forests and so on.

The Government has come to an accommodation in principle both with local authorities and with the statutory authority owners of land in that regard, and it is attempting to reflect this in the legislation. It is not in this piece of legislation because it is extraordinarily complex. Basically the accommodation reached is that the SEC will bear the cost of the tree lopping in the hills area and in other similar areas, where the trees are not on private property. That was decided by Cabinet about 12 months ago. The Government has agreed that in general terms it will not accept any more

additional liability for that than it currently is legally liable to.

Secondly, the Government has said that where a particular shire wants to protect the aesthetics of a particular street because it has beautiful trees in it—and that is very much the case in some parts of the hills—that shire can nominate that street to be protected, even though it is natural vegetation. This applies only to natural vegetation and not to cultivated vegetation. Where that vegetation is natural vegetation, the shire can nominate a street—for example, Smith Street—in which it does not want the SEC to do its lopping, and is prepared to maintain that vegetation as though it were cultivated vegetation.

They will maintain it as though it was cultivated vegetation, in which case the cost of cultivation would have to be borne and also the liability that might be involved. The decision which Cabinet took on the matter has been generally widely regarded and accepted, but we have not been able to agree on how to reflect it into legislation for two reasons; firstly, the complexities of what seems to be a very simple proposition which, I am told, is very difficult to reflect into legislative form. Because of these problems I suggested that we introduce a further Bill containing the second amendment. The second problem is that we find it very difficult to insure for that liability because, frankly, the insurance companies do not want to know anything about underwriting for the State Energy Commission. They have received many claims since Ash Wednesday. We are trying to grapple with that problem at the moment.

A completely separate problem applies also in the hills area and is more important in country areas; that is, in regard to the contributory extension scheme. For example, on my property a powerline services my property and another one goes across to my neighbour's place. It comes from the road line and goes to my property.

Mr Court: Your rural property?

Mr PARKER: Yes.

Mr Court: Are you a capitalist?

Mr PARKER: Yes, I have been for a time.

As it stands at the moment the Act provides that any other similar landowner in that circumstance is responsible for the tree lopping on his private property even though the line is not actually servicing his property, but is going between neighbouring properties X and Z. In practice the situation has always been that the

SEC agreed to do the tree lopping and bear the responsibility for anything that happened on a line across a non-serviced property, but that has not been reflected in legislation. We have been able to do this more simply, so that in the case of a landowner who has a SEC line crossing his property but not servicing him, where the property is used as an access way from the main line to his property, as a result of this legislation he will no longer be liable for either the tree lopping or any damage occurring through non-tree lopping on his property.

Mr MacKinnon: When do you expect to bring in amendments to cover this situation?

Mr PARKER: Parliamentary Counsel are still working on it. I do not expect it to be ready for this part of the session of Parliament, but I do expect it for the Budget part.

Mr SPRIGGS: I listened with great interest to what the Minister had to say. Clause 25 clearly gives to the State Energy Commission the rights it has always claimed to have, and it is retrospective—

Mr Parker: No, it is not. What are you talking about?

Mr SPRIGGS: The clause quite clearly says—

... from time to time amended, a reference to maintenance shall be construed as including, and always having included, a reference to the felling, lopping, or removal of, or any other method of dealing with, vegetation . . .

So it is retrospective legislation.

Mr Parker: No, it is not. You have misunderstood.

Mr SPRIGGS: That clause is to cover the situation the State Energy Commission claimed it had, but which it quite obviously did not have or it would not have brought in this legislation.

Mr Parker: No, you are wrong.

Mr SPRIGGS: If the Minister is genuine in his comments about some consideration being given to the people living in the hills area in regard to his discussions with the State Energy Commission, I maintain that that provision should at least be included in this legislation, or that this Bill should not be passed until such time as the Minister implements legislation to cover that situation and the points they have agreed to in discussions but which the Minister has said are not covered by the legislation. This is retrospective legislation purely intended to cover the State Energy Commission. It can be

used as far back as the Government likes because it is stated in the Bill.

Mr PARKER: The member for Darling Range has completely misconstrued this clause. I tried to make it clear that it has nothing to do with tree lopping in the hills. There has never been an argument between the State Energy Commission and the people over whose properties State Energy Commission lines go because the State Energy Commission has always gone ahead de facto, lopped those trees, and taken the responsibility for those lines and for anything that might interfere with them. This clause adds to the powers of the landowners and not those of the State Energy Commission. Certainly de facto it has been treated as if the landowners' powers were increased for some time now but in reality, were it tested in a court, it might not be seen to be the case.

In respect of the incident the member is talking about, I point out that the only damage was done to the State Energy Commission and not to the landowner. The landowners' position is being enhanced, if you like, retrospectively. It will not be damaged. It has nothing to do with the hills situation, and I thought I mentioned that.

In regard to bringing forward legislation relating to the hills, I have explained already to the Committee the problem involved. It is my desire to bring forward legislation as quickly as possible and there is no current problem about that. Everyone is happy with the way in which the legislation is being administered at the moment and no burden is being imposed on local authorities or their ratepayers. We do need to legislate to make the situation quite clear and that legislation will soon be forthcoming.

Mr COURT: I am a little confused. Is the Minister saying that this legislation does not cover the State Energy Commission's liability for an accident? The legislation refers to the clearing and maintenance of land, but how will the situation of liability be handled if a fire causes considerable damage? Earlier in his comments the Minister mentioned that it was difficult to get insurance cover for this type of situation. Is that the main problem the Minister is having in drawing up legislation to cover that situation?

Mr PARKER: There are two problems in regard to the hills situation. One relates to drafting. The member's colleagues who have been Ministers at one time could probably tell him that it is sometimes frustrating that something which seems to be a relatively simple

proposition becomes very involved when trying to incorporate it into legislative form. This seems to be one such example.

The other issue in relation to the hills situation is insurance. We are still negotiating with insurers about those sorts of issues and, frankly, it is very difficult for us to obtain the level of cover we would like to get, or indeed any cover to deal with an Ash Wednesday type situation because the insurance companies were very badly burnt—if I could use the pun; I am sorry—over the State Energy Commission's liabilities over those claims.

Clause put and passed.

Clause 26 put and passed.

Clause 27: Section 67 amended—

Mr MacKINNON: When commenting at the second reading stage I said that a particular clause was of concern to the Opposition and that unless we received a satisfactory explanation we would oppose it. It is in fact new subsection (4) which repeals the existing subsection. New subsection (4) goes on to say—

... the onus of proving that the offence was not committed by him lies on that person.

In other words, the Act says that one is not innocent until proven innocent. One is guilty in this case until one is proven innocent. I am not a lawyer but that seems totally contrary to the system of justice that I understand exists in this country. One goes to court and is presumed innocent until the Crown can prove guilt. In this case, one is guilty until innocence is proven. It is dangerous for us to legislate in this manner.

The Act already indicates that if certain circumstances occur there is a *prima facie* case against that person. It is up to the commission then to prove guilt. I understand that there is difficulty in making some of these charges stick. However, I cannot understand why it is necessary to go to the extreme lengths that, in these circumstances, not only is there a *prima facie* case that one has committed the offence, but one is also guilty. The onus of proving the innocence lies with the Crown. It is a principle change in the administration of justice with any legislation. I therefore indicate to the Minister that, unless there is some very special explanation, we will be opposing this clause.

Mr PARKER: Due to the wording of the existing provision, more and more alleged offenders are successfully challenging the com-

mission's power to prosecute, and, in some cases, legal arguments are making it impossible for the commission to mount a successful prosecution where alleged offenders plead not guilty and have legal representation. The proposed amendments attempt to remove legal ambiguities and anomalies and to reduce the amount of legal argument to the minimum.

As I understand the provision, it is possible, simply by adjusting in a fairly minor way the screws or nuts or whatever that are on the meter and without interfering with the internal workings of the meter, to have the meter not work or to have it work in such a way that one can effectively reduce one's apparent power consumption quite substantially. I am not sure of the detail but I understand that is the position.

The difficulty, of course, is that the commission has always had to prove that a person whose meter has been tampered with—

Mr Court: That someone else did not.

Mr PARKER: Yes, but how does one prove it? Why would someone do it when it is not his meter is arguable. I think in the past the SEC has worked with bluff and most people pleaded guilty. However, more and more people are aware of their rights and that word gets around.

Mr Hassell: Does this relate to some case?

Mr PARKER: I understand there have been a number of cases where people have got off on the basis that they have asserted to the court that they did not do anything. How can one possibly prove that a person actually did alter a meter?

Mr Court: It is like trying to prove the BLF knocked down the wall during the night.

Mr PARKER: That was easily provable.

I agree with much of what the Deputy Leader of the Opposition said. It is not something with which I am happy. However, the Opposition when in Government passed a number of these reverse-onus pieces of legislation in various areas and we made the same comments. In general terms I think the Opposition is right. However, we are talking about very substantial revenue losses. If people can prove they were not there, or were not capable of doing it, or that a branch fell on the meter, the commission loses the case. All of those things are possible to prove and if someone proves them there is no problem. It is literally impossible for the commission to begin the process of proving someone tampered with his own meter.

I accept the general view of the Opposition that this is not terribly desirable legislation. However, there are a number of other examples. This provision is not unusual. In fact, it is quite common. Without this provision it will be virtually impossible to prove these cases.

Mr Hassell: Why don't you ban people from getting advice?

Mr PARKER: In this position they can go to a lawyer and get advice.

Mr Hassell: The advice will be that you can't win even if you are innocent.

Mr PARKER: No, the person can show he did not do it.

Mr Hassell: How do you show that?

Mr PARKER: I do not know. There are a variety of ways whereby one can show it.

Mr Hassell: I disagree with your legal interpretations. If the commission goes to the court and says, "Here is the equipment, it is owned by the man who pays the bill", he will have to prove his innocence. You are trying to lock him up before you arrest him.

Mr PARKER: The Leader of the Opposition is a lawyer and I am not. I am not entirely out of sympathy with the point of view put. As I understand it, it has become difficult for the SEC to secure convictions where people have been engaged in tampering with meters. There have been some widespread experiences of hoteliers being convicted in that regard. It is a problem for us. Whichever way we go it will be a problem.

I am prepared to have a look at it and see whether it can be better worded. However, we need something to secure the SEC's position in these matters.

Mr HASSELL: I think the Minister is right to acknowledge the offensiveness of the clause as it stands. I understand full well the reason he is putting forward. I have seen many such proposals over the years. I gave a Government in this place some worry over such a clause when I first entered this House. I did not earn too many points as a new boy for raising it. It related to one of these presumptions of guilt that are so easily put up by departments. I kicked up about it in the party room at the time. Mrs Craig was the newly appointed Minister. She was not pleased to have her first Bill in this Parliament messed around with by a brand new backbencher. The matter was taken to the point of saying that the provision really went too far. She went back to the department

which looked at it and produced perfectly acceptable drafting that did not offend the basic principle.

I say to the Minister, not as a lawyer but as a person practising in this place, that departments will always put up these types of provisions because that is the easy way. Half of our traffic regulations result from the loss of prosecutions and the amending of legislation to make sure that prosecutions are not lost again.

The Minister made the offer to have another look at it and I sincerely ask him to do so. Perhaps we could exclude it from the final report. The provision as it stands is very strong. I think the Minister needs to put his department on test to demonstrate to Parliament the alleged impossibility of its situation. I do not believe it is impossible. All proof in a court is dependent upon establishing something either on the balance of probabilities or beyond a reasonable doubt, whatever the appropriate standard of proof is. If there is a house or a hotel where there is a clear motive or benefit to be derived from tampering with the equipment and that is in the possession of the person who pays the bill, the balance of proof falls heavily on his shoulders anyway if he wants to escape.

People in this position are now being made to prove the negative, which is very hard to do. They stand up and say that they did not do it. This goes too far and I think it would be sensible if the Minister said to his department, "I cannot satisfy the Parliament because I am not satisfied myself. You have to really show us some evidence." His officers might come up with an answer, but I would be surprised if they could, if they were severely tested.

Mr COURT: I can understand the problem that the Minister and the SEC face in connection with this matter, but I am concerned about what we are being asked to pass in this clause of the Bill. It really is a case of a person being guilty until proved not guilty. The way it is written in this clause is of concern. There must be another way whereby this sort of thing can be brought under control.

The Minister referred to the fact that it applied not only to residential meters, but also to commercial meters, and he mentioned hotels and the like. Just how widespread is the problem? Can it be estimated how much revenue is being lost because of the problem? Are meters now available that are tamper-proof so that the problem could be eliminated with new meters?

Mr PARKER: Meters are a bit like tax laws: I do not think any one of them is completely tamper-proof. One of the bright people can find a way of getting around them when it comes down to it. As I understand it, firstly, no meters are tamper-proof. Secondly, I understand that the problem is widespread in one sense. Obviously only a tiny fraction of the 500 000 customers of the SEC are thought to be tampering with meters. I understand that the loss to revenue is quite considerable and I have seen estimates, although not recently, which showed that the loss is in the region of hundreds of thousands of dollars. I just cannot remember the amount. Of course, the more it becomes known how easy it is, the more likely it is that people will tamper with the meters, especially if they think they can get away with it.

In general terms, I do not disagree with the point of view the Opposition is putting. When the matter first came up, I went to the SEC and asked it to review the matter and to get back to me. The explosives and dangerous goods branch of the Mines Department has another matter before the Chamber asking for a similar reversal of onus. I think we got an averment, which was not quite as bad, but helped somewhere along the line to bring the point to the court and it is certainly more acceptable in principle to the Crown Law Department.

Mr COURT: Would you be happier to delete this clause?

Mr PARKER: I would be concerned about taking it out of the Bill altogether at this stage. It would be possible by deleting subclause (c) of clause 27. Obviously that does not do anything except leave the legislation as it is. Ultimately, I can make the decision, but I ask for the cooperation of the Opposition to have the matter reviewed. I will have it seriously reviewed and unless I can come back with something, I am more than happy for the Government to move in the Council to have the subclause removed and that would mean that subsection (4) would remain as it currently stands in the Act. I give that undertaking.

I am a bit concerned about doing it now simply because I do not feel sufficiently familiar with all the ins and outs of it. My inclination is to delete proposed subsection (4) and leave old subsection (4) in the legislation. Perhaps legislation could be introduced later in the year with the other amendments of which I spoke earlier. That is my inclination. I would rather not say definitely that I will do it until I have had a chance to talk to Parliamentary Counsel in particular, and to the SEC. I under-

take to do that and come back to the Chamber or the Council about this matter.

Mr MacKINNON: I thank the Minister for that explanation and his undertaking. I had drafted an amendment to delete that proposed subsection from the Bill. I accept his explanation, but indicate to him that we will move in the Legislative Council for the deletion of that clause unless the Minister comes up with some very appropriate and satisfactory explanation as to why we should not do so.

All the arguments put forward by the Minister to say how difficult it is for the commission to prove apply equally to the individual on the other side of the fence. If it is difficult for the commissioner to prove something, it is obviously equally difficult for the person to disprove and there must be some better way of arriving at a satisfactory solution. Therefore, I thank the Minister for his undertaking and indicate to him that we accept it, but that we will move in another place for the deletion unless that explanation is forthcoming.

Clause put and passed.

Clause 28: Section 67A inserted—

Mr MacKINNON: This clause deals with liability for charges and damage to apparatus. I am particularly concerned about proposed section 67A(2). First, I would have thought that liability would be covered somewhere by legislation. Secondly, does the proposed subsection apply to Government property as well as private property; for example, to Homeswest? Is Homeswest covered by the proposed subsection? Does the legislation apply equally to Government owners or occupiers and private owners or occupiers?

Mr COURT: Does this clause mean that all landlords, including, as the Deputy Leader of the Opposition asked, Homeswest, will now be responsible for the bad debts of their tenants?

Mr PARKER: It does not make any change to that situation. The Deputy Leader of the Opposition is right. In respect to most apparatus or the major type of apparatus, provision already exists—that is section 64(5) of the Act—but it applied to meters only. Meters are, of course, the meters that are in most houses. I think that in regard to Homeswest there would be no other type of apparatus; the apparatus would be almost exclusively meters. Thus no change is being made there and no change is being made to those landlord-tenant relationships. The clause in relation to other apparatus—and there are a variety of them, especially principally in regard to the supply of

gas and some rather more complex electricity generation systems that are applicable in the normal households—intends to extend this provision to cover both meters and other types of apparatus. So it makes no difference to the landlord-tenant relationship, except in so far as it is extended from meters to other types of apparatus.

Clause put and passed.

Clauses 29 to 31 put and passed.

Clause 32: Section 72 substituted—

Mr MacKINNON: This clause is a substitution of the current section 72 and talks about divulgence of secret information and unauthorised use of information. Was there any specific reason for this provision being upgraded and extended to the extent that it is? Is there any example of a divulgence of such magnitude to cause this improvement or toughening of the section in relation to secrecy? If so, what was the nature of that offence, if any?

The second point is an important one which I raised in this Parliament recently. It is interesting to see the Government moving towards penalties for State Energy Commission officers divulging unauthorised confidential information. Last week the Minister for Agriculture indicated to this Parliament how he made such information available to members of the Australian Labor Party for his own political purposes.

While the Government seems to have passed that matter off fairly lightly, I do not. I think making confidential information on employees available to parties outside of Government, is a very serious offence. When a Minister of the Crown uses his position in the manner in which the Minister for Transport did, he is to be thoroughly condemned. I sincerely hope that the CSA for one takes up that issue and ensures it is not repeated.

The primary question to the Minister is this: Has there been any action which has led to the implementation of this section? If so, would he give an indication of what that action was?

Mr PARKER: In a number of circumstances information has been provided. When we came to review the provisions of the Act and tried to deal with people who had divulged information which they should not have done as servants of the commission—there was no question, they should not have done it; part of their contract was that they should not have done it—we dismissed them. In one case we did that. We

made it very clear that that person would not get a job with the commission again.

The only offence with which such a person could be charged under the SEC Act—given that the SEC is unlike the Water Authority; people working there are not public servants—would be stealing a piece of paper. That is a trivial offence warranting a fine of about \$100 maximum.

Those people working for the Water Authority are public servants who happen to work for the authority. Employees of the SEC are not public servants.

Information was revealed in connection with some detailed contractual negotiations in which the SEC was involved at the time. That was prior to those negotiations being concluded and at a time when it was very damaging to the commercial position of the SEC to have those matters revealed.

It is because the SEC is a commercial organisation that we decided, rather than simply transfer the procedures of the Public Service Act—which were introduced in 1978, when the former Government brought it in—to the SEC, it was more appropriate for commercial restraints applying under the Companies Code to be used. We have now based these provisions on the Companies Code.

The other aspect of the Bill is that it has the effect of giving such information Crown privilege, which it is considered would place the commission in the same position as a Government department. Where a person has committed an offence, or is about to, the commission will have the ability to apply to the court for an order for the purpose of securing compliance with this provision.

It is considered that once such an order is made it would be unlikely for the court out of which such an order has issued to force a subpoena, because to do so would render the person liable to prosecution for breaching the conditions of the Act, or a charge of contempt of court for ignoring the order made.

There has been an example of that as well in that the South Australian Government has for some years now been in dispute with the Cooper Basin partners about the question of gas prices in South Australia. At one stage it was decided to go to an arbitrator, or an independent expert, about the issue of this contract. I do not know whether it was the South Australian Government or the Cooper Basin partners. The SEC was subpoenaed to give information concerning the secret contracts be-

tween the SEC and Woodada, Wapet at Dongara and the North-West Shelf gas partners.

Our advice was that we would have had to appear and provide information, even though our own contractual position required us to keep that information confidential. The only way to avoid that was to establish Crown privilege, or by making it an offence within Western Australia for such information to be divulged if it meant that no-one could subpoena someone to do something which would render him liable to a charge in his own State. It turned out not to be necessary in those circumstances, because ultimately the South Australian Government legislated to determine the gas price.

Mr Court: Did you give the information?

Mr PARKER: No, we did not get to that stage. That was of concern to us and to people like Alcoa and the North-West Shelf gas people who sell gas to us.

We tried to cover both circumstances. Given that the SEC is a commercial undertaking, my policy is to have it operate commercially as closely as possible to a private enterprise undertaking. We decided to incorporate Companies Code-type provisions rather than have Public Service-type provisions in the legislation.

Mr COURT: It is interesting how the wheel turns. When members opposite were in Opposition they were continually crying out about all the secrecy surrounding the SEC's dealings. Tonight we have legislation to tighten up those secrecy provisions.

The provisions here are by and large desirable. It should not be forgotten that members opposite used to thrive upon those secrecy arguments. Earlier tonight the Minister said the Government would not disclose any prices paid for coal, gas, or anything like that.

I can distinctly remember the arguments put forward some years back as to why all these details should be made public. Perhaps members opposite now realise that in some commercial transactions a great deal of confidentiality is required.

One of the reasons those secrecy provisions must be tightened up was the embarrassing situation in mid-1984 over the aluminium smelter. The Minister said one thing in the House when information leaked elsewhere contradicted him. It was to do with the tariff and whether the prices had been agreed to for certain partners going into the smelter. From

memory I think the Minister said the prices had not been set, and in actual fact some prices had been given to some people who were going in.

Mr Parker: What you are referring to, I said correctly. There had been no agreement on prices. A then officer, now a former officer of the commission, provided some information from some drafts which had not been sent out. They were certainly proposed prices, but they had never been agreed. I was accurate. Still, of course, that damaged very substantially the SEC's commercial position.

Mr COURT: One of the controversial sides of the aluminium smelter has been the pricing agreement which the Government is prepared to enter into with a partner. In the case of Victoria, are the pricing agreements there common knowledge?

Mr Parker: They say they are. However, if one looks at documents one finds they keep a fair bit back. There is a fairly general indication of what they are. We have indicated ourselves that if we obtain such an agreement on the smelter in Western Australia we will go to the same extent as Victoria.

Mr COURT: What is that extent? Is it a formula which is difficult to understand and which will tie in with the price of yippee beans in Japan?

Mr Parker: That is part of the problem. There are some aspects which are kept confidential. I do not disagree with that. They never revealed the price agreed to at Point Henry, which is the existing smelter.

Mr COURT: So there could be a cross-subsidisation in that case. It is a complete reversal of the state of affairs that we heard tonight in respect of these secrecy provisions. The Government is perhaps now beginning to understand some of the problems one has when one is dealing with sensitive commercial negotiations.

Mr MacKINNON: I have checked this matter previously and it seems to me that it reads correctly, but I want the Minister's assurance that the Government is not attempting, through this clause, to ensure that the Public Accounts Committee is excluded from examining the commission. It does not read that way, but I would like the assurance that that is not the case. The Public Accounts Committee plays an important role in this House. Having been a past member and chairman of the Public Accounts Committee I would hate to think that it was excluded from examining the commission.

Mr PARKER: Having been a past member and deputy chairman of that committee, I feel the same way about it. I can assure the Committee that the Bill does not read like that, in the same way as the secrecy provisions of the Public Service Act do not prevent a public servant being called before the Public Accounts Committee and giving evidence. The Public Accounts Committee has a broader role. In most circumstances it meets in camera and provisions exist under the Constitution Act or the Criminal Code which state that, if anyone reveals any information provided to the Public Accounts Committee, that person is guilty of a criminal offence. So there is ample provision that, if anyone gives evidence to the Public Accounts Committee, that evidence may not be disclosed to another body. There is no reason that we would want to exclude the Public Accounts Committee from such a role.

Clause put and passed.

Clauses 33 to 38 put and passed.

Clause 39: Section 121 amended—

Mr MacKINNON: This provision talks about negligence. How is that negligence to be determined? Will it be determined by the commission, a court, or an independent authority? Is there any method by which negligence will be determined? Is there any problem with it now? Also why is this amendment being included?

Mr PARKER: This amendment seeks to clarify an existing provision to confirm that the commission is only liable if the negligence is that of the commission, its officers, servants, or agents. It is principally a drafting change. One finds now that Parliamentary Counsel have certain views about how things should be drafted and when they go through Bills they upgrade them to ensure they are in conformity with the accepted standards.

The Deputy Leader of the Opposition asked who determines whether or not negligence has occurred. In normal circumstances it is determined by the commission. This does not have any bearing on what the courts may determine. It is not an attempt to prevent the courts from determining anything. The courts may decide whether there is negligence on the part of the commission, its servants, etc. That is the normal practice. It might be the Supreme Court or whatever other court the matter comes before. In most circumstances the commission's insurers make a decision about a pay-out based on their views as to whether there has been negligence and either the commission or I will make a decision about whether such a pay-out

should be made. As is the case elsewhere, everyone has a right to go to court to try to prove negligence and, if proved, the court will award the appropriate amount of damages.

Clause put and passed.

Clause 40: Section 123 amended—

Mr MacKINNON: Would the Minister explain the purpose of this amendment and, in particular, to which law it refers. New section 123 will read in part—

For the purposes of any law, relating to trade practices or otherwise, . . .

To which law does that refer? Does it refer to Federal or State law? I would have thought it refers to Federal law. Therefore, is that provision worded appropriately and what is the reason for the amendment being included here?

Mr PARKER: This is a good State's rights amendment. It seeks to ensure State bodies are not subject to the control of Federal bodies. I am told that legal doubts exist as to whether the commission is subject to the Trade Practices Act 1974, in particular those provisions relating to monopolies, given that unquestionably the SEC is a monopoly.

However, section 51 of the Trade Practices Act provides exemption in respect of certain acts or things done in the State that are, or are of a kind, specifically authorised or approved by, or by regulations under, an Act passed by the Parliament of that State.

Therefore, if we have the ability to make regulations, and if we make a regulation saying that we can sign a contract with Alcoa, if that regulation is there, both we and Alcoa are exempt from the Trade Practices Act with respect to that contract. If we are not, presumably we can be hauled up before the Trade Practices Commission. That is the purpose of that amendment.

Clause put and passed.

Clause 41: Section 124 amended—

Mr MacKINNON: Would the Minister explain the purpose of the amendment. Paragraph (b) refers to, "providing for frequency control voltages . . .". What is the purpose of that amendment?

Mr PARKER: It is to enable the commission to declare its system pressures, frequencies, and earthing systems and to prohibit the use of frequency control voltages within the prescribed limits. I do not know what that means. I am happy to take that up with the commission and have its meaning explained in layman's terms

both for my benefit and that of the Deputy Leader of the Opposition.

Mr COURT: Reference is made to notice being given in the *Government Gazette*. Is it possible for that notice to be inserted in newspapers, because very few people read the *Government Gazette*. I just wonder whether it is information of a type which the public might be interested to read. If that is the case, that information should also be placed in a newspaper which has a wider circulation than does the *Government Gazette*.

Mr PARKER: That is the commission's practice already. Indeed, in the last few days the member has probably noticed that the commission has had full page advertisements in all the newspapers advertising its new tariff schedules, although legally all it has to do is publish them in the *Government Gazette*. The reason for that relates to the point made by the member for Nedlands; that is, only a few souls read the *Government Gazette* and those who do probably read it only for particular subject matters in which they are interested anyway.

Certainly in respect of anything of public interest, it is the commission's practice to publicise it more widely than just in the *Government Gazette*. I would be reluctant to write a provision of that nature into the legislation, because then if for some reason over which we do not have control the newspaper does not publish the notice or does not print it properly, we could find ourselves in a difficult legal position. However, certainly it is the commission's practice and will continue to be to publish more widely information of interest to consumers. For example, if the information relates to engineering, it would be published in engineering trade papers and the like.

Clause put and passed.

Clause 42: Further amendments relating to consequential changes—

Mr MacKINNON: We are not opposed to the upgrading of the penalties within the Act, but it is appropriate to draw the Minister's attention to section 67(1) which he has indicated he is prepared to look at. It appears to me that the penalties in this area have been increased significantly, which only adds to the point we made that, if the person is assumed to be guilty and has to prove his innocence, a rather significant penalty is imposed on him. Therefore, it is even more important that the points we made at that time are taken into account. I hope that the Minister in the other Chamber agrees to withdraw that section and either use the cur-

rent section of the Act or provide some other wording which is more appropriate at the time.

Mr PARKER: I understand the point the Deputy Leader of the Opposition has made. It is appropriate for the onus to be on me and the Government to justify that amendment or some different amendment. I accept that.

Mr COURT: I refer to the schedule relating to penalties, and the insertion of proposed section 67A in clause 28 relating to meters. In the case of a damaged meter, what is the responsible householder liable for? It also advises of the normal charges. If a tenant uses \$300 worth of electricity and leaves without paying it, the landlord has to pay the bill. Is that the current situation?

Mr PARKER: Yes. It is the same in regard to water supplies. The member for Floreat introduced that legislation.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

BUILDERS' REGISTRATION AMENDMENT BILL

Second Reading

Debate resumed from 12 June.

MR WATT (Albany) [9.15 p.m.]: The Bill proposes to extend the operation of the Builders' Registration Board to certain areas of the country.

The Opposition does not intend to oppose this Bill but we would like to make a number of remarks in respect of it. Builders' registration was introduced essentially as a consumer protection device and the question is: How effective has it been? It seems to me that it is an area one can argue about with many people. It does not matter whether one talks about it within the ranks of the ALP, as a Liberal Party member, or with builders—there has always been division of opinion. It is a matter which ought not be controversial, but it always creates argument.

Although a number of areas are covered in the Bill, the essential thrust of the legislation is to extend the operation of the Act into certain areas of the south-west. The City of Bunbury and the Shires of Busselton, Collie, Dardanup, Harvey, and Murray are to be included.

The powers of the registration board were formally extended to include the Shire of Mandurah in 1983. That has apparently been working reasonably satisfactorily. It strikes me as being somewhat curious that of the six local authority regions that have been selected, there seems to be at least one notable omission and that is the Shire of Capel which is in the middle of the local authorities. I cannot understand why one would want to extend the powers of a board like this into those regions and leave out a shire which sits in the middle of the others.

I would like to know why the Builders' Registration Board has been extended into the south-west only. It would seem to me to be logical, given that in 1983 it was extended to Mandurah, that it ought to include the Shires of Pinjarra and Waroona to complete that strip down to the south-west. It is noticeable also that it stops short of Margaret River and Augusta. I do not intend to argue that they should be included.

It seems to me that we are developing a patchwork quilt of areas—some will be covered by the legislation and some will not. The same builders will be working in both. If there is to be an area that is generally accepted that the builders work in, it should be covered by the Builders' Registration Board. It would make sense rather than the coverage being on a piecemeal basis, which this measure appears to do.

Section 3 of the parent Act allows for the adding and deleting of areas by regulation. Why is it necessary that this legislation should be brought to the Parliament at all? Perhaps I am reading that section incorrectly. I do not wish to make a strong point about that aspect, but I am curious as to the reason for this Bill. No doubt, the Minister can put me right on that point.

To try to determine the historic reason for the introduction of this legislation, I looked at some of the debate when the Bill was first introduced in 1939. It seems that nothing has changed very much. I wish to quote some of that debate as it is quite interesting. In introducing that Bill the Minister, Mr Needham, who was the member for Perth, said—

The problem of the builder is not new. The legitimate builder has had to contend, and is probably contending to-day with the somewhat irresponsible type of person who engages in the industry. The competition of the latter is good neither for the building trade nor for those for whom

premises are erected. The registration of builders will probably remove this unfair competition and will afford protection not only to the competent builders, but to those employed in the industry and those who supply materials for builders.

The importance of that measure was to ensure that those engaged in the industry should be competent. I refer to another part of the Minister's speech which reads—

At present, competent and genuine builders have to compete with the person known in the trade as the jerry-builder. I do not say there are many such builders, but there are some; and it is to protect the genuine builder that this legislation is sought.

It seems to me that nothing has changed since 1939 because we all know that there are people in the industry who might best be described as the sort of people one would not want to be building one's house.

I refer to the points covered by this legislation. It seems to me an unnecessarily selective basis on which to extend it. It is my opinion that if it is good enough to extend the operations of the legislation into those major regions of the south-west, then they ought also to be extended particularly into the Geraldton and Kalgoorlie areas where branches of the Master Builders Association operate. I would also suggest that Albany should be included.

I have always favoured the operation of the Builders' Registration Act and the board. I emphasise that that is a personal view. It seems to me that if people building homes are to have any recourse to a responsible authority it must be uniform so that people in all parts of the State can have access to the same sort of protection. For too long people in the country have been regarded as second-class citizens in some of these areas. Since becoming a member of Parliament I have been involved with a number of complaints and there has been great difficulty in resolving some of them.

I am particularly aware of the difficulty of resolving complaints generally because last year I was a member of a Select Committee which inquired into the activities of the Small Claims Tribunal. A number of examples were brought to us where the people concerned felt that justice had not been done. Indeed, in some cases one could do nothing but agree with them that justice was far from done. I might have been inclined to ask why the operations carried out by the Builders' Registration Board could not

be done by the Department of Consumer Affairs or the Small Claims Tribunal.

Provision is made in the Bill for one part of the Act relating mainly to owner-builders to be referred to the Commissioner for Consumer Affairs for adjudication. I am not sure how that will operate with an owner-builder, and perhaps the Minister might explain that point. If a person is an owner-builder, he cannot complain against himself about the quality of his work. I wonder whether that part of the Bill provides an opportunity for complaints about work done by subcontractors.

I put a question on the Notice Paper today to find out some statistics about the activities of the Builders' Registration Board in recent times. It was necessary because the latest report tabled from the Builders' Registration Board was in April 1984 and it related to 1982-83. Section 23 of the Act requires the board to present an annual report for tabling. It requires the board as soon as practicable after 31 December and no later than the end of February to prepare a financial statement with a copy to be presented to the Minister on or before 31 March each year. Somebody has slipped up—the department, the board, or whoever is responsible for ensuring that the report is presented to Parliament. The last one presented was for 1982-83 and that seems to me to be a bit slack. I hope that as a result of my giving him a gentle reminder the Minister will ensure that the matter is attended to and brought up to date.

Information I gained from the last report and from a question on the Notice Paper today demonstrates there is a need for a body of this type. The question asked how many complaints had been referred to the Builders' Registration Board in each of the past two financial years. I was told that the figure in 1984 was 496, and in 1985, 647. If one goes back further it is interesting to note that there were 459 complaints in 1981; that figure dropped to 422 in 1982, and it dropped again to 312 complaints in 1983. Therefore it went up quite sharply in the following two years. I am not sure what the reason was other than that a Labor Government was in power at the time! I say that facetiously.

Mr Thompson: Do the statistics say how many of the complaints were satisfactorily dealt with?

Mr WATT: I asked how many were resolved in favour of the builder and how many in favour of the owner. The answer was the board

does not resolve complaints in favour of the builder or the owner but rather if complaints are not complied with after initial investigation by inspectors, notice of fault or unsatisfactory work, or orders for remedy or payment are issued. The statistics show that in 1985, 485 notices were issued in relation to the 647 complaints, and 52 orders to remedy, and 15 orders for payments made. That appears to be a fairly high percentage in relation to the total number of complaints lodged, and it demonstrates the need for a body of this type.

Mr Wilson: I think the next part of the answer which indicates the percentage of orders that were complied with is also significant.

Mr WATT: I agree with that. I was not going to include that in my speech because quoting all sorts of statistics tends to make one's argument harder to understand.

Another question which arises in respect of this Bill relates to qualifications. In his second reading speech the Minister said that qualifications could be a problem where builders are very experienced but have no formal qualifications, and the Bill provided a grandfather clause. We accept the need for some type of grandfather clause because everybody would know that there are many people in different trades, not only the building trade, who have a high level of competence gained over many years of experience. One can think of tradesmen such as mechanics and other trades where people are self-taught. Those people become very skilled, but possess no formal qualifications. That is the case in the building industry as well, so the Opposition accepts the need for a grandfather clause.

The Master Builders Association has indicated to us it accepts the need for such a clause, although it expresses some concern about how it might be administered. I would like to quote from a letter which the Master Builders Association sent to the shadow Minister for Consumer Affairs in response to a request for an opinion on the Bill. The letter says in part—

Concern is expressed at the nature and extent of conditions noted in the second reading speech.

Conditions may apply to geographical limits, type of building that may be engaged in and number of building projects which may be engaged in with Board power to monitor such conditions.

Were the Board to indulge in issuing a periphery of registrations with varying conditions attaching and then attempt to monitor the activities of hundreds of builders in country areas, an administrative nightmare would be created. The imposition placed upon the builders and upon smaller local authorities to ensure that all conditions were complied with and returns submitted, would be extreme. An assurance must be obtained from the Minister that if conditions are to be imposed, they be into no more than two categories with a simple system of upgrading to full registration.

I am sure the Minister will recognise the merit of the argument promoted by the Master Builders Association and which I support. Unless the conditions are simple it will make administration impossible. If we take into consideration the fact that the Government is placing ceilings on additional staff, it would be most unwise to impose that administrative burden. As indicated in an answer to a question I asked the Minister he may well argue that because the Master Builders Association is a statutory authority it will not come within the Government's ambit of its ceiling on staff. It is a statutory authority within the ambit of the Government and in the case of Government departments we have a collective responsibility to ensure they are operated efficiently with the minimum of staff. Staff numbers should not be increased willy-nilly to administer something which could be done more simply.

The Bill provides for the removal of a residential time qualification. The date which currently appears in the Act is a day in February 1962 and to remove it would be sensible. It is now 24 years old and outdated.

Another aspect is that the Bill provides for an extra board member to represent areas other than the metropolitan area. This raises a few questions which need to be answered. It is not stated in the Bill, but it is implied, that the new board member should come from one of the areas of the south-west to be covered by the expansion of the new powers. If that is the case, what will happen when the board is extended into those areas which I have already mentioned—Geraldton, Kalgoorlie, and Albany? I am not convinced that the appointment of an additional board member is necessary.

I understand it is proposed that the additional board member will be a builder and, if that is the case, an argument may be forth-

coming from areas within the building trade that if a builder is appointed to the board, a builder's labourer or a representative from a building trade in the country should be appointed also.

The existing board is capable of serving the needs of the entire State and it should not be expanded to include a representative from the south-west region.

The Master Builders Association has no objection to the appointment to the board of a representative from the non-metropolitan builders and has made the following comment—

In order to ensure that the appointee is equipped to truly represent country builders it is viewed as essential that he is a registered builder, and preferably, nominated by the Master Builders' Association. With active branches in Mandurah, Bunbury (South West), Geraldton (North West) and the Goldfields, it is fair to say that the MBA is the sole organisation truly representative of country builders. Such a measure would remove any possibility of the accusation of a politically-motivated appointment to what is supposed to be an impartial statutory body.

I agree with the point made by the Master Builders Association. If an additional board member is appointed from the country I hope the Minister or the Government of the day might invite a nomination for that appointment from the Master Builders Association or some other body which might truly represent builders in the country.

Another query I raise concerns the role of building inspectors who are employed by local authorities in local areas. It appears to me that there may be some duplication. Building inspectors are required to issue approval for building permits. Obviously they require a certain qualification which will allow them to undertake their duties adequately. It may be worthwhile investigating the possibility of entering into a contractual arrangement with local authorities which may well be able to rationalise the use of their staff through a payment for services rendered arrangement. Local authority employees could be used to settle disputes which arise.

Alternatively, it could be possible to extend the authority of the Builders Registration Board into some of these areas by contracting out work to people who might be retired builders or who may have held responsible

positions in the building trade. Naturally, they would need to be competent people, but in most country regions there are retired builders and, in some cases, retired architects. A panel of competent people could easily be established—a similar situation exists in regard to the Small Claims Tribunal—and part-time referees could undertake this kind of work on the basis of payment for services. Costs would certainly be kept down, and there could be an extension of powers without having to set up an arm of bureaucracy in country areas.

I recommend to the Minister that he consider my suggestion because local government does have a fair degree of competence in the building area. The situation would probably have to be taken up with the Local Government Association to ascertain whether local authorities would be agreeable and whether a contractual system would be satisfactory.

As I indicated at the outset, the Opposition does not oppose the Bill. However, if it were possible for the industry to come to some form of self-regulation where it would be able, as an industry, to police these matters and provide its own regulations in a similar manner to that which applies to other professional groups, the Opposition would be happy for it to take place. The reality is that whatever form of control is imposed over the building industry as a consumer protection measure, there will always be unjustified and trivial complaints and it will be a difficult area to administer.

The Opposition supports the Bill.

MR THOMPSON (Kalamunda) [9.39 p.m.]: My apologies to the member for Mt Lawley.

Mr Pearce: You were next on the list. You are perfectly in order.

Mr THOMPSON: The impression gained from the Builders' Registration Act is that if someone wants to build a home in an area over which its provisions apply, he can be assured that the registered builder selected will do the job satisfactorily. If he does not, the Builders' Registration Board will send the builder back to rectify the problem. If it is still not satisfactory to the owner, the board will do something else and ultimately the owner will be assured of satisfaction.

The Builders' Registration Act does not provide consumer protection in many cases. Indeed, in the most severe cases, it does not provide protection and I will give a couple of examples to support the view I have expressed.

About five years ago Sir Laurence Brodie-Hall sold his home in Kalamunda situated on three acres of land to a wheeler-dealer who proposed to erect a number of dwelling units on the site. I think 50 or 60 units were built around Milton Lodge, Brodie-Hall's home, and the lodge is the centrepiece of this development. It is common property available to all the people who live there and the stately home is used for community affairs. In my opinion it is a good concept.

However, the person who bought the property with a view to developing it engaged a builder to erect the units.

Mr Wilson: When did this happen?

Mr THOMPSON: Five years ago. The people in the Minister's department know about the case because every time a Bill dealing with the Builders' Registration Board comes up I tell this story. I am able to tell the Minister that these people are no closer to getting satisfaction to their complaints than they were five years ago. I will tell the Minister why.

The person who undertook this project used the name of a registered builder and, indeed, even that was transferred part way through the project. The person who originally took out the building licence severed his connection with the project and it was allegedly taken over by another registered builder. The units were completed, sold, some were occupied and almost from day one of occupancy complaints were made about the workmanship. In some cases people who had not taken up occupancy complained about the workmanship. Try as I have over the years to get redress for the people who were affected, I have not succeeded.

Some people have become so frustrated while waiting for the Builders' Registration Board to do something about the matter and because they were sick and tired of the water running down their walls, that they have had the faults rectified at their own expense. That is the reality of the situation.

Another case in Kalamunda still has application in this place. I refer to a registered builder who built a house on the hillside in Kalamunda. Members will be aware that in many locations it is necessary to do a cut and fill operation; that is, cut the high side and fill the low side of the block. It is usual not to build on the filled part of the land. In this case the registered builder built the house across the cut and fill section of the land. That was bad enough but the builder made a further blunder. It was a two-storey house and the outside leaf of

one of the external walls which should sit on the concrete footings, missed them by some inches and was sitting on compacted clay. When the first winter came the outside leaf fell off and the rest of the house progressively started to sink. By this time the builder had quit the scene, he had sold the house and left the State. The people who bought that house from a registered builder knew that the Builders' Registration Act, which had consumer protection enshrined in it, was in force but it has cost them thousands of dollars to rectify the situation. They had to go heavily into debt to pay engineers to underpin the whole structure because it was slipping down the hill.

Those are two examples where the Builders' Registration Act does not provide the consumer protection that everyone assumes is contained in the Act. It is time for the Builders' Registration Act to be scrapped and for some more effective form of consumer protection to be introduced. There is no consumer protection in the case of a builder who goes bust, and that happens frequently. Who fixes the job in that case? There is a crying need for a self-regulatory industry organisation which can establish a fidelity fund so that people who engage a builder involved in one of those funds can be sanguine in the knowledge that if the building fails they have some opportunity to have the faults rectified.

I accept that 400 to 600 complaints have been made to the Builders' Registration Board and I accept that some orders have been issued to rectify the complaints. However, if the board were not in existence I suggest some would have been rectified by other means.

I wish to make another point about builders' registration. There are many project builders in this town who operate on the licence of one individual and they build literally thousands of homes each year. The registered builder never goes near the homes under construction. It is left to a supervisor or some other person. Indeed, most project builders lift nothing heavier than a telephone to arrange for the next group of subcontractors to go to the job. This system works well and in many cases the homes built by the project builders under that system are as good as, if not superior to, those on which the registered builder lives on the job.

I honestly believe that the Builders' Registration Act as it now stands is simply a sop to the community. People think they are getting quality workmanship because they engage a registered builder when in point of fact that is

not necessarily so. Also, they think they are afforded the consumer protection promised by the Builders' Registration Act but in a situation in which the builder goes bankrupt or leaves the State nothing can be done to get the job finished.

I raise the Milton Park experience whenever this subject comes before the House because that job has not yet been satisfactorily resolved. I have stopped ringing the Builders' Registration Board about it because it is a waste of their time and mine. The members of that board took offence at the last speech I made in the House and I received an indignant letter from one of the officers asking how I dare say such things. The person who wrote the letter said that he was new in the job and that he would fix the problem. However, it has not been fixed yet. How can it be when the builder who originally took out the licence with the Kalamunda Shire, and whom the shire holds responsible, severed his relationship with the project, the other builder went bankrupt and has no money, and the project operator—the developer of the property—I think also went into liquidation and has no money. There is no money to fix the problem.

I would like to know how the Builders' Registration Act in its present form provides consumer protection in such cases. They are extreme cases but the circumstances can have a lifelong financial impact on anyone caught up in them.

It is interesting to note that the Builders' Registration Act is to be extended to other shires in this State. If it is to be extended to other shires I wonder why it is not extended universally. There should be no difference between one and the other. If we are to have this legislation with all that it is supposed to be—although I do not think it fulfils its promise—why differentiate between one town and another. I understand we have the ludicrous situation in the south-west in which the Shire of Capel will be surrounded by shires under the jurisdiction of the Builders' Registration Board but that shire will not be covered.

I am not sure that it is the Shire of Capel, but if it is it seems a rather peculiar situation.

We in Opposition want to put the Government and community on notice that when we return to office in 1989, one of the things that we will do is scrap the Builders' Registration Board and replace it with a more effective way of ensuring that the consumers of this State are

protected in a way in which they are not protected under the present legislation.

Having made my annual builders' registration speech, I ask the Minister to pursue the matter of Milton Lodge and to explain to me how people who purchase homes from builders registered under such circumstances as those applying to Milton Lodge and the other cases to which I referred can get redress under the legislation as it now stands.

MR P. J. SMITH (Bunbury) [9.51 p.m.]: I will say a few words on this Bill. It is the culmination of three years' work to have the operations of the Builders' Registration Board extended into Bunbury and the surrounding area.

Almost as soon as I was elected as the member for Bunbury in 1983 I was approached by the Housing Industry Association in the area, which pointed out to me that the extension of the Builders' Registration Board was part of Labor Party policy, and it basically asked me what I was going to do about it.

Mr Thompson: Do you not think it strange that it approached you? Hasn't HIA a vested interest? Doesn't it want to see a closed shop?

Mr P. J. SMITH: The member may be right on that, but at this stage I will give my own personal comments on the matter. The member for Kalamunda has had his say, and I know that Mr Cash will probably follow me. The association certainly approached me first of all but, as I pointed out, it was also Labor Party policy.

One of the things the association pointed out to me was its concern for the welfare of the legitimate builders and also for new home owners. What had been happening in the south-west at that time, particularly in times of boom, was that there was a need for housing. That brought out a few of the owner-builders who could see the opportunity, when they were in the area, to build a home and sell it off, and then build another one. This was sometimes done as a sideline to their work, or as weekend work, especially during the long summer evenings. Some owner-builders were able to complete one home a year.

I am not having a go at these people and saying the work of all of them was inferior, but some of the work was inferior and that tended to reflect on all builders in the area.

As the member for Kalamunda said, it was not very long before the Master Builders' Association also approached me in a joint submission to see what could be done to get builders' registration extended into the south-

west. First it was extended to Mandurah, and I supported that move, and now I am very pleased to see an extension to Bunbury. A series of meetings with various Ministers, the Builders' Registration Board, and certain builders have been held. As well, every time an announcement has been made, the various owner-builders and subcontractors have come to see me to ask how it would affect them.

The final hurdle to overcome regarding the extension was getting the shire councils to agree, and Capel was one of the councils that would not agree; but I will leave that to the member for Mitchell or the Minister to explain in answer to the member for Kalamunda.

One of the points of this amendment is that there is to be an extra board member—somebody from outside the metropolitan area. Naturally, I have a vested interest in this aspect. I would like it to be somebody from the Bunbury area or the south-west, and I know there will be nominations coming from the Master Builders' Association and probably from the Housing Industry Association. Once the word gets out, there will probably be more nominations than the Minister or the board will be able to cope with.

In conclusion, after three years I am very pleased to see that builders' registration will be extended into Bunbury.

MR CASH (Mt Lawley) [9.54 p.m.]: As the member for Albany has said, the Opposition does not oppose the Bill, but it certainly has some reservations as to the effectiveness, firstly, of the existing Builders' Registration Board and secondly, of the various amendments that are now before the House in this Bill.

In general terms the Bill seeks to expand the jurisdiction of the Builders' Registration Board and, as the member for Bunbury has just pointed out, that will include the city of Bunbury, and the Shires of Busselton, Collie, Dardanup, Harvey, and Murray. That in itself, as has already been suggested by previous speakers, poses a question as to why those local authorities only are included, and not others that have been mentioned tonight.

I would expect that when the Minister replies to the various comments made, he will be able to give his reasons for stipulating only those particular local authorities. I am interested in the reason that we are not looking at some of the local authorities to the north of Perth as well. I trust the Minister will be able to give some explanation of that in due course.

It is clear to us that the Builders' Registration Board's basic function is that of a policing authority and many arguments have been put forward over the years as to whether or not it is effective. On a number of occasions in my electorate—and not only during the time that I have been in this place, but certainly at the time I was involved with the City of Stirling—I have seen cases involving various domestic building jobs where clients did not believe they had received satisfaction for the money they paid to building contractors. I called on the Builders' Registration Board to come in and make some determination in respect of the workmanship that had been afforded to the clients with whom I was dealing at the time.

In respect of the member for Kalamunda's statements, I must say that while the board was probably genuine in its endeavours, it always seemed to me that it took an inordinate amount of time to get around to making its investigations and to achieving anything of consequence. I do not want that to be seen as a general criticism of the board because there may be reasons for it. For instance, there may be a staffing shortage. I do not necessarily believe that is the case and in due course the Minister may comment on some of the problems he must have dealt with over the years he has been a member of this place.

However, in general terms there has been a fair amount of dissatisfaction in the general perceived achievements of the Builders' Registration Board. That may rest in the way the Act is presently structured, because as far as I can understand, once the board goes through all those procedures that are necessary and are required of it by the Act, in the end it can only require a registered builder firstly, to remedy the faulty or unsatisfactory building work within such reasonable time as may be specified by the board—and I am referring now to section 12A of the principal Act—or, also under that section, to make an order that would require the registered builder to pay to the owner of the building such costs of remedying the building work that is faulty or unsatisfactory as the board considers reasonable, in which case any costs ordered by the board constitute a debt to the owner and are recoverable by him in a court of competent jurisdiction.

It seems to me that those provisions are the basic teeth of the Builders' Registration Board. Because it really cannot do anything more than that which is set out in section 12A of the principal Act, that may explain why, over the

years, there has been much dissatisfaction in the various perceived results of the board.

I do not want my comments to be taken as a criticism as such of the staff members of the board. I have met a number of them and I believe they are genuine and competent people. A restriction is imposed on them by the very wording of the Act. I wish to explore the general area which the member for Kalamunda was going to touch on and which relates to providing some indemnity within the Act so that it is possible for the board later to issue an instruction to a registered builder to remedy faulty work or an order to pay to the owners the cost of remedying faulty work. I make this only as a suggestion, to establish some sort of trust fund or indemnity so the board itself can have those works performed and debit the fund for the costs involved. The recovery of the costs would be another matter. I assumed they would be recovered from the defaulting builder if that were possible, or would be a charge against a fund.

Mr Wilson: A charge against the builder.

Mr CASH: It would be an annual charge against builders in some particular way. I make that comment as a constructive suggestion because some of the jobs that I have had to do with over the years have dragged out inordinately and the people involved have, in my view, been very unfairly treated—not necessarily just by the builder or the board but by the way the Act was structured.

I make the point that the Builders' Registration Board has a reputation within the building industry of operating in a fairly slow way if one is seeking some sort of compensation or remedy to particular work. I understand the reasons for the proposal that the board now extend its area of jurisdiction; indeed, those reasons are clearly set out in the Minister's second reading speech. I am, however, interested in whether this will result in an increase in the staff employed by this authority. I ask the Minister to comment on that point in due course.

It is fair to say that there could be some criticism that we are increasing the bureaucracy at a time of tight economic circumstances. As has been correctly pointed out to date, the board is an authority and most of its funds are raised from within the building industry itself by way of charges.

Mr Wilson: All of its funds.

Mr CASH: In 1982-83 it ran at a deficit. That was covered by funds it had in the bank; in that particular year it was running short. I

accept the Minister's point that in normal circumstances it tries to break even.

The member for Albany raised an interesting proposition relating to the board's use of consultants in the new area of jurisdiction. I think that is certainly worthy of consideration. In general terms, it is fair to comment on earlier remarks in respect of using the building surveyors from local authorities. It seems to me that the building surveyors who presently work for local authorities work under the Local Government Act. They may have particular requirements and responsibilities to perform under that Act. I am not sure whether it is feasible to use building surveyors from the local government authorities as consultants in respect of the Builders' Registration Act, because it seems to me that at times the builders' registration inspectors are required occasionally to appear in court as expert witnesses. If a local government building surveyor was used as a consultant to the Builders' Registration Board, there could be some conflict between his position with the local authority and his acting as a consultant under this Act. That possibility should be examined before we jump feet first into that area.

There is a need for us to review this Act. The member for Kalamunda made it clear that he has not been impressed with the workings of the Builders' Registration Board over the years and he has given us some clear reasons for that dissatisfaction.

I wish to tell the House about a case—not in the electorate of Mt Lawley—in which I know the member for Perth has been involved, as has the Premier himself. I refer to a job in North Perth. The client invited a builder to do some renovation work; the work was to cost in the order of \$25 000. During the course of the work the builder went broke. The client sought advice from the Builders' Registration Board. It advised the client that it was a civil case and that he should go to court to determine who was going to be responsible for making good the work that had not been completed. It is now more than two years since the original builder went broke and most of the work that was not completed at the time still is not completed.

It has been brought to the attention of all people who have worked on that job that to make good the work at this stage would cost in the order of \$16 000. I might say, regrettably, that the client paid the builder the entire \$25 000 originally quoted for carrying out the renovation. So apart from being \$25 000 down

the drain, the client is now faced with paying another \$16 000 to make good the work that has not been performed.

The Builders' Registration Board know this case particularly well and has been involved in it for some time. It is fair to say that the various points raised by the member for Kalamunda are shown to be very accurate when related to the case I referred to in North Perth. Firstly, we had a situation where the board ordered the builder to remedy faulty work. When that was not done, the board ordered the builder to pay the owners the costs that had been assessed in making good the work. On both occasions, those orders were not adhered to because the builder did not have the money to make good the work or pay out the owner.

The Act provided for the owner to recover those costs through a court of competent jurisdiction, and that has been part of the two-year process I spoke of earlier. The owner has gone to a court and the court has ordered that the builder is liable for the debt. We know that if someone is bankrupt he or she cannot pay the money. That is where the situation rests at the moment.

While the Opposition is not opposing the Bill before the House it is fair to say that Opposition members have raised some important points in respect of the Builders' Registration Board. I hope that the Minister will respond to these points in due course.

MR D. L. SMITH (Mitchell) [10.09 p.m.]: I wish to speak briefly in support of the amendments proposed. The amendments achieve something that has long been sought in the Bunbury region. To date owners who wanted building work done in the Bunbury region have been in the situation where they could go to a builder who, in fact, was not qualified as a builder in any way that would be understood in the metropolitan area.

That was because anyone who wished to go into the building industry could go out in the Bunbury region and put up a shingle, call himself a builder, and invite work from the public. An unsuspecting person could go to such a builder with no experience or qualifications and find that halfway through the construction of the building he faced problems which needed to be remedied. In that situation a person would have no alternative but to seek legal redress through the courts or the Small Claims Tribunal.

The member for Kalamunda has mentioned the problems that arise even under the Builders Registration Act, but in country areas one does not have even the remedies available under the Act. All one can do is litigate the matter through the courts. In my experience as a solicitor in Bunbury over some years, I was involved in a number of building disputes, and I assure members that the courts are by no means the appropriate place for building disputes to be remedied. The disputes often involve technical information and decision-making in relation to a whole series of complaints, each of which requires expert evidence to be called to promote the case of the builder and the owner, and a judge with no building training has to make a determination on the basis of the expert evidence called. That process is extremely expensive and slow and always leaves the owner in a position of getting no satisfaction from it at all.

Mr Watt: Are you happy for the situation to continue in other regions?

Mr D. L. SMITH: I will come back to that in a moment.

In my years of practice the cases I most felt disappointed about in terms of the result for clients were all in relation to building. I know of families who were sent bankrupt, suffered broken marriages, and people who became quite ill as a result of the problem and the length of time it took to resolve, particularly when it was resolved in a way that was unsatisfactory to them.

As a result of that I have been making representations both prior to and since entering the political arena, for the extension of builders, registration to Bunbury. Over the years I have made these representations not only to the Labor Party, but also to the previous Government. I was always told by the previous Government that while it appreciated the need for extension of registration to country areas it was not keen to do so in relation to Bunbury for a number of reasons.

Firstly, there was the problem of those already involved in the building industry who did not have the formal qualifications to become registered after the Act was extended to the area. The then Government expressed concern that those people would be deprived of their livelihood by extension of builders registration to that area. The Act provided for a grandfather clause which enabled those people to seek registration, but quite often they were not able to establish their experience to the satisfaction of the board. The board would then

require them to undertake an examination to satisfy it as to their competence.

Because the board could deal only with full registration it had to submit those builders to an examination which took into account not only the areas of building in which they had experience, but also the whole range of building possibilities. People who had for years been building single-storey homes in the Bunbury region were being examined on what was required to build a multi-storey construction of a commercial type similar to those in St George's Terrace. Naturally, those people were not able to pass those examinations, and because they could not otherwise satisfy the board of their experience the board was not able to register them.

This Bill will allow the board to extend a kind of conditional registration so that those people with experience in the cottage industry can be registered to build single-storey or two-storey homes with a condition imposed on them that they do not seek to construct multi-storey buildings of a commercial nature.

That covers the first objection the previous Government always raised in relation to the extension of registration to the Bunbury region. The second objection raised was the problem that would arise for owner-builders who wanted to build two, three, or four homes over a number of years.

In my view that was taking the side of the owner-builder to an unnecessary degree because it is often difficult to distinguish between a genuine owner-builder who builds one home and subsequently wishes to build and move to a larger home, and a person who makes a second income by building homes in his spare time, living in them only for a short time, and then selling without declaring the capital appreciation as a profit.

Those people often have no building experience or qualifications and engage sub-contractors who may or may not be qualified. It often results in a substandard building in which the defects are not evident for a couple of years. The people who buy the house find five or six years later that they have bought a dud and they bear the cost of the profit made by those people who are building homes for a second income.

The third problem which was always raised by the previous Government was the fact that administrative work of the Builders' Registration Board and its supervisory and disciplinary work was self-funded in that the officers of

the board are paid from the registration fees of registered builders. It was a concern that if registration was extended to country areas there would not be sufficient builders to provide the fees necessary for a qualified person employed by the board to reside in Bunbury and do the enforcement work in the region. That particular problem was thought to be difficult to overcome and to require some kind of cross-subsidy from the metropolitan area to country regions, or some kind of Government financial support.

The Government and the Builders' Registration Board have sought to address the problem using the method which the member for Albany suggested; that is, to approach the various shires to see whether they would agree to their building inspectors being utilised for inspections and to determine whether the defects complained of did exist. Because the cooperation of the shires was a necessary part of the extension the Government had to approach each shire to seek its consent. That occurred in the south-west, and it is an unfortunate fact that the Capel Shire, and I think the Waroona Shire, did not agree to that arrangement, and they have been left out of the extension.

That is a very sad defect in these amendments because the Bunbury, Australind and Eaton areas are all right because they are in the Bunbury, Harvey and Dardanup Shires, but Gelorup and Capel to the south of Bunbury do not have any protection. It is a bit short-sighted of the Shires of Capel and Waroona not to agree to the extension.

Mr Watt: If you were dinkum you should have said, "One in, all in". It is not altogether a matter for the local authorities.

Mr D. L. SMITH: The member makes a valid point, and it is not dissimilar to the point I made to the Minister. However, I understand the Minister's response, which was that he has a fiscal responsibility in fairly difficult times. Having extended the benefit of registration, he also has the problem of administering the Act. He has to ensure that he has the fiscal capacity to cover those areas where there are no inspectors to carry out the work required in dealing with complaints.

Mr Cash: Do you see any conflict between the expert witness as required by the Builders' Registration Act and the local authority building surveyor carrying out his functions under the Local Government Act?

Mr D. L. SMITH: I can see problems of that kind and I would not like members to think that there would not be any problems in terms of this extension. Certainly, we can foresee problems which we will have to work our way around as time goes by. However, it is better to have something rather than the situation which applied in the past, when we had nothing at all.

The member for Kalamunda raised a question about what happened when the owner or developer went broke. A similar situation arose in Bunbury and concerned a block of home units of which the standard of construction was extremely poor. There are problems in terms of finish, water is leaking into the buildings, and difficulties have been experienced with the brick construction and the drainage. Even though the builder and the developer are financially viable the only way in which the purchasers can obtain any redress is to go through the courts.

The extension will give people the opportunity to make a formal complaint that will be determined by the Builders' Registration Board. The ultimate penalty the board may impose on a builder if he does not comply with its direction, is that the board will not only make an order to the builder to undertake the work or for the owner to have the work carried out and have the costs recovered, but it may also direct the withdrawal of the builder's registration and, therefore, his livelihood may be at stake. It is a substantial penalty and for that reason it is a successful means for resolving many problems which arise in the industry.

As has been rightly stated by the member for Mt Lawley and the member for Kalamunda it will not resolve all the problems, but it is unfair for them to stand on the other side of the House and talk about what they will do when their party is back in Government. In effect, we have been calling for an extension of builders' registration to country areas for years and the Liberal Party had the opportunity to amend the Act in the way its members are suggesting. However, it did not attempt to do that. It is playing politics to sit on the other side of the House and to say those sorts of things when the Opposition had the opportunity, for a number of years, to amend the Act.

The idea of a fidelity fund and some kind of insurance appeals to me, but it will be an extra imposition on the builders. The builders will pass that cost to the owner and it will increase the cost of building. That is another factor which must be borne in mind.

The question of an extension to other areas is a matter of agitation. If the member for Albany really wants it extended to include Albany, all he has to do is to write to the Minister making that suggestion, in the same way as we have done for Bunbury.

Because of the peculiar nature of enforcement and administration which will exist in the country it is necessary that at the same time we make those amendments in this Bill that provide for the appointment of a country representative on the Builders' Registration Board. The appointee should be in a position to direct himself to the peculiar sorts of problems raised by the member for Mt Lawley, problems which normally the board would not take cognisance of as it would not have had experience. The appointee should be in touch with organisations such as the Builders' Registration Board and the Housing Industry Association and should be in a position to suggest ways to overcome the peculiar country problems in the interests of both builders and consumers. Much has been made of the point that the major impetus for registration to be extended to country areas has come from the builders and not the consumers. That is true. There is a large percentage of owner-builders in country areas and this Bill will mean a slightly larger share of the cake for properly registered builders and put some restrictions on owner-builders. It has its pluses and its minuses, but on balance the pluses, in terms of consumer protection and better standard of construction that will result will outweigh the minuses and it means we should pass the legislation.

I am parochial enough to suggest that the country representative on the board should come from the Bunbury area, but I do not care from where he comes because it will be a matter to be determined by the Minister. It is open to the Minister to appoint a person from any other country area—Albany, Port Hedland, or Kalgoorlie. As I have said to the Minister I do not care where the country representative comes from as long as the problems experienced in the country are made known to the Builders' Registration Board. Currently, the board is not aware of the problems experienced in the country and for that reason it does not address itself to them.

I congratulate the Minister for putting together legislation which incorporates matters perceived by the previous Government and the previous Ministers in this Government as being problems. I am concerned about the Capel and Waroona areas and other country areas,

but I hope the Minister will be able to work towards achieving an extension of the Builders' Registration Board to those areas in the near future.

MR SPRIGGS (Darling Range) [10.27 p.m.]: I hope that what the member for Mitchell and the member for Bunbury hope will happen in their areas will occur. Since I have been in this House my experience has been that the Builders' Registration Board is a toothless tiger. It is not only a toothless tiger, but it also tends to give people the impression that they are protected when they are not.

I have probably approached the board about a dozen times on behalf of my constituents who have been aggrieved about building they have had undertaken. I have yet to find one client who received satisfaction from the board.

The Builders' Registration Board has great powers, but it does not use them. As the member for Mitchell said, the board has the power to deregister a builder. I remember that on one occasion I suggested that it should take that direction but it came up with the argument that the builder concerned was building a number of houses and if he were deregistered it would affect a number of people including the client I spoke to about it.

I have serious doubts about the extension and I am pleased to hear that Capel has not adopted it. I have serious doubts whether the member for Mitchell and the member for Bunbury will, in 12 months' time, be pleased that builders' registration has been extended to their electorates.

I believe this legislation will give people the impression that they are protected—it is an impression which, in my view, has never been substantiated. On odd occasions it may have had some effect, but when it comes to the crunch the Builders' Registration Board's suggestion to the person who has complained is that the best thing he can do is to go to court to have the matter settled. In my opinion that is not good enough.

The member for Mitchell indicated that the previous Government did nothing about this problem in the past. I can assure the member that I am as strongly opposed to the extension of the Builders' Registration Board in the country areas as I was when my party was in Government. I believe it will add to the cost of building and it will work against the people of Bunbury and Dardanup and the other councils that have accepted the proposal.

The opportunities for people to build their own homes will be made increasingly difficult and as far as I am concerned it is a joke to say that they will get any protection by using a registered builder. Most of the companies that build homes in Western Australia probably have one registered builder and they build 10 or 20 homes at one time. They use the method that is available to all home builders; they get the best subcontractor they can find to do the work. If anybody who wants to build his own home uses an ounce of commonsense he can get the best tradesmen in the business to do the work and, because he is not cost-cutting, he is more likely to get a good job than by employing a builder.

If, as in the old days, the builder actually built the property, there might be some justification for registration of builders but today there is no such thing as a builder who builds a house. The builder has become a person who holds a ticket; he is usually employed by a company that builds many houses, he never goes on the job and he is not actually the toolman at all. An ordinary person using his commonsense has every opportunity to build the home he wants at present by going to the contractors and employing the best contractor he can find, probably at a much lower cost than by using a registered builder.

Many people who are quite capable of employing that method will be disadvantaged by this legislation.

I would like to think that the member for Mitchell is correct in his belief that it will be a good thing for people in the areas listed but I am certain that in 12 months' time he will have received objections, taken up the cases, and received no satisfaction whatsoever from the Builders' Registration Board.

I oppose the Bill and do not agree with the members on my side of the House.

MR WILSON (Nollamara—Minister for Consumer Affairs) [10.34 p.m.]: First of all I thank all members who have participated in the debate for the largely very helpful comments they have made. In the process of making those comments they have raised many, if not all, the significant areas which surround the Builders' Registration Board and the whole process of regulation, certainly in the building industry and perhaps in other industries.

I think in general it has been agreed by speakers on both sides that the Bill, in seeking to extend the board's jurisdiction to that of registering builders and ensuring and promot-

ing a high standard of building work to other parts of the State, has their approval, except for the last speaker. I accept the sincerity of the comments of the member for Darling Range, but I think it is significant that he finds himself out on his own in the tenor of his speech. That is not to say he is wrong, but in this case it is to say that while he seems to be preaching total despair most other speakers seem to be making recommendations about how improvements can be effected. I appreciate that positive approach.

I pay particular tribute to the members for Bunbury and Mitchell who have taken up the cause of extending the board's jurisdiction to the south-west and country areas generally over the past three or so years of which I am aware. When the member for Mitchell encourages other members to agitate for their part of the State I start to shiver in my shoes. If that means others will agitate as he did I shall have plenty of agitation from other parts of the State and other members. That is meant by way of a compliment to the member, not a criticism, because of his effective representation of his electorate and its interests.

I will seek to address the various points that have been raised by members, most of which were raised in substance by the lead speaker for the Opposition, the member for Albany. First of all he mentioned that the jurisdiction of the board would be extended only to the six local authority areas concerned. He raised a query about the omission in particular of the shires of Capel, Pinjarra—in fact, I think he meant the Shire of Murray, which covers Pinjarra, and that shire is included—and Waroona. Of course the third shire omitted in that context is the Shire of Boddington. As the member for Mitchell indicated, a direct approach was made to the City of Bunbury and the other eight local authority areas. The shires of Capel, Waroona, and Boddington declined to participate. Of course, that is related to the fact that the basis of the approach to the shires was that their building surveyors should be involved in a relationship with the Builders' Registration Board to act on behalf of the board in their local authority areas to minimise the cost involved in the extension of the jurisdiction to those areas.

In the same vein the member for Albany raised the general question, as did a number of other speakers on the Opposition side, as to why the extension of the jurisdiction was restricted to those shires and that particular part of the State. In response to that I can only

say that it is, of course, the Government's intention to extend the jurisdiction of the board to all parts of the State and the selection of that part was on the basis that it has the greatest concentration of builders and home building activity outside the metropolitan area. Also, it is only possible to extend the operations of the board in a graduated way because of the costs associated with the extension.

We can seek only to keep some control over the costs involved by extending the board's jurisdiction in this graduated way. We have had approaches from the Master Builders Association in Kalgoorlie and from builders in the Geraldton area for the board's jurisdiction to be extended to those areas as well.

The member for Albany has indicated that he believes the jurisdiction should be extended to Albany. I believe there are other parts of the State where parties would be interested in such an extension. We have to do it in this gradual way to ensure that we can control the cost impact of the extension of the jurisdiction. I offer those comments hopefully as a satisfactory explanation of the matters raised.

The member for Albany asked why this was being done by way of legislation when the Act makes provision for it to be done by regulation. I understand that the advice from the drafting section of Crown Law is that it prefers now to recommend that such action be taken by way of legislation rather than regulation. Governments are often criticised when they take steps by regulation rather than by allowing such measures to be debated in the public forum of the Parliament where expressions of public interest can be brought to bear on those proposals. That is the general thinking behind taking this course.

Mr Stephens: Very correct.

Mr WILSON: I know the National Party in particular approves that.

Mr Watt: I have no objection. I was surprised it occurred in this way, because when I have had previous discussions I have always been told it is only necessary to do it by way of regulation.

Mr WILSON: The member was correctly advised. This is for his information.

The member for Albany commented also that he believed there should be a general extension; country people should not be regarded as second-class citizens, and the provisions, such as they are, taking the comments of members into consideration, should be available equally to all people in Western Australia.

We agree with that. I think the comments by the member for Bunbury and the member for Mitchell indicate that that is the Government's intention.

The member for Albany raised the issue of the delegation of ministerial authority to the commissioner with respect to owner-builders. He may not have quite understood what was intended there. Where that amendment applies, that section actually deals with dispensations relating only to owner-builders. It is simply to speed up the process of those dispensations so that we will not have to go through the whole administrative rigmarole of letters going to the Minister, being referred to the board, and so on. Such a system only holds things up. This amendment is simply designed to make the system work better in the interests of owner-builders.

Mr Watt: Will the local representative of the Department of Consumer Affairs in Bunbury be able to handle this?

Mr WILSON: Not under this amendment. This amendment is extended only to the commissioner.

Mr Watt: I understood an interpretation of "would be referred to the commissioner" would include reference to his agent.

Mr WILSON: I am not sure about that. My view would be that it would not in this case. In any case, the facility to extend that to the commissioner will greatly lessen the time.

Mr Watt: It might be worth checking up, because, as an example, many powers which are vested in the Act which relate to the Commissioner for Police are delegated through regional superintendents without specific mention in the particular Acts.

Mr WILSON: I will certainly check on that to ascertain the situation and let the member know.

The question of the annual reports of the Builders' Registration Board being delayed unduly was also raised by the member for Albany. With respect to that issue I cannot be absolutely certain, but I am almost certain that I have sighted the 1984-85 report and that it should have been tabled. I will have to check on that, but I am pretty sure that is the case. I would be disconcerted if the last report tabled in the Parliament was the 1982-83 report. I shall ascertain that position as soon as possible.

The member for Albany indicated also some concern had been shown by the Master Builders' Association with respect to the

administration of the conditions provided for in the Act. Those are the conditions which the board is empowered to impose as a result of amendments to the Act with respect to the registration of builders in the new area of jurisdiction.

I have had direct consultations with the Master Builders Association and the Housing Industry Association on this very issue. I have assured them that we will be sensitive about the need for simplicity in order to ensure ongoing efficiency in that way.

The next point raised was the provision for the appointment of an extra board member. As the member for Mitchell has indicated, that member will in the first place be appointed to represent the new area of jurisdiction.

That raises implications should the board's deliberations be extended to other parts of the State. For instance, the Housing Industry Association was not in full agreement with the concept of adding a board member to represent particular parts of the State. It favoured a provision of setting up regional advisory bodies or regional panels to assist the board in its deliberations.

However, in the main this was the method favoured by the industry and by the board. It is intended to seek nominations from industry groups in that area for the new member of the board to be appointed as a result of these amendments. It is intended that as a member of the board that person should be truly representative of the interests of that region and of country people.

The member for Mitchell has indicated already, as I have, that it is intended that local authorities will be directly involved, mainly because their building surveyors will be the virtual agents of the board in their respective local authority areas.

While the concerns of the member for Mt Lawley with respect to the possible conflict in the case of the same person being responsible for carrying out two different roles is certainly a matter which needs to be taken up and considered, this way of resolving the funding of the added jurisdiction of the board is the only way that we have been able to put forward without what we fear to be a blow-out in the expenses of the board's operations.

Certainly there would be some situations where the local authority building surveyor might find himself involved in a case where the shire had not complied with certain restrictions, and in those cases the person concerned

would be disqualified from appearing in a court situation.

One could say that ultimately the decisions that are within the board's jurisdiction are subject to the review of the board itself and we will have to work that out as we go along. But we have to have a major consideration for any possible blow-out in the cost of the board's operations.

In the same vein, a number of members have alluded to what they consider to be the faults in the structure of the board's operations. Some people have referred to it as a toothless tiger; others have been more conservative in the way in which they have addressed that matter. The board has instituted a complete review of the Act and we anticipate that it will be a good 12 months before that task is completed in consultation with interested parties, and before we can have legislation introduced into the Parliament. However, the review is certainly under way.

With respect to indemnity provisions in situations where builders become bankrupt or where earth movements beyond the control of the builder or the home buyer affect the structure of a house, certainly that is an area in which moves have been made. The Housing Industry Association has established its own housing industry indemnity scheme, which is a form of self-regulation, or an attempt at self-regulation, by the home building industry. That has been slow to get off the ground since it was launched about 18 months ago but according to the last report I received it had gained a great deal of support from approximately 100 builders in the metropolitan area who are now actually advertising the logo of housing industry indemnity with their advertisements in newspapers to commend themselves as being builders who provide that insurance.

I have had a number of discussions with the Housing Industry Association about this matter. The Builders' Registration Board has also made certain proposals about introducing a mandatory indemnity scheme. It is my view that we should proceed with some caution towards any mandatory indemnity scheme because of the costs to industry that are involved in such schemes. However, I have indicated to the Housing Industry Association that we will continue to monitor the development of their self-regulating scheme, and it may be that at a future date we will proceed as I think has been done in South Australia, where a scheme established by the industry was eventually given some legislative base by the Government by

taking on the industry's scheme without making it mandatory in any form.

There will always be a continuing debate about the desirability of mandatory schemes as against self-regulation, just as there are debates about whether the Builders' Registration Board or any consumer protection device should be made to have more and sharper teeth. There will always be an ongoing debate about that because even though some members can say that the board already has great powers in that it can deregister builders, I think they would have to admit that from the points of view of many builders whose livelihoods are dependent upon continuing registration, any such decision could have great impact not only on their operations but also on other home buyers who may at that stage be dealing with those builders.

Mr WATT: Could you say who is participating in the consultation about funding the indemnity scheme?

Mr WILSON: The Builders' Registration Board has prepared the basis for a scheme and in that process it has consulted with industry groups. The Housing Industry Association indemnity scheme currently is operating with some success on a self-regulating basis. We are certainly watching that situation to see how effective self-regulation can be.

I have made some attempt to respond to most of the points raised by members in this debate. I thank members again for their contributions to the debate. In the main they have been positive contributions and will be of benefit in the ongoing consideration that must be given to the Act and to a thorough review of the Act which, as I have indicated, is getting under way currently.

I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Mrs Henderson) in the Chair; Mr Wilson (Minister for Consumer Affairs) in charge of the Bill.

Clauses 1 to 7 put and passed.

Clause 8: Section 6 amended—

Mr CASH: A fair bit of discussion has taken place on the intention to appoint an additional member to the board and the fact that that board member shall be someone who is qualified to represent the interests of registered builders trading in areas other than the metropolitan area.

While that may sound fine and may be of some solace to the people who are genuinely affected by the new jurisdiction in the south-west, the mere fact of increasing the quorum from three to four does not necessarily mean that that country representative will be sitting on the board at all times decisions are made.

Mr WILSON: While I accept the point the member for Mt Lawley makes, because it is indisputable, it is my understanding that the degree of interest and concern from the Master Builders Association of WA and concerned builders generally in the area of extended jurisdiction is such that I can assure him and other members of the Chamber that any member representing that area is, either of his own volition or as a result of the interests of others in that area, likely to be present on all occasions.

Clause put and passed.

Clause 9: Section 10 amended—

Mr WATT: I am a little worried about how this provision might affect some people. I do not know the answer, but I can best explain my concern by giving the Minister an example. I have known for some time the particular builder to whom I refer. In fact he built my first house in Albany. I do not know what trade qualifications he has, although I do know he is a very good builder. It is always a concern when one talks about people in the knowledge that one's comments are being recorded in *Hansard*, but I do not think he would mind my saying that he is not a particularly good financial manager. Mostly he has been involved in building across the whole spectrum of construction. He has been involved in home building and commercial building, at times buildings of quite a large commercial nature. Recently he has tended not to build in Albany, but to build all around the State. For the last couple of years he has done a good deal of building in Harvey or Waroona. At the moment he is building at Wyndham; he goes around the State taking work wherever he finds it.

The problem does not relate so much to today, but in time to come we hope that the jurisdiction of this board will be extended into other areas of the State. I am concerned to know how the registration will affect people like him. As I understand it from the comments made, and as recorded in the Minister's second reading speech—this was one of the concerns expressed by the Master Builders Association—it is likely there will be an imposition of a geographical limit so that people such as the

builder to whom I have referred would not be able to go beyond a certain area in which they have been working for the previous few years.

Under this provision, will the board have jurisdiction, as it sees fit, to grant special registration to people to work outside that immediate area, or has that not yet been decided? Could the Minister enlarge on what is intended in this provision?

Mr WILSON: The conditions that the board might impose as a result of this amendment were set out in the second reading speech under four headings. The first heading was as to geographical limitations on the licence provided that it is within the area of the board. This provision was intended to prevent them conditionally moving into the metropolitan area until they had demonstrated sufficient expertise. As members would understand, that is simply to allow for the maintenance of a standard of building in the area where the Act has been in place for some time. The second area in which the board might impose conditions is as to the nature of building work or construction. The intention of that condition is to confine builders who would not have received metropolitan registration to building the sorts of construction that they have completed successfully in the past. For example, a country cottage builder would not be permitted to build a block of three-storey flats on that basis until his work had been monitored over a period of up to three years to satisfy the board that he had the qualifications to carry out that kind of work.

The third condition that is provided for is the number of building projects which can be under construction at any one time. An example of how that condition might apply would be that an application might have been received by the board from a builder who claims to have built one house a year in the past. A limit of, say, three houses a year might be imposed until he can demonstrate that he has the management skills and resources to handle a greater volume of work. That would still be a monitored process up to three years to allow the board to make a judgment about that builder, based on his past record.

The fourth condition that has been provided for implementation is the provision for returns of compliance with the conditions to be furnished to the board. What is proposed there is quarterly returns which would enable the board to review and progressively relax or remove those conditions.

It should be noted that the conditions are designed essentially to provide for an easing into the system where it has not applied previously. There is no other reason behind it than that, taking into account that we have two different areas, one which previously was controlled and where regulations applied, as opposed to an area where regulations have not applied. It is proposed to be an interim arrangement.

Mr CASH: This clause deals with the qualifications of the builders who are to be registered in the new area that the board is to take over. The Minister has set out clearly what is in the second reading speech, but I point out to him that some of the comments which have been made tonight—they were constructive comments—reflected on the ability of the board to carry out its duties in an efficient manner. One of the aspects which worries me is that as soon as this Bill is proclaimed and becomes part of the Act, we need some sort of assurance that the board itself or the staff of the board are in a position to register the various builders who make application under the provisions of the legislation.

It seems to me that the Government is covering a rather wide area which involves a number of builders and there needs to be a guarantee that the board can deal effectively with applications as they come to hand. It would be easy to say that it is purely administrative and it should be able to be handled, but we should look at the present structure of the administrative staff.

We have a registrar, an administrative officer, and some other clerical people handling this. Could the Minister give a guarantee that no-one awaiting registration under the new provisions will be unnecessarily delayed? The people in the area are looking for some comment from the Minister on this point.

Mr WILSON: In the first place it is expected that this amending legislation will be proclaimed on 1 September, and already the board is making an assessment of the people applying to register. It is expected that by 1 September this process of registration will be in place.

Clause put and passed.

Clause 10 put and passed.

Clause 11: Schedule amended and transitional provisions—

Mr WATT: This clause sets out the districts to be covered. Mention was made during the second reading debate of the need for staff to

be balanced against the projected revenue that might be accumulated. Will any staff be based in Bunbury to administer this, and if so how many? Has any projection of costs and income been taken out to give an indication of the viability of this extension?

Mr WILSON: I am advised that the board has been involved in cost projections of the further implications of the extension of its jurisdiction. It is not expected at this stage that staff will be located in Bunbury. Special contact arrangements will be made through the board's staff in Perth and through the department, but cost projections done to this time do not allow for the extension of staff to Bunbury. It is expected that it will be feasible for this extension of jurisdiction to be administered, given anticipated rates of registration of builders and the take up of complaints under the arrangement I have described.

Mr WATT: During the second reading debate I mentioned the proposition that people be contracted to work for the board in this area. An example of this is where insurance companies recruit a number of retired farmers to act as crop assessors to assist with insurance settlements, mainly because of damage caused by hail but also because of fire during the growing season. The arrangement works very well. If no claims are made, no costs are incurred. Conversely, if a plethora of claims are presented the companies have people in the area who can make their assessments fairly quickly.

If the board receives a number of claims in a short space of time, having local people available would save time and money. It is expensive to send someone all the way to Bunbury or wherever. Car expenses or air fares must be paid and overnight accommodation, meal allowances, and so on provided. If there were no claims there would be no costs. I think it would be worthwhile for this proposition to be thoroughly investigated as a cost-saving measure.

Mr WILSON: That is an excellent suggestion from the member for Albany, and one I will take up with the board as a possible means of allowing us to have resources on the spot in order to minimise the cost of extending the services in this way.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

SUPREME COURT AMENDMENT BILL

Receipt and First Reading

Bill received from the Council; and, on motion by Mr Grill (Minister for Agriculture), read a first time.

Second Reading

Leave granted to proceed forthwith to the second reading.

MR GRILL (Esperance-Dundas—Minister for Agriculture) [11.18 p.m.]: I move—

That the Bill be now read a second time.

It is proposed to facilitate the enforcement of District Court judgments in overseas countries which participate in the reciprocal enforcement of judgments.

The Bill will have the effect that a District Court judgment creditor may enter a judgment in the Supreme Court of Western Australia, which will enable that judgment, after certification from the Supreme Court, to be registered in reciprocating countries.

The reciprocal enforcement scheme, to which Western Australia is a party, is based on the United Kingdom Foreign Judgments (Reciprocal Enforcements) Act 1933. The scheme requires a receiving superior court to register a judgment that has been entered in a designated superior court of a reciprocating country. In Western Australia the designated superior court is the Supreme Court. As a result, if a Western Australian judgment creditor enters a judgment in the Supreme Court and obtains a certificate from the Supreme Court, that judgment can be registered in a reciprocating country without the need for fresh legal proceedings in that country.

Although the scheme is based on a notion of reciprocity—that is, recognition of judgments of superior courts of reciprocating countries—some Australian and foreign jurisdictions permit the removal of inferior court judgments to superior courts to bring those judgments within the reciprocal enforcement scheme. This occurs with judgments of the Local Court.

Pursuant to section 142 of the Local Courts Act 1902, a Local Court judgment creditor can have judgment entered in the Supreme Court and, consequently, obtain a certificate under the Foreign Judgments (Reciprocal Enforcement) Act 1963.

At present a District Court judgment cannot be so certified. It is not appropriate that Local Court judgments and not District Court judgments be enforced overseas. The Bill, ac-

cordingly, fills the legislative gap which recently came to attention.

I commend the Bill to the House.

Debate adjourned, on motion by Mr MacKinnon (Deputy Leader of the Opposition).

PUBLIC TRUSTEE AMENDMENT BILL

Receipt and First Reading

Bill received from the Council; and, on motion by Mr Grill (Minister for Agriculture), read a first time.

Second Reading

Leave granted to proceed forthwith to the second reading.

MR GRILL (Esperance-Dundas—Minister for Agriculture) [11.22 p.m.]: I move—

That the Bill be now read a second time.

This Bill proposes to effect a change to the procedure adopted by the Public Trustee in respect of unclaimed money.

Under section 45 of the Public Trustee Act, the Public Trustee is required to twice advertise in a newspaper details of money which has remained unclaimed for six years. This applies

to all money regardless of the amount and where only small amounts are involved the procedure is not cost effective.

It is therefore proposed that section 45 of the Public Trustee Act be amended to remove the requirement to advertise in every case by prescribing an amount below which no advertisement will be necessary. To ensure there is no undue restriction on publication, it is proposed that the prescribed amount will be \$250.

In considering this amendment members should bear in mind that six years must have elapsed before any unclaimed money is transferred to Consolidated Revenue, and then only on condition that the Public Trustee has no information or knowledge of the existence of any person entitled or claiming to be entitled to distribution.

I commend the Bill to the House.

Debate adjourned, on motion by Mr MacKinnon (Deputy Leader of the Opposition).

House adjourned at 11.24 p.m.

QUESTIONS ON NOTICE

TRAFFIC

Passing Lane: Australind

382. Mr BRADSHAW, to the Minister for Transport:

- (1) Is he aware that SCM Chemicals Pty Ltd at Australind believe a passing lane should be installed outside their premises because of—
 - (a) the volume of traffic turning into their premises; and
 - (b) the near accidents that frequently occur?
- (2) Is he aware that the Main Roads Department will install a passing lane if SCM Chemicals pays for the work?
- (3) Will he review the decision of the Main Roads Department and request the department to install a passing lane outside the premises of SCM Chemicals without cost?

Mr TROY replied:

- (1) Yes, I am aware the member has raised the matter in correspondence.
- (2) Yes.
- (3) Any improvement for traffic entering or leaving private property is normally at the owner's cost. It should be noted that construction of the Australind bypass will significantly reduce the through traffic at this location.

MOTOR VEHICLES

Costs: Increases

394. Mr LAURANCE, to the Minister for Transport:

- (1) How much extra per annum will motorists have to pay to own and run a vehicle when the Government imposes increased third party motor vehicle premiums, increases in the State fuel levy and increased licence fees?
- (2) How much extra per week will commuters have to pay in order to travel to and from work each week when charges go up from 1 July?
- (3) (a) Are any other charges to be increased other than those already announced, which will mean

increased costs to motorists or commuters;

- (b) if "Yes", would he provide details?

Mr TROY replied:

- (1) The following annual increase in respect of the average family motor car will be approximately—

Licence fees \$6.00

Motor vehicle third party insurance \$12.60

The State fuel levy has been increased by 2c per litre taking the levy on motor spirit to 4.17c per litre and diesel fuel to 5.95c per litre.

- (2) The adult fare in the most common zones of travel (1 zone to 3 zones) increased by 10c per cash fare making the increase \$1 for 10 fares (one week's travel).

It must be remembered that this increase can be minimised by the purchase of a multi-rider ticket. (Three zones from Perth is to Kelmscott, Glen Forest, Upper Swan, Wanneroo).

- (3) (a) Not to my knowledge;
- (b) not applicable.

TRANSPORT

Five-year Plan: Tabling

476. Mr RUSHTON, to the Minister for Transport:

- (1) Will he table the latest projected five year public transport report and plan promised to be released by the end of 1985?
- (2) If "No", when is it expected to be completed and tabled in Parliament?
- (3) Will he let me have a copy when the report is completed?

Mr TROY replied:

- (1) and (2) A plan for Perth's public transport which has the commitment of the MTT's new management team will be completed during the forthcoming financial year.
- (3) Copies of the report will then be available to the member for Dale.

WATER RESOURCES

Underground Bores: Licensing

477. Mr RUSHTON, to the Honorary Minister assisting the Minister for Water Resources:

- (1) Is it a fact that the Government is to introduce licensing of underground bores?
- (2) If "Yes"—
 - (a) when is the expected date for introducing the licensing;
 - (b) what is the expected range of charges to be raised?

Mr BRIDGE replied:

- (1) All artesian bores throughout the State are already licensed.

In country areas non-artesian bores that are located in proclaimed groundwater areas also require a licence.

Similarly non-artesian bores in declared parts of the metropolitan area already require a licence. These areas were referred to in my answer to question 367 given on 19 June 1986.

The Government is not planning to licence all private domestic bores in the metropolitan area.

- (2) (a) Not applicable;
- (b) not applicable.

ROAD

Marmion Avenue Extension: Traffic Studies

480. Mr CRANE, to the Minister for Transport:

- (1) Was the Marmion Avenue extension recommended by the Main Roads Department on the basis of traffic studies?
- (2) If not, why were the roadworks authorised?
- (3) Does the Government now intend to cul-de-sac West Coast Highway and direct all traffic along Marmion Avenue through the Trigg dune reserve?

Mr TROY replied:

- (1) The project was accepted by the Parliament as an amendment to the metropolitan region scheme. This amendment included traffic studies and forecasts carried out by the State Planning Commission, City of

Stirling, and the Main Roads Department.

- (2) Answered by (1).
- (3) No; but the project includes traffic management measures in West Coast Highway between the new route and Karrinyup Road to discourage through traffic along the coast.

TRANSPORT: BUSES

School: Submissions

481. Mr CRANE, to the Minister for Education:

Because of the importance of school buses, particularly in country areas, and the difficulties of parents and citizens' associations and school bus committees meeting outside of the normal monthly programme, will he please extend the deadline date from 15 August for one month, to receive submissions regarding the review of the school bus system?

Mr PEARCE replied:

No. The submission closing date has been extended to 15 August following advice from departmental officers and WACSSO.

ABORIGINAL SITES

Protection: Gazetteal

482. Mr CRANE, to the Honorary Minister assisting the Minister for Aboriginal Affairs:

What procedures are taken by various Government bodies to ensure protection of gazetted Aboriginal heritage sites from being destroyed during road work or other construction and development?

Mr BRIDGE replied:

Government bodies are encouraged by the Western Australian Museum to consult with it during the planning of road works and other developments to ensure that the provisions of the Aboriginal Heritage Act are followed. Where necessary site surveys are commissioned by the body concerned and, if sites are likely to be affected by the developments, an application for land use is lodged with the museum under the terms of the Act. Applications are considered by the Aboriginal cultural

material committee which makes a recommendation to the Minister.

The final decision on all such applications rests with the Minister having regard to the committee's recommendations and the general interests of the community.

POLICE AND CITIZENS' YOUTH CLUBS

Allocations

492. Mr BRADSHAW, to the Honorary Minister assisting the Minister for Police:

- (1) Has money been given to police and citizens' youth clubs in Western Australia in the last 12 months above normal allocations?
- (2) If so, which clubs received this money and on what basis?
- (3) If the answer to (1) is "Yes" and the money is for a rebuilding or renovating programme on what basis is the money given?

Mr GORDON HILL replied:

- (1) Yes.
- (2) Mandurah Police and Citizens' Youth Club for equipment.
- (3) Not applicable.

HEALTH DEPARTMENT

Patient Care System: IBM Purchase

495. Mr BRADSHAW, to the Minister for Health:

- (1) Has or is a patient care system for the Health Department being purchased from IBM?
- (2) If so, were other companies asked to tender for the software?
- (3) If "Yes" to (2), who were the other companies?
- (4) Is the IBM software Australian produced?
- (5) If not, why was not Australian expertise engaged?

Mr TAYLOR replied:

- (1) No. The Health Department has already purchased IBM mainframes and has therefore acquired under licence some IBM patient care software products for evaluation only.
- (2) to (5) Not applicable.

ROADS

Wiluna Area: Sealing

503. Mr LIGHTFOOT, to the Minister for Transport:

- (1) Referring to my question without notice asked on Thursday, 19 June 1986, is he aware that all the dirt roads, that is, all the roads in the Wiluna area, are closed because of heavy rains?
- (2) Does he envisage that the roads from Leinster to Wiluna and from Meekatharra to Wiluna will be sealed?
- (3) If "No", why not?
- (4) If "Yes", when?

Mr TROY replied:

- (1) It is understood that all the local roads within the Shire of Wiluna were re-opened to traffic on 23 June. The Kalgoorlie-Meekatharra Road, which is a main road, was re-opened between Wiluna and Meekatharra on 22 June and between Wiluna and Agnew on 23 June.
- (2) No, not in the foreseeable future.
- (3) The estimated cost to seal the roads is in excess of \$50 million. In view of the relatively low traffic volumes on the roads at this stage, it would be difficult to justify such large expenditure given the Main Roads Department's financial constraints and the many other priority projects competing for the limited funds available.
- (4) Not applicable.

ENERGY

Solar Hot Water Systems: Sacrificial Anodes

510. Mr CASH, to the Honorary Minister assisting the Minister for Water Resources:

- (1) Referring to the answer to question 302 on 18 June 1986, when did the Water Authority of Western Australia first become aware of scientific reports that magnesium is not considered a suitable material for use as a sacrificial anode in solar hot water systems installed in locations with water that is highly conductive?
- (2) Which locations in Western Australia have water that is highly conductive?
- (3) When did the Western Australian Water Authority first advise Homeswest that the suitable material

for use as a sacrificial anode in locations which have hard water, is an aluminium alloy to Australian Standard 2239?

Mr BRIDGE replied:

(1) October 1983.

(2) Town reticulation systems with chemical analyses which may cause problems where magnesium anodes are used in hot water storage systems are as follows—

Augusta	Halls Creek	Mt Magnet
Australind	Hopetoun	Mullewa
Binningup	Junien	Myalup
Bremer Bay	Karratha	Nabawa
Brookton	Katanning	Narrogin
Cervantes	Kojonup	Northampton
Coomberdale	Kondinin	Park Ridge
Coorow	Kulin	Pingelly
Cue	Lake Grace	Port Hedland
Dandaragan	Lancelin	Ravensthorpe
Denmark	Laverton	Roebourne
Derby	Ledge Point	Sandstone
Dongara	Loeman	Three Springs
Dumbleyung	Leonora	Watheroo
Encabba	Marble Bar	Wickepin
Esperance	Meekatharra	Wickham
Exmouth	Miling	Williams
Gascoyne	Mingenew	Wiluna
Junction	Moora	Wittenoom
Geraldton	Morawa	Yuna
Gnowangerup		
Guilderton		

(3) 25 February 1986.

However, the Water Authority advised Homeswest much earlier of the general nature of the problem and the Water Authority has been working actively with the local manufacturers of hot water systems and the Standards Association of Australia to ensure that hot water systems were modified to overcome this problem.

TAXES AND CHARGES: FRINGE BENEFITS TAX

Water Authority: Payments

514. Mr MacKINNON, to the Honorary Minister assisting the Minister for Water Resources:

(1) Has the Water Authority of Western Australia budgeted to pay—

(a) fringe benefits tax;

(b) the three per cent superannuation productivity, during the year 1986-87?

(2) What is the estimated cost to the authority in each case?

Mr BRIDGE replied:

(1) and (2) The Water Authority's operating budget for 1986-87 is still under

review. At this stage it includes a provisional estimate of roundly \$0.75 million for (a) and NIL for (b), pending further information and clarification in the next few weeks.

GOVERNMENT EMPLOYEES

Lists: Supply

517. Mr MacKINNON, to the Minister for Transport:

(1) On what basis does he make available to outside parties lists of Government employees?

(2) If outsiders wish to obtain that information through what procedure must they go?

(3) To what outside groups has he made this staffing list information available?

Mr TROY replied:

(1) I am not aware of this occurring.

(2) and (3) I am not aware of such a request having been made.

PLANNING: CANAL DEVELOPMENT

Dawesville: Land Acquisitions

518. Mr MacKINNON, to the Minister for Lands:

(1) How much land has been acquired by the Government to accommodate the proposed Dawesville Channel?

(2) What has been the total cost of the land purchased to date?

(3) What is the area of the land purchased?

(4) What will be the total area of land occupied by the Dawesville Channel?

Mr TAYLOR replied:

(1) Six lots have been acquired by Government.

(2) The total cost of the land purchased to date is \$263 550.

(3) The area of the land purchased is approximately 12 hectares.

(4) The total area of land actually occupied by the proposed Dawesville Channel is 37.5 hectares. The additional area of land affected by earthworks and the placing of fill obtained by excavating the channel is approximately 295 hectares.

EDUCATION: HIGH SCHOOL*Katanning District: Building Programme*

525. Mr HOUSE, to the Minister for Education:

- (1) On what date will the extensions and building programme for the Katanning District High School be started?
- (2) What will the total cost of this project be?
- (3) Will this rebuilding programme eliminate the use of transportable classrooms at the school?
- (4) On what date will the repair and maintenance scheduled for the Katanning District High School start?

Mr PEARCE replied:

- (1) to (4) Works proposed for Katanning Senior High School to replace the transportable classrooms with permanent buildings are listed for inclusion in the proposed capital works programme for 1986-87. The repair and renovation work scheduled will be concurrent with this work. Detailed information on whether the project will actually proceed will not be available until the State Budget is brought down later this year.

TRANSPORT: BUSES*School: Committee of Inquiry*

526. Mr HOUSE, to the Minister for Education:

- (1) Will he expand the committee of inquiry into school bus services to include representatives of country schools?
- (2) If "No", why not?
- (3) Will the committee be examining allowing extended spur lengths where time and kilometre regulations are not being exceeded?
- (4) Will the committee be examining, because of declining populations in the country, relaxing the minimum numbers of children required before a bus service is provided, or discontinued?

Mr PEARCE replied:

- (1) and (2) The committee already includes primary and secondary principal representatives.
- (3) Yes.
- (4) Yes.

DEFENCE*US Warships: Visits*

529. Mr COURT, to the Minister for Defence Liaison:

What have been the number of United States warships visiting Western Australian ports in the months of—

- (a) July 1985;
- (b) August 1985;
- (c) September 1985;
- (d) October 1985;
- (e) November 1985;
- (f) December 1985;
- (g) January 1986;
- (h) February 1986;
- (i) March 1986;
- (j) April 1986;
- (k) May 1986;
- (l) June 1986?

Mr BRYCE replied:

- (a) July 1985; 9
- (b) August 1985; Nil
- (c) September 1985; 18
- (d) October 1985; 1
- (e) November 1985; Nil
- (f) December 1985; 1
- (g) January 1986; 1
- (h) February 1986; Nil
- (i) March 1986; Nil
- (j) April 1986; Nil
- (k) May 1986; Nil
- (l) June 1986; Nil.

TRANSPORT: RAILWAYS*Ballast: Western Quarries Pty Ltd*

536. Mr COURT, to the Minister for Transport:

Is Westrail obliged to deal with Western Quarries Pty Ltd on all ballast requirements within a 150 kilometre radius of Toodyay as part of their joint venture agreement?

Mr TROY replied:

No.

SUPERANNUATION

Productivity-based Policy

537. Mr COURT, to the Minister for Industrial Relations:

- (1) Does the State Government support industry having to pay a three per cent productivity-based superannuation as proposed by the Australian Council of Trade Unions?
- (2) If "Yes"—
 - (a) what benefits will it have for industry in Western Australia;
 - (b) what benefits will it have for employees in Western Australia?

Mr PETER DOWDING replied:

- (1) I have already answered this question put by the Deputy Leader of the Opposition on 12 June 1986.
- (2) In view of the commission's decision today, this question is hypothetical.

EDUCATION: HIGH SCHOOLS

Agricultural: Tractors

538. Mr COURT, to the Minister for Education:

Further to question 290 of 1986, what brand of tractors did the Government supply to agricultural schools?

Mr PEARCE replied:

New

Chamberlain John Deere
Massey Ferguson
Deutz

Secondhand

Massey Ferguson.

DEFENCE

Report: Editorial Comment

539. Mr COURT, to the Minister for Defence Liaison:

- (1) Is he aware that Victoria, New South Wales, Queensland, Tasmania, and South Australia featured heavily in the recent *The Australian* annual major defence report?
- (2) Is there any reason why the Western Australian Government did not have any editorial comment in that report, particularly in reference to our submarine construction project potential?

- (3) Has the Government adopted a low key approach in attempting to win this contract?

Mr BRYCE replied:

- (1) Yes.
- (2) As the member for Nedlands correctly stated in his address to the House on 24 June 1986 the editorial comment did not arrive in time to meet the deadline of *The Australian* newspaper.
- (3) Definitely not.

TRANSPORT: RAILWAYS

Passenger Survey

543. Mr RUSHTON, to the Minister for Transport:

- (1) Who carried out the most recent survey of numbers of passengers travelling on the three rail services—
 - (a) Armadale-Perth;
 - (b) Midland Junction-Perth;
 - (c) Fremantle-Perth?
- (2) (a) On what days and dates were the surveys taken;
- (b) for what periods of the days or nights was the survey taken?
- (3) What is the estimated impact of the America's Cup build-up on the numbers of passengers using the Perth-Fremantle railway in the recent survey?
- (4) Is it a fact that the passengers travelling between Perth and Fremantle on rail in the Hotham Valley steam trains and other tourist trains have been included in the estimated patronage of the Perth-Fremantle passenger rail service in the latest survey?
- (5) Will he please let me know the number or names of independent agencies or people carrying out passenger surveys on the three metropolitan passenger rail services mentioned in (1)?
- (6) What is/are—
 - (a) the latest survey(s) prior to the reintroduction of the Fremantle-Perth rail passenger service;
 - (b) the independent survey(s) carried out since the reintroduction of the rail service?

- (7) Will he please let me know the results of these independent surveys as a comparison between each survey and with the latest survey released by him?

Mr TROY replied:

- (1) (a) to (c) Westrail.
 (2) (a) Tuesday, Wednesday, and Thursday 15, 16, and 17 April 1986.
 (b) From the commencement to the conclusion of the passenger train service on the day concerned.
 (3) It is not possible to gauge the effect accurately but it would be unlikely that patronage on the Fremantle passenger trains would have been other than marginally affected above the April 1986 survey.
 (4) No.
 (5) Not applicable.
 (6) (a) A survey taken in April 1983;
 (b) the only "independent" survey of total daily patronage was arranged by the MTT in November 1983 using privately trained staff recommended by the Australian Bureau of Statistics. This only surveyed the Fremantle railway line and covered trains from the start of the train service on the day to 6.00 p.m.

	Total One Day Patronage		
	Fremantle Line	Midland Line	Armadale Line
April 1983 Survey	Not applicable	12 144	12 162
April 1986 Survey	10 322	13 657	14 102
November 1983 Survey	8 249	Not applicable	Not applicable

TRANSPORT: RAILWAYS

Metropolitan: Electrification

544. Mr RUSHTON, to the Minister for Transport:

- (1) Is it a fact the Government intends to proceed now with electrification of the metropolitan rail passenger services?
 (2) How can this \$150 million plus commitment be made now at the same time that the Government is pressing the public to "tighten their belts" economically?
 (3) Is he aware the committee considering electrification of the metropolitan railways, directed the consultant to consider electrification only and not to

consider what were the best and most economic metropolitan passenger services for the future?

Mr TROY replied:

- (1) The timing of the electrification of the suburban rail passenger service will depend on information provided to the Government from the master plan which is in the course of preparation.
 (2) Not applicable.
 (3) The committee's terms of reference were about electrification of the suburban rail and rightly attention was directed to those matters.

TRANSPORT

Light Rail Passenger Vehicle: Introduction

545. Mr RUSHTON, to the Minister for Transport:

- (1) Is the Government still considering the introduction of a light rail passenger vehicle?
 (2) If so—
 (a) will this be fuelled by electricity; or
 (b) fuelled by other sourced material?
 (3) Is he aware the consultant considering the electrification of metropolitan rail passenger services only recommended the consideration for a light rail vehicle if separation of passenger and freight services could be arranged?
 (4) Is it a fact that the rail freight services could now be removed from the—
 (a) Perth-Fremantle railway;
 (b) Perth-Midland Junction railway;
 (c) Perth-Maddington railway, because there is an alternative route?
 (5) Relating to item (4), when are freight trains to stop using the Perth-Fremantle railway and most sections of Perth-Midland Junction railway?

Mr TROY replied:

- (1) and (2) The Government, at present, is not considering the introduction of a light rail passenger vehicle, however, the rail system is under constant review.
 (3) Yes.

- (4) and (5) No. Freight services are no longer routed through the Perth-Leighton section except under emergency conditions or other special circumstances. Freight services continue between Fremantle and Leighton yard and between Welshpool and Claisebrook. On the Midland line, freight services operate between Midland and Bassendean. Freight services are routed on the Bassendean-Perth section only under emergency conditions or other special circumstances.

Country and interstate passenger rail services operate between Midland and the Perth terminal and between Armadale and Perth.

These arrangements will continue for the foreseeable future.

ROADS

Frederick-George Streets, Pinjarra: Surveying

548. Mr BRADSHAW, to the Minister for Transport:

- (1) How many times did a surveying team survey the corner of George Street and Frederick Street junction at Pinjarra to prepare plans for the recently made alteration to the junction?
- (2) How many times since the junction was altered has a surveying team, or a team from the Main Roads Department visited the above junction?
- (3) Is he aware that a large pool of water now forms after rainfall at the intersection?

Mr TROY replied:

- (1) The initial survey for the junction—Pinjarra Road and George Street—was done in March 1984 as part of a more extensive survey in the town. Setting out was done by surveyors in December.
- (2) Twice.
- (3) Yes. I personally discussed this matter with Main Roads Department staff on a visit to Pinjarra on 22 May 1986. The work is incomplete and requires some asphalt surfacing which will establish proper drainage. A contract has been let for this work, but the contractor has been delayed by wet weather. The delay has necessitated setting out for the surfacing on two occasions, hence the answer to (2).

WATER RESOURCES: DAM

Harris River: Site Investigations

549. Mr BRADSHAW, to the Honorary Minister assisting the Minister for Water Resources:

- (1) Has the committee set up to investigate the site of the Harris River Dam finalised its report?
- (2) If not, when is the committee expected to report?

Mr BRIDGE replied:

- (1) and (2) The consultative group set up to review the Harris Dam options met several times and was unable to reach agreement on the terms of a report. I have since met with the chairman and the irrigation farmers and the positioning of the dam site is under consideration.

TRANSPORT: BUSES

Two Rocks-Yanchep: Private Operators

554. Mr LAURANCE, to the Minister for Transport:

- (1) Further to question 332 of Wednesday, 18 June 1986, concerning a weekend bus service to Yanchep and Two Rocks, can he indicate whether any action has been taken to encourage private operators to provide a weekend service to Yanchep and Two Rocks following a statement in the *Wanneroo Times* earlier this year by the former Minister for Transport (Mr Grill) that "private enterprise is more than welcome to start a weekend bus service"?

- (2) If not, why not?

Mr TROY replied:

- (1) and (2) I am not aware of the statement referred to. However, I do not see any reason why I should disagree with sentiments expressed.

It is worthwhile pointing out that the service was previously operated by a private operator who withdrew because it was found to be uneconomic.

TOURISM: MOTELS

Fringe Benefits Tax: Effect

555. Mr TRENORDEN, to the Minister for Small Business:

- (1) Is he aware of the effect of the fringe benefit tax on motels in country areas?
- (2) If so, has he any action planned to help ease their burden?

Mr TROY replied:

- (1) Yes.
- (2) No. I believe that the net effect of the tax is not much different for motels in country areas to any other small business affected by the tax.

TRANSPORT: RAILWAYS

Ballast: Purchase Price

556. Mr TRENORDEN, to the Minister for Transport:

What was the latest price at which Westrail purchased ballast from Western Quarries Pty Ltd?

Mr TROY replied:

Under the terms of the joint venture agreement this information is confidential to both partners.

TRANSPORT: RAILWAYS

Ballast: Tenders

557. Mr TRENORDEN, to the Minister for Transport:

Further to question 116 of 1986, concerning Westrail's ballast requirements, why does not all ballast go to tender?

Mr TROY replied:

As a 50 per cent shareholder in Western Quarries Ltd it makes good commercial sense for Westrail to direct much of its ballast business to the joint venture company, provided that the company is competitive in the marketplace. This will ensure the maximum benefit to Westrail and the State.

TRANSPORT: FREIGHT RATES

Western Quarries Pty Ltd: Availability

558. Mr TRENORDEN, to the Minister for Transport:

- (1) Is the freight rate that is available to Western Quarries Pty Ltd from Westrail available to any other quarry?
- (2) What does Westrail charge to move superphosphate from Bassendean to Tammin?
- (3) What is Westrail's standard freight rate to move blue metal from Toodyay to Merredin?

Mr TROY replied:

- (1) Yes.
- (2) There is no published rate from Bassendean to Tammin, however, the bulk block fertiliser rate from Kwinana to Tammin is \$12.12 per tonne.
- (3) There is no standard rate. The freight rate would acknowledge—

The quantity of blue metal to be moved;

the timing of the movement; and

the requirement for ancillary services such as unloading and terminal delivery.

TRANSPORT: WESTRAIL

Western Quarries Pty Ltd: Partnership

559. Mr TRENORDEN, to the Minister for Transport:

- (1) Further to question 113 of 1986, what were the objectives of Westrail in going into partnership with Western Quarries Pty Ltd?
- (2) Have those objectives changed since the formation of Western Quarries Pty Ltd?

Mr TROY replied:

- (1) The objectives were to seek a profitable expansion of Westrail's business through the horizontal integration of Westrail's transport facilities.
- (2) No.

ENERGY

Fuel Franchise: Increase

564. Mr RUSHTON, to the Minister for Transport:

- (1) Will any of the extra funds to be raised from the increases in fuel franchise licences be used on introducing electrification of the metropolitan rail passenger services?
- (2) If "Yes", what is the estimated amount of dollars from the funds raised under fuel franchise to be spent on electrification of the metropolitan rail passenger services for next year and each of the following 10 financial years?

Mr TROY replied:

- (1) and (2) Final decisions on the allocation of transport trust funds have not yet been made.

GRAIN

Freight Rates: Subsidies

566. Mr WATT, to the Minister for Transport:

- (1) Following a public commitment given by his predecessor during the election campaign that no Westrail tenders in competition with road transport for the cartage of grain would be subsidised by taxpayers' funds—
 - (a) does that same commitment stand with the change of Ministry;
 - (b) if not, what is the new position?
- (2) Will any Westrail tender for road transport of grain, or a combination of road and rail transport of grain, be calculated on an individual basis for the particular contract, or as part of a Statewide averaging arrangement within Westrail?

Mr TROY replied:

- (1) (a) Yes. If Westrail tenders in competition with road transport for the cartage of grain the freight rates charged will reflect commercial decision making. That is, the rates while being competitive, exceed costs associated with haulage.
- (b) Not applicable.
- (2) The tender will be on an individual basis for the particular contract.

GRAIN

Freight Rates: Review

567. Mr WATT, to the Minister for Transport:

- (1) With the recently announced review of some Government charges, have any increases in the freight rates for grain transport been announced or are they intended?
- (2) Has the Government or Westrail sought a recommendation from the grain freights steering committee in the light of other recently announced increases in Government charges?
- (3) If so, what was its recommendation?

Mr TROY replied:

- (1) No increases have been announced. Variations in the freight rates are determined in accordance with an agreed escalation formula.
- (2) There has not been a specific recommendation sought from the grain freights steering committee; however, ongoing dialogue takes place between Westrail and the people from the organisations represented on the grain freights steering committee.
- (3) Not applicable.

CENTRAL STATION DEVELOPMENT

Plans: Building Elevations

571. Mr RUSHTON, to the Minister for Planning:

Will he please table the development plan showing the elevation of buildings between the western end of the central railway station and Barrack Street on the northern side of Wellington Street?

Mr PEARCE replied:

The drawings for development over the central railway land have been on exhibition since April this year, and are currently on exhibition at the Planning Department, 6th Floor, Perth City Council House and at the Project Office, 8th Floor, City Arcade. Nevertheless, I am happy to table the drawings sought by the member.
(See paper No. 226).

MOTOR VEHICLES: GOVERNMENT

XQM-844: Private Use

573. Mr HOUSE, to the Minister for Transport:

- (1) Does the person who drives the Government car, XQM-844 have permission to use the vehicle for private use?
- (2) If "Yes", does that private use include—
 - (a) the towing of a trailer to cart wood by trailer for home consumption;
 - (b) the towing of a horse float to cart horses?
- (3) Does the person who drives the Government car 6QD 428 have permission to use the vehicle for private use?
- (4) If "Yes", does that private use include—
 - (a) the towing of a trailer to cart wood by trailer for home consumption;
 - (b) the towing of a horse float to cart horses?

Mr TROY replied:

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

TRANSPORT: BUSES

Westrail: Reduction

574. Mr HOUSE, to the Minister for Transport:

- (1) Has the number of Westrail buses serving country areas been reduced in the past four years from 43 to 28?
- (2) If "Yes", why?
- (3) Is he aware that Westrail buses on the Perth-Albany and other great southern routes are often fully booked?
- (4) Why are not extra buses run when this happens?
- (5) Is it not a fact that as the rural recession deepens more people are becoming dependent on Government transport?

Mr TROY replied:

- (1) Yes.

- (2) A joint proposal from the Commissioner of Railways and the then Commissioner of Transport in 1984, which was accepted by the Government, recommended that a rationalisation of Westrail's road coach services be undertaken. It also recognised the increased productivity of new generation coaches.

- (3) I am aware there have been some occasions when services are fully booked on the Perth-Albany (via Kojonup) route but rarely on the Perth-Albany (via York) route.

During a three month period, of 624 coach services run between Perth and Albany (via Kojonup), 40 coaches were fully booked.

The average occupancy rates on Westrail coaches between Perth and Albany are—via Kojonup 80 per cent, via York 55 per cent.

- (4) Extra coaches are run to accommodate over-bookings when it is viable to do so.
- (5) There has been no noticeable increase in the number of passengers utilising Westrail's passenger services in recent times.

REGIONAL DEVELOPMENT

Cost Cutting Measures: Effect

585. Mr WATT, to the Minister for Regional Development:

Following the Premier's economic statement in which he indicated a number of cost-cutting measures, could he advise what effect this will have on—

- (a) the "Albany Tomorrow" programme; and
- (b) the "Bunbury 2000" programme?

Mr CARR replied:

- (a) The full impact of the Premier's economic statement as it applies to specific components of the "Albany Tomorrow" programme is being reviewed.

Government is committed to setting up the Great Southern Development Authority and initiating the "Albany Tomorrow" programme.

- (b) This part of the question should be directed to the Minister for The South West.

TRANSPORT: AIR

First-class: Officers

588. Mr CRANE, to the Premier:

- (1) With reference to the economic statement presented to the Legislative Assembly by him on Tuesday, 24 June 1986, what are the names of the individual departmental heads identified with the departments they serve, who will be the only persons eligible along with Ministers for first-class overseas and interstate travel, as indicated on page 9 of the said statement?
- (2) Does he confirm an assurance that no other persons, including Government advisers, will be added to this list?

Mr BRIAN BURKE replied:

- (1) and (2) A circular to heads of departments on this matter is tabled for the information of the member.

(See paper No. 227).

MINERALS: IRON ORE

Throssell Range: Exploration Licences

589. Mr LIGHTFOOT, to the Minister for Minerals and Energy:

- (1) With reference to the Western Mining Corporation Ltd (Throssell Range) Agreement, is he aware that the granting of the 34 exploration licences, totalling 5 685 square kilometres over a strike length of 180 kilometres by a special Act, effectively precluded other companies and individuals who had a geological interest in the area?
- (2) If "Yes"—
 - (a) why were all interested parties not consulted;
 - (b) what justified the granting of such a large area?
- (3) What mining and exploration organisations approached or lobbied him or his department to reduce or negate the application by Western Mining Corporation Ltd for this large area?

- (4) Would he consider applications from other bona fide prospectors and exploration companies for areas equally as large?

Mr PARKER replied:

- (1) The area can only be held for five years (with provision for a one year extension) and the agreement provides for area relinquishment at the company's discretion (or the Minister's direction) thereby allowing other interested parties to explore in those areas.
- (2) (a) The 34 exploration licences were held solely by Western Mining Corporation Ltd prior to the negotiation of the agreement and the relevant Government agencies were consulted during the negotiations of the terms and conditions of the agreement.
- (b) The acceptance by the company to—
 - expend moneys well in excess of the expenditure levels required by the Mining Act;
 - perform to a precise definition of exploration;
 - spread the exploration programme over the entire lease area;
 - submit proposals for approval by the State prior to applying for a mining lease of up to 250 km².

In addition, the background circumstances of Western Mining Corporation's exploration programme and the logistic difficulties associated with sandy desert terrain meant that special arrangements for an extended (but finite) period were warranted.
- (3) The Association of Mining and Exploration Companies approached me seeking clarification on the agreement.
- (4) Any future applications by companies seeking to negotiate similar agreements would be considered, having regard to circumstances which could justify special legislation.

WILDLIFE: FLORA

Hemsley Property: Report

590. Mr TUBBY, to the Premier:

- (1) Is the report regarding Hemsley's rare plants and survey factual?
- (2) If so, who is conducting the survey?
- (3) Will he give an assurance that the survey will be completed with a degree of urgency?
- (4) Should the survey find that there are no rare plants on the Hemsley's property, will he give me an assurance that the Hemsley's will be compensated as a matter of priority?

Mr BRIAN BURKE replied:

- (1) I assume the member's question refers to the report which appeared in the *Daily News* of 25 June 1986. That report is not factual.

When the rare plant, *Drummondia Ericoides*, was discovered in 1981, an examination of the survey plans at the time by officers of the Department of Fisheries and Wildlife revealed that at least one of the populations of the plant species was on the Hemsley's property.

- (2) to (4) See (1) above.

HOUSING

Geraldton: Statistics

591. Mr TUBBY, to the Minister for Regional Development:

- (1) Referring to a news release in *The Geraldton Guardian* in which he claimed that Geraldton had overtaken Bunbury in the number of new houses last year, and quoted the Australian Bureau of Statistics as his source of information, how can he substantiate this claim, when the report shows for 1984-85 as Geraldton 128 and Bunbury 218?
- (2) (a) Did he include the Shire of Greenough to support his claim;
(b) if "Yes", why?
- (3) If "Yes" to (2), did he use the same criteria in the case of Bunbury and include surrounding local authorities?
- (4) (a) If "Yes" to (3), would he please name the local authorities included;

- (b) if not, would he please indicate why not?

Mr CARR replied:

- (1) Australian Bureau of Statistics data for homes completed between July 1984 and June 1985 is—

Geraldton (Town)	128
Greenough (Shire)	152 280
Bunbury (City)	218

- (2) (a) Yes.
(b) Almost all of the new houses built in 1984-85 in the Shire of Greenough were built in the urban areas adjacent to the Town of Geraldton. Most Geraldton/Greenough residents perceive the combined urban areas of Geraldton and Greenough as part of the one community of Geraldton.
- (3) Consistent criteria were used, namely a comparison of the two urban areas, but this did not include shires surrounding Bunbury.
- (4) (a) Not applicable.
(b) The comparison was based on comparing the Geraldton urban area with the Bunbury urban area which approximately coincides with the Bunbury City Council.

BUILDERS' REGISTRATION BOARD

Complaints

593. Mr WATT, to the Minister for Consumer Affairs:

In respect of the Builders' Registration Board—

- (a) how many complaints have been referred to it in each of the past two financial years;
- (b) how many were resolved in favour of the builder;
- (c) how many were resolved in favour of the owner;
- (d) how many inspectors are employed by the board to investigate and advise the board on complaints in the metropolitan area;
- (e) will the recently announced ceiling on Public Service appointments prevent additional appointments to administer the

Builders' Registration Board in the south-west?

Mr WILSON replied:

- (a) The Builders' Registration Board operates from 1 January to 31 December each year and its financial reports cover the same period.

Complaints received	1984	1985
	496	647

- (b) and (c) The board does not, as such, resolve complaints in favour of the builder or the owner, rather, if complaints are not complied with after an initial investigation by board inspectors, Notices of Faulty/Unsatisfactory Works, Orders to Remedy or Orders for Payment are issued.

	1984	1985
Notices Faulty/Unsatisfactory Work (Issued by inspectors)	357	485
Orders to Remedy	12	52
Orders for Payment	3	15

It can be noted that of the 485 Notices of Faulty/Unsatisfactory Work issued by board inspectors in 1985, 433 (89.3 per cent) were complied with by the builder, whilst 52 (10.7 per cent) resulted in the board issuing an order upon the builder to remedy the work. Of those 52 Orders, 12 (29 per cent) were converted to Orders to Pay meaning that the other 37 Orders to Remedy (71 per cent) were complied with at that stage.

- (d) A chief inspector and four inspectors cover the existing area of the Act (Metropolitan area and Shire of Mandurah).
- (e) No. The board is a statutory authority and the operations of the board are financed by annual fees paid by registered builders.

ABORIGINAL LAND

Purchases: Inquiry

594. Mr BRADSHAW, to the Honorary Minister assisting the Minister for Aboriginal Affairs:

What inquiry or investigation was carried out to determine that the amount of \$100 million should be provided by the State and Federal Governments to purchase land and provide services for Aborigines in Western Australia?

Mr BRIDGE replied:

It was known that services to many Aboriginal communities were either substandard or nonexistent and that urgent funding of this magnitude was required to provide and upgrade them.

MINERALS: COAL

Exports: India

595. Mr BRADSHAW, to the Minister for Minerals and Energy:

- (1) Adverting to question 455 of 24 June 1986 concerning Collie coal, does it appear that we can expect to sell coal to India in the near future?
- (2) If so, how soon can we expect this trade to take place?

Mr PARKER replied:

- (1) and (2) With the support of the Government, negotiations are proceeding in an attempt to secure the sale of coal by private industry. However, the timing of any sale will depend on the ultimate outcome of negotiations and I am not able to give any indication at this stage with regard to likely timing.

HEALTH: HOSPITALS

Metropolitan: Bed Costs

596. Mr BRADSHAW, to the Minister for Health:

What is the average cost to provide a bed in each of the teaching and non-teaching hospitals in the metropolitan area?

Mr TAYLOR replied:

Hospital	Cost per Patient day 1985-86 est*
Fremantle Hospital	441.39
Princess Margaret Hospital	622.40
Sir Charles Gairdner Hospital	426.53
Royal Perth Hospital	438.80
King Edward Memorial Hospital	362.47
Kalamunda Hospital	155.45
Armadale Hospital	232.92
Bentley Hospital	254.98
Osborne Park Hospital	248.03
Rockingham Hospital	265.32
Swan District Hospital	253.36
Wanneroo Hospital	298.01

* The cost per patient day includes costs associated with the provision of outpatient services which is not separately identifiable from the cost of inpatient services.

HEALTH: NURSES

Mothercraft: Funding

598. Mr BRADSHAW, to the Minister representing the Minister for Budget Management:

- (1) Is funding for Ngal-a mothercraft nurse training to be continued?
- (2) If so, what amount of funding will be provided in terms of the number of trainee mothercraft nurses to be trained each year?
- (3) If funding to Ngal-a for mothercraft nurse training is to be cut, will mothercraft nurse training continue at some other venue?

Mr TAYLOR replied:

- (1) to (3) Ngal-a will again receive an allocation of State funds in 1986-87. The amount of funding and the particular programmes to be supported will be determined in the Budget context.

HEALTH: HOSPITAL

Murray District: Renovation Programme

600. Mr BRADSHAW, to the Minister for Health:

Will the next stage of the Murray District Hospital's repair and renovation programme proceed in light of the recent announcement that there will be cuts in hospital works?

Mr TAYLOR replied:

This project will proceed subject to final budgetary approvals.

STATE FINANCE

Capital Expenditure: Allocations

601. Mr HASSELL, to the Premier:

Referring to his statement on 24 June 1986, how much in dollars of the revenue Budget does he propose to apply to capital expenditure in 1986-87?

Mr BRIAN BURKE replied:

This is a budgetary matter which will be considered when formulating the 1986-87 capital works programme and the Consolidated Revenue Fund Estimates.

MINISTERS OF THE CROWN: OFFICES

Staff: Freeze

602. Mr HASSELL, to the Premier:

- (1) In relation to his statement on 24 June 1986 that the filling of vacant positions in Government employment has been frozen as well as appointments to temporary relief staff, will that rule apply without exception to—
 - (a) his own office;
 - (b) the Ministers' offices?
- (2) Does the rule apply to Public Service appointments or contract positions also?
- (3) Does the rule apply to consultancy and outside contract appointments?

Mr BRIAN BURKE replied:

- (1) The process and circumstances under which exemptions apply to the freeze on all forms of Government employment is set out in the statement of 24 June.
- (2) and (3) See (1) above.

SUPERANNUATION FUND

Liability: Unfunded

604. Mr HASSELL, to the Premier:

- (1) Referring to his statement on 24 June 1986, what are the details of the \$4.9 billion unfunded liability for Government superannuation?
- (2) What employees does it cover?
- (3) What period of time does it cover?

Mr BRIAN BURKE replied:

- (1) The \$4.9 billion unfunded actuarial liability is the present value of the Government's long-term superannuation commitment in respect of the scheme's existing contributors.

The figure has been determined by the Government's consulting actuary on a global basis and no other details are readily available.

- (2) See (1) above.

- (3) The commitment would be incurred over the next 60 to 70 years.

SUPERANNUATION: PENSIONS

Government: Increases

605. Mr HASSELL, to the Premier:

- (1) Referring to his statement on 24 June 1986 that the State Government's pension expenditure is expected to rise by 36.8 per cent next year, what is the dollar amount of the expected increase?
- (2) What areas of employees does it cover and what are the respective amounts involved?
- (3) What is the reason for the substantial increase?

Mr BRIAN BURKE replied:

- (1) The estimated increase in the Government's share of pension expenditure for 1986-87 over the previous year is \$24 134 000.
- (2) The pension expenditure estimate covers existing pensioners, allowance for new pensioners, pension indexation, and the fund's surplus.
The 1986-87 cost is expected to be \$89 401 000. This is 36.8 per cent more than the actual \$65 267 000 expended in 1985-86.
- (3) The principal reason for the rate of growth is the increasing number of persons opting to retire under the scheme's early retirement arrangements.

SUPERANNUATION

Public Service: New Scheme

606. Mr HASSELL, to the Premier:

- (1) Referring to his statement of 24 June 1986, what are the basic principles which will apply in formulating a new superannuation scheme for the Public Service?
- (2) In particular, will it maintain a requirement for both employer and employee contributions?
- (3) Will it be a funded scheme?

Mr BRIAN BURKE replied:

- (1) to (3) The development of the proposed new superannuation scheme is still in progress. For this reason, it

would be premature to forecast details of the new arrangements.

However, I can say that it will have greater appeal to more employees than does the present scheme and that it will be less costly to the Government.

TRANSPORT: FREIGHT

Grain: Rebates

607. Mr HASSELL, to the Minister for Transport:

Will he consider ways of speeding up the Westrail grain freight rebate in future years for farmers who complete grain deliveries by January?

Mr TROY replied:

Statistical data required to calculate the grain freight rate rebate is provided to Westrail by Co-operative Bulk Handling Ltd. The information was not available from CBH until—

- (a) all grain had been deposited in the receival bins by farmers, and
- (b) CBH had audited the statistical data.

The processing of the freight rate rebates was not delayed at any stage and farmers received their rebates, as promised, before the end of the 1985-86 financial year.

The rebate scheme has been well received by the farming community.

TAXES AND CHARGES

Payroll Tax: Health Department

609. Mr MacKINNON, to the Minister for Health:

What is the estimated cost to the Department of Health of increases in payroll tax announced by the Premier on 24 June 1986 for the 1986-87 financial year?

Mr TAYLOR replied:

\$670 000.

TAXES AND CHARGES

Payroll Tax: Education Department

610. Mr MacKINNON, to the Minister for Education:

What is the estimated cost to the Education Department of increases in payroll tax announced by the Premier

on 24 June 1986 for the 1986-87 financial year?

Mr PEARCE replied:

\$6 000 000 (estimate only since Budget is not yet finalised).

TAXES AND CHARGES

Payroll Tax: State Energy Commission

611. Mr MacKINNON, to the Minister for Minerals and Energy:

What is the estimated cost to the State Energy Commission of increases in pay-roll tax announced by the Premier on 24 June 1986 for the 1986-87 financial year?

Mr PARKER replied:

The estimated cost is \$1.6 million.

TAXES AND CHARGES

Payroll Tax: Water Authority

612. Mr MacKINNON, to the Honorary Minister assisting the Minister for Water Resources:

What is the estimated cost to the Water Authority of Western Australia of increases in pay-roll tax announced by the Premier on 24 June 1986 for the 1986-87 financial year?

Mr BRIDGE replied:

Based on a one per cent increase in payroll tax announced by the Premier, the estimated additional cost to the Water Authority in 1986-87 is \$1.1 million.

PLANNING: CANNING CITY COUNCIL

Duplex Projects: Contributions

613. Mr MacKINNON, to the Minister for Planning:

- (1) Is he aware that the City of Canning requires some developers of duplex projects to make a cash contribution to public open space development under section 34 of Town Planning Scheme No. 16?
- (2) What other local government authorities in the metropolitan area are authorised to charge such a contribution?
- (3) Does the Government condone such charges?
- (4) If not, why not?

Mr PEARCE replied:

- (1) Yes.
- (2) City of Cockburn.
- (3) and (4) No. In January 1976 the Crown Solicitor expressed doubt that the Town Planning and Development Act provided for such a clause in a town planning scheme. Canning town planning scheme No. 1 was gazetted in October 1973 and June 1974 respectively.

WATER RESOURCES

North-West Shelf Pipeline: Pumping Stations

614. Mr MacKINNON, to the Minister for Minerals and Energy:

- (1) How many pumping stations are located along the length of the North-West Shelf gas pipeline?
- (2) How is water provided to these pumping stations?

Mr PARKER replied:

- (1) Five.
- (2) All five are designed to collect rain-water.
The four with accommodation also have bore water available.
During the dry season when potable water is not available at sites with accommodation, water is taken in by road tanker.

COMMUNITY SERVICES

Ngal-a Mothercraft Home and Training Centre: Funding

615. Mr MacKINNON, to the Minister representing the Minister for Budget Management:

- (1) What Government funding has been provided to the Ngal-a Mothercraft Home and Training Centre Inc. in each of the last five years?
- (2) Is the Government considering cutting funds to Ngal-a?
- (3) If so, why is consideration being given to such a proposal?

Mr BRIAN BURKE replied:

\$

- (1) 1981-82—1 465 000
1982-83—1 827 000
1983-84—1 816 000

1984-85—1 600 000

1985-86—1 394 000

- (2) and (3) The question of funding to Ngai-a will be considered during the 1986-87 Budget process.

ARTS

Advisory Committee on Publications: Book Submissions

616. Mr MENSAROS, to the Minister for The Arts:

- (1) Adverting to his reply to question 248 of 1986, what are the prerequisite provisions for submitting a book to the State Advisory Committee on Publications for assessment?
- (2) Are publishers, distributors and retailers under any obligation (statutory or otherwise) to do so or is it their choice as to whether they submit a book to the committee?

Mr PARKER replied:

- (1) Publications are referred to the State Advisory Committee on Publications by the Minister, the Police Department, distributors, retailers, or concerned members of the public.
- (2) Publishers, distributors and retailers are not under any obligation (statutory or otherwise) to submit publications to the State Advisory Committee on Publications for consideration. However, in general practice, distributors and retailers of adult publications submit them for classification prior to sale or distribution to avoid possible prosecution.

EDUCATION

Literature: K-10 Syllabus

619. Mr COWAN, to the Minister for Education:

When is the films and book list for the K-10 syllabus going to be released?

Mr PEARCE replied:

The Health Education Teachers Guides contain references to book, film, and video resources. Teachers guides have been produced for years 1, 4, 8 and 9.

Other year levels are currently being developed.

All books, films, and videos recommended in the Education Department Health Education Teachers Guides have been deemed as appropriate and suitable resources for use in classroom health instruction.

An audio-visual catalogue of all suitable resources available in the health education-health promotion field is currently being developed by the Education Department in cooperation with the Health Department of Western Australia. This should be available for use in schools in 1987.

GOVERNMENT EMPLOYEES

Statistics

620. Mr RUSHTON, to the Premier:

I refer to question 581 of 26 June 1986, concerning the number of Government employees in the work force, and to his Press statement of 21 June 1983 (P83/379) and request a reply using 31 May 1983 as a basis for comparison.

Mr BRIAN BURKE replied:

A reply will be prepared and the member advised in writing in due course.

QUESTIONS WITHOUT NOTICE

GOVERNMENT EMPLOYEES

Retirement Benefits

98. Mr HASSELL, to the Premier:

- (1) Did any of the following senior public servants or contracted Government employees receive any sum in excess of statutory retirement benefits and superannuation entitlements on the termination of their employment or has any agreement been made to pay any such sum—

Mr Ken McKenna, Public Service Board

Mr Les McCarrey, Treasurer

Dr Robert Vickery, Education Department

Mr Bruce Beggs, Department of Premier and Cabinet

Mr Colin Porter, Department of Conservation and Environment

Mr Keith Mann, Public Service Board

Mr Pat Shaddick, Public Service Board

Mr Noel Semmens, Department of Tourism

Mr Frank Ellis, WA Art Gallery

Mr Darryl Hull, WA Technology Directorate?

- (2) If "Yes", which of the above received, or is to receive, such payments, and what are the details of the individual payments?

Mr BRIAN BURKE replied:

- (1) and (2) Consistent with policies adopted by previous Governments, I do not propose to disclose the personal financial details of individuals who are presently or who were formerly in the Public Service.

If any of the people named by the Leader of the Opposition chooses to release that information, that is a matter for his own decision. However, I presume the question refers to the management-initiated retirement scheme for senior officers which the Public Service Board has had in place for some time. The retirement scheme was introduced, as it was at Commonwealth level, because the Government recognised the need for compensation for some senior officers displaced as a result of necessary reforms and structural change in the Public Service.

As the title implies, the retirement scheme is management-initiated and applies only to level IX officers and above. So far it has involved only a small number of people and is based on a formula similar to the Commonwealth arrangement. Many of the people who have opted for the scheme were already on the attached list or in a similar situation because of structural changes. In all cases it was beneficial to the Government, the taxpayer, and the individual for the retirement scheme to operate.

I am informed that in all cases the payout figure was significantly less than the salary which would have been paid had the officer stayed on. In fact, the Public Service Board's calcu-

lations indicate that the arrangements made under the programme so far will save the taxpayer at least \$1 million over the next five years.

GOVERNMENT EMPLOYEE

Retirement Benefits

99. Mr HASSELL, to the Premier:

Is the Premier prepared to deny that Mr Ken McKenna of the Public Service Board has been paid a sum significantly exceeding \$160 000 being the sum equivalent to two years' salary associated with his recent premature retirement?

Mr BRIAN BURKE replied:

As indicated in answer to the first question directed to me by the Leader of the Opposition I am not prepared—in fact, I cannot say off the top of my head were I prepared to say—to provide information of the personal financial details of the individuals listed in the first question asked by the Leader of the Opposition or that individual, Mr McKenna, referred to in his second question. If Mr McKenna wishes to disclose those details I think it is perfectly proper that he should make a decision to do so.

As far as the Government is concerned, the service rendered by Mr McKenna was entirely acceptable and satisfactory from the Government's point of view. His decision to opt for the management-initiated retirement scheme was a decision that he took. The scheme was open to him, and the Government is perfectly satisfied that he was treated by the Public Service Board in the same manner as it treated other people.

Apart from saying that and reminding the Leader of the Opposition that if he has any particular concern regarding Mr McKenna's treatment or the treatment of any other individual that he make inquiries about that particular concern, I can only say that I will not release the financial details of individuals who are presently or who were formerly senior public servants.

MULTICULTURAL AND ETHNIC AFFAIRS

Immigrants: Employment

100. Mr TERRY BURKE, to the Honorary Minister assisting the Minister for Multicultural and Ethnic Affairs:

How has the Government identified the employment needs of immigrants living in Western Australia?

Mr GORDON HILL replied:

The Burke Labor Government established the Multicultural and Ethnic Affairs Commission in 1984. It was the first Government in Western Australia to recognise the importance of this matter; and one of the first tasks undertaken by the commission was to identify the needs of the ethnic communities in Western Australia.

Today I tabled the needs and priorities report from the Multicultural and Ethnic Affairs Commission. One of the needs outlined in that report was to examine further the problems facing the ethnic community in terms of seeking employment in the labour market. The commission initiated research into the employment needs of migrants following that finding and this research has recently concluded and is compiled in a report titled, "The Experience of Migrants in the WA Labour Market". It is a descriptive analysis of the labour market experience of migrants between 1971 and 1985. Recommendations from the report detail practical strategies which agencies and Government departments involved in labour force market programmes can implement so that migrants can more fully participate in the labour force.

Without doubt, the persons from a non-English background are most drastically affected by employment, yet members should note that it has only been during the period of the Burke Government that serious efforts have been made to identify strategies which can enable more productive participation of migrants in the labour market so that their skills, knowledge, and contribution to society are not wasted.

In the very near future I will table the report compiled by the Multicultural and Ethnic Affairs Commission.

GOVERNMENT EMPLOYEES

Conditions of Employment

101. Mr HASSELL, to the Premier:

- (1) If the Premier does not agree that his stance in relation to the questions I have asked is representative of an unusual and excessively secretive approach, and bearing in mind that he has now refused to answer questions relating to payments to Mr Keith Gale, including the lengthy time he spent at the Parmelia Hotel at the expense of the taxpayer, and payments in respect to the adviser on airlines, Mr Smith, why does he refuse to answer questions about payments to advisers and consultants?
- (2) Why the Premier's sudden interest in their privacy when others in public life are subject to disclosure of their salaries and allowances, including members of Parliament and civil servants generally—I remind the Premier that he wants members of Parliament to disclose their assets?
- (3) Is the Premier following the line which is purely one of political convenience?

Point of Order

Mr TAYLOR: The Leader of the Opposition started the question by asking "If the Premier does not agree". Under Standing Orders that is seeking an opinion from the Premier and, therefore, the question may be out of order.

Mr HASSELL: To my recollection and understanding it is in order to ask as a matter of fact whether a Minister agrees with a proposition. It is not a matter of seeking an opinion but of asking whether he agrees with a proposition put to him. In the House of Commons it is a common form of questioning.

Speaker's Ruling

The SPEAKER: In ruling on the point of order raised by the Minister for Health I advise that in the form put by the Leader of the Opposition his ques-

tion is out of order. I would like the Leader of the Opposition, and I give him the opportunity to do so, to rephrase the question.

Questions Resumed

Mr HASSELL: It was a rather lengthy question but the nub of the question remains as to whether the Premier will reconsider because of the reasons I have stated—the many people whose salaries and allowances are publicly stated and in view of the fact that there are many recent refusals to provide information—or whether the Government is following a policy of secrecy for political convenience.

Mr BRIAN BURKE replied:

I think it is necessary to take the examples that the Leader of the Opposition proffers, address them individually, and then draw the logic that he attempted to draw from them to apply to the second part of the question.

The two examples the Leader of the Opposition used as the strength for the second part of the question were examples involving Mr Smith and Mr Keith Gale, neither of whom was a public servant, both of whom were engaged by—I will stand corrected—Exim Corporation and the WADC, or a combination of those two. We have had the argument about the Exim Corporation and the WADC on numerous occasions with the Opposition insisting that these two corporations are somehow or other to be subject to extreme scrutiny that sets them commercially or competitively apart from other private sector entities.

We have had that argument and we have not resolved the argument, but at least the argument itself and the nature of the dispute clearly set aside that question from one of the orthodox public servant and his or her position. In no sense can one liken or relate the questions involving Mr Smith and Mr Gale to the question involving Mr McKenna.

In respect of the second part of the question, clearly the retirement benefits paid to Sir Charles Court were never publicised and neither should they have been publicised. The retire-

ment benefits paid to the former Premier, Mr Ray O'Connor, were not publicised and neither should they have been publicised. It seems very clear to me that it is not the Government's role to release the private financial details of an individual's position. No-one in this Chamber believes that his retirement benefit from the State Superannuation Board should be publicised. It never is. I can never recall that information being insisted upon.

From time to time there has been speculation in the newspapers about politicians retiring on superannuation payments of such and such a figure but I cannot recall any Government releasing the private financial details or dealings of individuals on retirement.

In that matter I have far too much respect for Mr McKenna and for the other people to whom the Leader of the Opposition referred in his question to willingly disclose their private financial circumstances. It is not a fair thing to be asked to publicly disclose and I do not intend to publicly disclose that information. Members of Parliament are different, they are elected; civil servants are not elected. Public servants do not share the same responsibility for disclosure that I suggest members of Parliament do.

It seems strange to me that the Leader of the Opposition will want, insist on, or demand the disclosure of information about public servants but will not agree that the legislation for the disclosure of financial interests legislation, that we have proffered, be made public. There is a contradiction there if ever there was a contradiction.

As far as the Government is concerned, we make it quite clear that we do not believe it is our responsibility to disclose the private financial details involved in the retirement of those very senior public servants, including Mr McKenna, to whom the Leader of the Opposition referred.

ENERGY: GAS

North-West Shelf: Australian Component

102. Mr MARLBOROUGH, to the Minister for Minerals and Energy:

- (1) With regard to the North-West Shelf LNG project, what percentage of work has been sourced in Western Australia, other States of Australia, and overseas?
- (2) What is the status of the transformer contracts which were reported in *The Australian* on 15 and 19 May as having been awarded to a UK company rather than an Australian manufacturer?

Mr PARKER replied:

- (1) In regard to the LNG phase of the project, at the meeting on 9 May 1986 of the national liaison group, which was formed as a joint initiative of this Government and the Commonwealth, Woodside Offshore Petroleum Pty Ltd reported that as at the end of April 1986 subcontracts, procurement orders, and other works and services totalling \$652 million had been let to Australian firms. Of this \$556 million was committed in Western Australia and \$96 million in the other States.

The level of Western Australian content is 52 per cent and overall in Australia it is 61 per cent. This is expected to increase over the next six months as major engineering, construction, and fabrication contracts are awarded, many of which flow to Australian companies. It is now likely that overall the local content of the LNG project will exceed that of the Domgas project, which was much less sophisticated.

Orders valued at \$417 million have been let overseas, largely reflecting the need for sophisticated cryogenic and process engineering equipment to suit the first LNG plant to be built in Australia.

- (2) I am pleased to advise that following detailed discussions with Woodside in regard to the likelihood of that award being made to an overseas company, Woodside subsequently advised us that the UK company had withdrawn its bid and that the award of this contract to the value of several million

dollars was made to the local Perth company, Westralian Transformers Pty Ltd.

UNION: WATERSIDE WORKERS
FEDERATION

Strike: Agricultural Produce

103. Mr COWAN, to the Minister for Agriculture:

- (1) Is the Minister aware of the reported statement by the Waterside Workers Federation of Australia that special consideration will be given to ensure the continued export of agricultural products in spite of the indefinite stoppage by members of that union?
- (2) Is the Minister also aware that members of the WWF have stopped work at Albany and are preventing a wheat ship from being loaded?
- (3) Can he inform the House what action the Government is taking to ensure that the shipping agreements of valuable agricultural exports can be honoured?

Mr GRILL replied:

- (1) I am not aware of the statement to which the member is referring. I assume it is a recent statement.

Mr Cowan: It was made in yesterday's edition of the *Daily News*.

Mr GRILL: To continue—

- (2) and (3) There is an agreement between the present Government, the Waterside Workers Federation, and a committee of interested parties which I set up last year, whereby waterside workers and others operating in Fremantle—it was limited to Fremantle—would handle perishable cargoes which had been delivered to the wharf for shipment overseas. Since that agreement was entered into, the waterside workers and others involved in the Fremantle port have honoured that agreement.

I must give them credit for that. I do not think that the agreement actually extended to the out-ports, although it might be said that the spirit of the agreement should, and I believe that the Minister for Transport will be looking into that matter in the very near future.

The other aspect of the matter is that wheat, of course, is not normally termed a perishable, although wheat will perish over a period of time. I do not think wheat ships have ever been made subject to that agreement.

Mr Cowan: Are you prepared to pay the demurrage that will be incurred?

Mr GRILL: The member for Merredin is now asking a series of questions leading on from the initial questions, which are somewhat different from the one he has now put up. Of course no-one would be prepared to enter into such a commitment, but the waterside workers to date have stood by the agreement to handle perishable cargo.

GOVERNMENT EMPLOYEES

Vacancies: Policy

104. Dr WATSON, to the Premier:

What is the Government policy on filling vacancies in the light of the ministerial statement to Parliament on 26 June?

Mr BRIAN BURKE replied:

Because of the tight budgetary situation it was necessary to impose a temporary freeze on appointments of all staff from 31 May 1986 until the review of Budget submissions has been completed. To avoid situations where an absolute freeze would be impractical or would cause undue hardship, several classes of general exemption have been granted.

The first relates to approved trainee intakes—for example, police. The second category of exemption relates to essential staff in the Health Department—matrons, directors of nursing, senior medical officers, medical and nursing staff, and medical support staff in specialised areas such as operating theatres and intensive care units.

A third category of general exemption applies to temporary relief in country areas. Positions may only be filled on a temporary basis for up to three months where there is no alternative means by which the service could be provided from local staff resources. A circular to Ministers on this subject is

tabled for the information of members.

Fourthly, general approval has been granted for the replacement of teachers who resign or go to extended leave, where the absence of a replacement would have established classes without teachers.

Other applications for exemption from the freeze are considered on a case by case basis by the Minister for Budget Management. Approval for exemption is only granted in exceptional circumstances or where extreme difficulties would arise if there is no replacement.

(See paper No. 228.)

GOVERNMENT EMPLOYEES

Retirement Benefits

105. Mr HASSELL, to the Premier:

In view of his great concern about privacy when disclosing the nature of payments to various senior public servants who retire, will he provide me with a global figure in respect of the payments referred to in the question which I asked, which relates to the sums in excess of statutory retirement benefits and superannuation entitlements on termination of employment? The information required is in respect of the persons named in the first question without notice asked by me today.

Mr BRIAN BURKE replied:

I will certainly consider the request made by the Leader of the Opposition. However, I do not even know whether all those people to whom he refers in his question participated in the management-initiated retirement scheme to which I referred. It may well be misleading to give a global figure relating to those people when half or three-quarters of them did not participate or retire as a result of exercising an option in respect of the scheme.

I suggest to the Leader of the Opposition, if he is genuine in his concern as he appears to express it, that he go down to the Public Service Board and see the Deputy Chairman, Mr Frank Campbell, who is the responsible officer in the absence of a chairman,

and discuss the scheme with Mr Campbell. That will allay any fears the Leader of the Opposition might have about the scheme, how it is operated, and how it is applied by the Public Service Board. I think Mr Campbell would be only too forthcoming in providing the information that the Leader of the Opposition requests, but it is up to Mr Campbell and I would not instruct him immediately to provide the information requested by the Leader of the Opposition.

ABORIGINAL SITES

Bennett Brook

106. Mr MacKINNON, to the Honorary Minister assisting the Minister for Aboriginal Affairs:

- (1) Why did he delay until 20 June his decision to allow the State Energy Commission to put a lateral gas pipeline two metres under Bennett Brook near Caversham?
- (2) On whose advice did he call prior to making this decision?

Mr BRIDGE replied:

- (1) and (2) I am surprised that the Deputy Leader of the Opposition has raised this matter with me. There is a procedure in Australia which is known as the courts and the laws of our land, in which matters of this nature are sometimes dealt with. It so happens that this particular matter is before the court, and anybody with an ounce of understanding of the procedures of the laws of our land would understand that such a question ought not to be directed to any politician within this House.

ABATTOIR: MIDLAND

Debts

107. Mr CRANE, to the Minister for Agriculture:

- (1) What is the present status of the debts of the Western Australian Meat Commission in respect to the Midland abattoir?
- (2) In particular, has the debt to the Government been written off, or is it to be written off?

- (3) What is the position in respect of the approximate sum of \$5 million of private borrowings?

Mr GRILL replied:

- (1) to (3) I cannot tell the member the precise amount but I can say in general terms that it is somewhere between \$14 million and \$15 million. The debt has not as yet been written off but there is an understanding with the Government that it will be written off once we can get up legislation to accommodate that end.

At the present time, the Treasury is quite separately recompensing the Meat Commission for interest payments made on that debt, so it should not properly be shown at the present time nor in the future accounts of the commission as a debt of the commission. It is the Government's intention to write the debt off in due course.

Mr Crane: And the \$5 million?

Mr GRILL: I probably should take that on advice, but my recollection is that the \$5 million forms part of the \$15 million which will be written off in due course.

AGRICULTURE

Rural Adjustment and Finance Corporation: Loan Processing

108. Mr HOUSE, to the Minister for Agriculture:

In view of the problems experienced with the Rural Adjustment and Finance Corporation, particularly with reference to the time taken to process loans and the apparent and obvious requirement for equity to be a prime prerequisite in a time of falling land prices, what steps does the Minister intend to take to rectify these problems, and how long will it be before they are implemented?

Mr GRILL replied:

I have not found any really significant problems in respect of the way in which the Rural Adjustment and Finance Corporation has applied the guidelines for advancing funds to farmers over the last six months or so to endeavour to help them over their present financial difficulties. In fact,

in all of the instances where particular cases have been referred to me, I have found that the Rural Adjustment and Finance Corporation has properly considered the applications that have come before it, has made decisions in accordance with the guidelines, and at the same time has been very sympathetic in the way it has applied those guidelines.

The only criticism that I can see of the way in which RAFCOR has operated over the last few months is in the time that it has taken on some occasions to actually advance funds to the applicants once they have been approved. In those cases, almost invariably the delay has been occasioned by obtaining sufficient security. In the majority of cases I have looked at, RAFCOR has not been at fault in that respect. Certainly there have been delays and many of them have been occasioned by a whole range of factors, including availability of certificates of title, arrangements with other financial institutions to give priority

to the advances by RAFCOR, etc. However, there have been a small number of cases where it has been quite clear that RAFCOR has been too slow. Some of those instances have been referred to me by members of Parliament. In those instances it is a matter of tightening up on some procedures that RAFCOR has applied. In most of the cases I have looked at where there has been an outright delay, it has been due basically to inexperienced staff who have been brought into RAFCOR to fill a gap over the last few months, and they have misfiled documents and done things of that nature.

In respect of the necessity for security, I have asked the Crown Law Department to look at ways in which we can perhaps have a lesser security or have the system streamlined. I am hoping to receive a representation on that shortly. Other than that, we hope to be able to computerise the operations of RAFCOR shortly.

