

Legislative Council

Wednesday, 15 June 1988

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

PRESIDENT'S STATEMENT

Computer Technology - Parliament House

THE PRESIDENT: Honourable members, I wish to advise you that the Western Australian Parliament has received a Gold Award in an Australia-wide competition open to public sector bodies which have successfully implemented new technology to improve productivity and efficiency. The competition was conducted by the Technology in Government Committee.

The first objective of our computer project was to reduce the Parliament's heavy printing expenditure. This has now been achieved. Printing costs have been more than halved and savings of about \$500 000 a year are being made. I commend all those who have been involved in this project and congratulate them on winning the award.

As a postscript, I am doubly pleased about this award given that, in the embryonic stage, the use of computers in the Western Australian Parliament commenced in the Legislative Council.

PRESIDENT'S STATEMENT

Select Committee on Burswood Management Ltd

THE PRESIDENT: Last night following the presentation of the special report from the Select Committee on Burswood Management Ltd, I expressed some disquiet about what both statements contained. I want to make it perfectly clear that I was not reflecting on the statements themselves; what was done was the proper course to follow by both the chairman, Hon Tom McNeil, and Hon Neil Oliver.

My reservations arise from my role as the guardian of this House's privileges. A reading of the two statements suggests to me that evidence has been supplied to the chairman, at least, seeking to influence him and no doubt the other members of the committee as to the propriety of Hon Neil Oliver's continued membership of that committee.

Because I do not know the nature or the content of the evidence to which the reports refer, I can do no more than suggest that if it is such that a reasonable person would see it as an attempt to influence or intimidate the committee or any of its members, a contempt may have been committed. I want to make it very clear that the question of contempt has no relationship or bearing on the truth or otherwise of the evidence itself. Whether the evidence is true or false is irrelevant to a decision about the use to which it is put in the context of upholding the privileges of this House.

I suggest that the House has the alternatives of doing nothing or referring the whole matter to a Committee of Privilege for further inquiry.

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [2.35 pm]: I move -

That consideration of the President's statement be made an Order of the Day for the next sitting of the House.

Any question which touches on a breach of parliamentary privilege is obviously serious and needs careful consideration. Having just heard your views, Mr President, I am not myself in a position to take up either of your alternatives. However, I clearly indicate that you have raised a consideration which demands the proper further consideration of the House itself. To assure members that there will be no delay in proceeding in the way that I have suggested, I advise members that the House will certainly sit tomorrow, and it is my intention to seek leave to have the consideration of your report, Mr President, dealt with as the first order of business tomorrow.

HON G.E. MASTERS (West - Leader of the Opposition) [2.37 pm]: Mr President, I hope you will allow me a little flexibility in this because I think it is a very important and serious matter.

I take note and acknowledge the statement of the Leader of the House. I support the proposition that this matter should be considered first up and should take precedence at tomorrow's meeting of the Legislative Council. I certainly will support the setting up of a Committee of Privilege because I think we have to understand exactly what is happening behind the scenes at this time. I am bound to bring to the attention of the House the document which has been mentioned in the statement of Hon Tom McNeil. The information was a transcript of two private telephone conversations, which may have been gained illegally and which appear to have been used in an attempt to discredit Hon Neil Oliver, and to affect his membership and the operation of the Select Committee. The possibility of any person or persons tampering with or seeking to record telephone conversations, or other conversations, illegally is something which should be deplored by all members of the Legislative Council. I make that statement in view of comments made to me only half an hour ago. I want to re-emphasise the importance of the issue as a result of what I am saying.

About half an hour ago, it was indicated to me that my own telephone conversations have been reported and recorded - conversations I have had with Hon Neil Oliver, and conversations I have had with other people. If that is the case, indeed the matter has reached a stage where this House has no alternative but to take some action and to look at what is happening. Like anyone else, I strongly resent the fact that my telephone conversations, be they of a private nature with my wife or with anyone else, are being recorded.

Hon D.K. Dans: Do you mean from this building?

Hon G.E. MASTERS: No, not as far as I know; I doubt it very much.

Hon D.K. Dans: Were the conversations made on your office phone?

Hon G.E. MASTERS: I have had telephone conversations with Hon Neil Oliver on my home phone and elsewhere.

I am prepared to support the adjournment of this matter until tomorrow. However, the matter is of such immense concern to me and to other members that I ask members to think about it carefully over the next 24 hours. I hope, as a result of the comments that I have made and the experiences that I have had, we will find out what is happening. We have to put a stop to any move to stand over members of Parliament by recording their conversations and using those conversations against them at some future time.

Question put and passed.

JUSTICES AMENDMENT BILL

Introduction and First Reading

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

CHILDREN'S COURT OF WESTERN AUSTRALIA BILL

Introduction and First Reading

Bill introduced, on motion by Hon Kay Hallahan (Minister for Community Services), and read a first time.

Second Reading

Leave granted to proceed forthwith to the second reading.

HON KAY HALLAHAN (South East Metropolitan - Minister for Community Services) [2.48 pm]: I move -

That the Bill be now read a second time.

In recent years a number of key Government reports have been consistent in their criticism of the current laws relating to the constitution and powers of the Children's Court, with particular reference to powers relating to the sentencing of juvenile offenders. These have included the 1982 Edwards report on the treatment of juvenile offenders, the 1984 report of the community services review, and the 1986 departmental report on the review of juvenile justice systems. It is against the background of these reports that this Bill and the associated Acts amendment Bill seek to radically alter the constitution and powers of the Children's Court and improve the range of sentencing options available in relation to juvenile offenders.

Children's Courts in Western Australia were first established under the Children's Act 1907. This was consistent with a trend which began in the United States in Illinois in 1899, and spread throughout Western countries around the turn of the century. The philosophy underlying the establishment of Children's Courts, particularly in the United States, was based on a belief that offending children were victims of undesirable environments and therefore should be treated in a similar manner to neglected children. This meant that, under the new regime of Children's Courts, it was seen as more important to inquire into the background of the offender rather than deal with the offence itself, and to plan appropriate treatment on that basis.

Since the 1960s there has been growing criticism of this "welfare" approach to juvenile offending. It has been criticised as overly permissive, as allowing unfettered discretion to courts and administrators, and as having failed in achieving its rehabilitative goals. A particular criticism has been the extent to which often open ended discretionary orders allow for more extensive loss of liberty and State control in the lives of young offenders than would be possible for adults convicted of the same offences.

There have been increasing trends for a move back to "due process" safeguards in Children's Courts and, in particular, a call for determinate sentencing and a reduction in the administrative discretion allowed State welfare departments. Legislative reform in this direction began with the Washington State Juvenile Justice Act in 1977. These trends have also been adopted in some Australian States.

The legislation before the House will do more than bring Western Australia in line with other States and in a number of important respects it breaks new ground in terms of the status and powers of the Western Australian Children's Court. There are a number of fundamental aims in this legislation. The first is to provide for the establishment of a Children's Court with sufficient status and power to fulfil its social mandate. Secondly, there is a need to provide adequate safeguards for the rights of individuals who appear before the court. In a number of areas this involves reducing the administrative discretion currently available to officers of the Department for Community Services and to provide far greater accountability through the court system. Thirdly, there is a need to provide an adequate range of options to the court, in dealing with the very significant problem of juvenile crime, but at the same time to reduce the very high rate of juvenile incarceration in Western Australia.

The important features of an effective juvenile justice system are that young offenders will be held accountable before the law, in a way which affords the community proper protection and at the same time provides supports which will assist young people in developing towards responsible adulthood. The Children's Court of Western Australia Bill has been developed as a result of close consultation between the Crown Law Department and the Department for Community Services. It provides for a unified Children's Court of Western Australia, whereas current legislation provides for courts to be established separately in each location.

The new court is to be administered by the Attorney General. This transfer of administration is an important step, as the Department for Community Services is a significant party in some matters which come before the Children's Court, and it has rightly been seen as inappropriate that that department also be responsible for the administration of the court. However, the new Act provides for far more than merely a transfer of provisions from the Child Welfare Act. It provides for substantial changes in the very nature of the Children's Court in Western Australia.

The court will be headed by a judge, with the title of President, who will have the same status and entitlements as a District Court judge. The Act also allows for the appointment of further judges to the Children's Court. It also provides for the appointment of magistrates and members as is currently the case, except that, in future, magistrates of the Children's Court will be required to have the same qualifications as stipendiary magistrates.

A number of recent reports have expressed concern that the Children's Court does not have sufficient status to deal with the important issues of custody and guardianship of children which are dealt with in care and protection applications. The changes in the constitution of the court will allow the more complex and contentious of these cases to be dealt with by a judge, and thus receive adjudication at a level consistent with their seriousness. In a significant departure from the current system, the Children's Court will have exclusive jurisdiction to deal with all criminal offences committed by children, except where a child

elects for trial by jury or in certain circumstances where a child is co-accused with adult offenders.

Having a single jurisdiction for children will enable the court to act with confidence in developing clear sentencing principles and standards in relation to young offenders. This will have considerable benefits, both in terms of community protection and in safeguarding the rights of young people who appear before the court. A judge in the Children's Court will have all the powers of a Supreme or District Court judge in passing sentence on young offenders, as well as powers under the Child Welfare Act. This will include the new detention provisions in the Acts Amendment (Children's Court) Bill.

In setting the limits of detention it has been important to strike a proper balance between protection of the community and reducing the unacceptably high detention rate in Western Australia, in favour of community based options. Therefore a judge in the Children's Court will have unrestricted power to order periods of detention or imprisonment up to the maximum prescribed penalty for the offence in the adult criminal system. However, magistrates will be limited to orders of six months' detention or three months' imprisonment, whilst members will have no power to order detention or imprisonment. In all cases it will be necessary to provide written reasons as to why detention or imprisonment was the only suitable option.

To deal with varying workloads in relation to the more serious offences, it will be possible for a judge of the Supreme Court or District Court to also sit in the Children's Court as required. In addition, it will be possible for the president to give extended powers to a magistrate in relation to a particular case, which would normally be dealt with by a judge. The six months' maximum period of detention normally applying to magistrates gives recognition to the fact that six months' deprivation of liberty in the life of a child has significantly more impact than in the case of an adult. However, in an exceptional case, where a magistrate considers this to be inadequate, it will be possible to adjourn the case for sentencing by a judge. In those cases where young offenders are dealt with by the Supreme Court or District Court, judges will have, in addition to their own powers, those provided to a judge under the Children's Court Act and the Child Welfare Act. This will mean that a uniform range of sentencing options exists in whichever court the child appears.

Another new provision in the Bill is that relating to payment of compensation or restitution. Currently a child who fails to comply with a restitution order serves a period of detention in default and the order is acquitted. This is of no help to the victims of crime and results in an exacerbation of this State's high juvenile incarceration record, by locking up children for financial reasons. Under new provisions in the Children's Court of Western Australia Bill, any amount of restitution in arrears can be recovered through a Local Court. As well as contributing to a reduction in incarceration, these provisions will be of far greater value to victims, who do not benefit at all from periods of detention served in default of restitution. The court will be required to have regard for the financial means of the child before ordering restitution so that orders made under these provisions are realistic.

An important new provision, to provide for consistency of sentencing in the Children's Court, is a power for the president to review sentences of magistrates or members. This will provide a speedy, accessible and relatively inexpensive alternative to appeals to the Supreme Court against sentences in the Children's Court. The option of seeking an order of review by the Supreme Court will continue to be available as an alternative to review by the president.

Appeals against decisions on care and protection matters will continue to be dealt with by the Supreme Court. This is particularly appropriate in terms of the sensitivity of this jurisdiction, which will mean that the more complex and contentious cases will in future be dealt with by a judge in the Children's Court in the first instance.

This Bill and the associated Acts Amendment (Children's Court) Bill are highly significant Bills which provide for the creation of a new and substantially more powerful Children's Court of Western Australia, as well as commencing the long overdue reformation of legislation administered by the Department for Community Services, in particular the Child Welfare Act.

I commend the Bill to the House.

Debate adjourned, on motion by Hon John Williams.

ACTS AMENDMENT (CHILDREN'S COURT) BILL

Introduction and First Reading

Bill introduced, on motion by Hon Kay Hallahan (Minister for Community Services), and read a first time.

Second Reading

Leave granted to proceed forthwith to the second reading.

HON KAY HALLAHAN (South East Metropolitan - Minister for Community Services) [3.00 pm]: I move -

That the Bill be now read a second time.

This Bill repeals those provisions of the Child Welfare Act relating to Children's Courts which will now be replaced by the Children's Court of Western Australia Act as well as making consequential amendments to a number of other Acts. In addition, it makes a number of specific reforms to the Child Welfare Act, particularly in the area of juvenile offending. Many of these changes provide a legislative base for administrative reforms which have been made by the Department for Community Services since 1982. They replace inappropriate departmental administrative discretion with court decision making and provide appropriate due process safeguards for young people in the juvenile justice system.

In the area of sentencing juvenile offenders the most significant change is the repeal of the power to place a child under the control of the department and replacement of this with fixed periods of detention. Under the old system of control orders, which was very much a product of the welfare approach to juvenile offending, a control order could be made up to the age of 18 years, giving the Department for Community Services complete discretion regarding placement during that period.

At one end of the continuum this could mean that the court's intention that a custodial penalty result may be frustrated by departmental decision making. At the other end, a child could serve a lengthier period in custody than would have applied to an adult in the same circumstances and even be returned to secure custody on subsequent occasions without having reappeared in court. Such a system denied proper powers to the Children's Court to determine sentences on behalf of the community as well as depriving young people of reasonable rights to due process of law in matters affecting their liberty.

For some years the department has been accepting court recommendations for secure detention as if they were sentences in an attempt to administratively correct the failings of the legislation. These amendments will constitute a highly significant step towards ensuring a properly accountable system of justice for young people in Western Australia. Under the new provisions similar conditions for remission will apply to children under orders of detention as apply to adults serving sentences of imprisonment.

The Bill provides for the gazettal of detention centres and other provisions for their management and conduct. An important aspect of this will be a clear legal distinction between those centres for the detention of young people sentenced through the criminal justice system and facilities for the care of children declared to be in need of care and protection. Although this distinction has been maintained in practice in recent years it was previously possible for a child entering the department's care through neglect or maltreatment to ultimately be placed in a secure centre with young offenders without having been convicted of any offence. This very unfortunate aspect of past policies, which mixed child protection and criminal justice issues, provided a pathway into the criminal justice system for many young people in State care.

With regard to the conduct and supervision of detention centres, the Bill provides for the appointment of visiting justices. Their duties will include visits of at least three monthly frequency, reports to the Minister on these visits, and the determining of charges which may result in loss of remission. Superintendents of detention centres will also have more limited powers to order loss of remission, as is the case with superintendents of prisons in the adult system.

There are some circumstances when it will be appropriate to transfer a young person serving a term of detention to an adult prison. This may be upon turning the age of 18, or where the

child's behaviour constitutes an unacceptable risk which cannot be managed within the juvenile system. In these circumstances the Act provides for an application to a judge in the Children's Court for a direction that the remaining portion be served in an adult prison. It also provides that a child serving a sentence of imprisonment may, by order of the Governor, serve all or part of that sentence in a detention centre.

A range of other changes are also made to the sentencing provisions of the Child Welfare Act which are designed to provide the court with a more comprehensive and workable framework of sentencing options for young offenders. At one end of the scale, for less serious matters, the current provisions, which allow dismissal or adjournment subject to certain conditions, are expanded to allow for a broader range of conditions to apply. This is particularly significant in terms of the recently announced new programs for juvenile offenders, which include programs such as law education and alcohol and drug education to be available to the court. Under the new provisions attendance at such programs by children and parents may be a condition of these orders. An important aspect of orders under these provisions will be a greater emphasis on parental involvement and responsibility; for example, parental supervision of work to compensate for or repair damage will be an option available to the court.

The current provisions for supervision orders, which contain no powers of enforcement, have been criticised frequently as ineffective and will be repealed. Probation, which is regarded as a very important alternative in a number of cases, has recently been upgraded by the Department for Community Services and this receives legislative backing in these amendments. In every probation case the department will be required to prepare a pre-sentence report containing an agenda which would include those conditions which will be enforceable against the child and a plan for appropriate services to the child and family. Parental involvement in the development of probation agendas and their implementation will increasingly be an important aspect of probation consistent with the aim to support families in taking responsibility for their children. Thus, probation has become a far more purpose related sentence and will be targeted at those cases in which it is most appropriate.

In conjunction with these moves, 10 new senior social worker positions have been created to spearhead a higher quality of probation and other community based services to young offenders. In line with their time limited, purpose oriented nature, probation orders will be limited to six months' duration, or two years if ordered by a judge.

A full review of outdated monetary penalties in the Child Welfare Act has been undertaken and, in line with this, the maximum fine for children has been raised from \$500 to \$1 000. Currently the Act provides that a parent may be ordered to pay all or part of a fine, damage costs, or restitution imposed on a child where the parent has condoned to the commission of the offence. However, an upper limit of \$300 currently applies to parental obligations under these provisions. This upper limit is to be repealed so that parents may be required to take full financial responsibility for the consequences of their children's behaviour. However, the court will be required to have regard for the financial circumstances of the family when making an order under these provisions.

The non-custodial sentence which has had the highest credibility in Children's Courts is the community service order. Currently, however, there are restrictions applying to this sanction. These are where the child has previously been found guilty of certain prescribed offences, or in the case of a 17 year old with any previous conviction. In order to meet the requests of magistrates for more sentencing options, the department has recently made a community work option available to those excluded from community service orders using another section of the Act. This trial project has proven most successful. The repeal of the restrictions will therefore provide a proper legislative framework for expansion in the use of community service orders.

For some time the department has been operating diversionary programs in the community as a last chance option for young people who would otherwise have served terms of detention. The most common of these have been unpaid work orders of 40 hours per week for the duration of the custodial sentence. Failure to comply with the order has resulted in immediate detention for the remainder of the period. In remote areas, some Aboriginal communities have administered their own diversionary programs often involving extended family members taking responsibility for the supervision of orders, thus providing culturally relevant alternatives to secure detention for their own young people.

Under the new sentencing provisions for detention, provisions will be made for conditional release orders in appropriate cases to provide a legal basis for the continuation and expansion of this scheme. Currently, there is inconsistency regarding those penalties which attract or do not attract the recording of a conviction. This is to be rationalised so that in all cases that are dismissed no conviction will be recorded. In all medium range penalties, such as community service orders, probation and fines, the court will have an option as to whether to impose a conviction, and in the case of custodial sentences a conviction will be recorded in all cases.

An issue which has been contentious in the past has been the discretion allowed to the department regarding the placement of children, charged with an offence, who are remanded in departmental custody. The issues in these cases can sometimes be blurred. It may be that the child constitutes such a risk to the community by virtue of the particular offence, or there is sufficient reason to doubt that the child will reappear in court, that secure custody is warranted. In many cases, however, the child concerned is homeless, or has no parent or other person willing to provide accommodation, so that the issue is more one of providing care for welfare reasons during the period of adjournment.

This Bill provides amendments to the Child Welfare Act, which will allow the court to direct secure custody, during an adjournment, or, alternatively, placement in a care facility or elsewhere at the department's discretion.

Similarly, in the non-criminal area, the department currently has the power to determine placement of a child during the adjournment of a care and protection application. As the department is invariably the applicant in these cases, this has very serious implications for the rights of children who are subject to these applications and their families. As the initiative for these Bills came primarily from reviews in the juvenile justice area, issues regarding the adequacy of legislation in the care and protection area have not been addressed. However, the Government recognises that in this area issues relating to departmental discretion, accountability, and protection of the rights of individuals by due process of law, are also in need of review. This will be carried out as part of the major review of departmental legislation which is currently under way.

However, the matter of power to determine custody during adjournments is one of fundamental importance, which is appropriately given urgent attention at a time when a new Children's Court is being created and its powers established. The Bill provides for the court to determine the custody of a child and other associated matters during the adjournment of care and protection proceedings.

Current provisions in the Child Welfare Act allow adults charged with certain offences against children to be dealt with in the Children's Court. The penalties available to the court under these circumstances are significantly less than those available under the Criminal Code. These provisions have been strongly criticised in recent years, in particular by the recently released report of the Child Sexual Abuse Task Force. The hearing of these matters in a Children's Court with more lenient penalties is considered inappropriate where serious criminal behaviour against children is concerned.

These provisions are to be repealed so that, in future, all adults charged with criminal offences against children will be dealt with in the adult criminal justice system. In past systems which have blurred the distinction between young offenders and children in need of care, the category of young people who have most frequently suffered the injustice of arbitrary deprivation of liberty have been those dealt with as an "uncontrollable child". Various reviews have pointed out the adequacy of the existing care and protection provisions to deal with young people whose behaviour places their health or welfare in jeopardy.

Consistent with the separation of welfare and justice issues, it is highly desirable that this intermediate legal status, commonly referred to as "the status offender", be removed. Consequently the provisions for the department or police to apply for an order declaring a child to be uncontrollable are to be repealed. The provisions allowing a parent to make such an application will be retained, as there would be no other legal recourse for a parent seeking intervention in these circumstances. The orders available however will be the same as those in a care and protection application.

As a result of changes in this Bill, the protective measures available in dealing with these

young people will not extend to incarceration in a detention centre for young offenders, as is currently possible in law, although no longer practised by the department.

The Acts amendment Bill also amends a number of other Acts, consequential upon the provisions of this Bill and the Children's Court of Western Australia Bill. The most significant of these is the Criminal Code, which is amended to include provisions for detention orders as alternatives to imprisonment, in relation to children sentenced under the code.

Western Australia is one of the few remaining States where the age of criminal responsibility for children remains at seven. In most places the applicable age is 10 years, which is far more realistic in terms of the child's ability to comprehend criminality and the criminal justice system. While this change will have a very small numerical effect on Children's Court appearances, it is a significant step in terms of bringing Western Australia into line with a rational approach to children in the criminal justice system.

Other significant amendments are to the Bail Act, which will give a judge of the Children's Court the same powers as a judge of the Supreme Court, in relation to bail of children, and will rationalise existing provisions for the powers of superintendents of detention centres and other appropriate officers to grant bail.

In summary, this Bill complements the Children's Court of Western Australia Bill, also before the House. Together they are of major significance in providing Western Australia with a strong and viable Children's Court, and the legislative underpinning for the Government's substantial initiatives towards dealing with the problems of juvenile offending.

I commend the Bill to the House.

Debate adjourned, on motion by Hon John Williams.

REAL ESTATE AND BUSINESS AGENTS AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by Hon Graham Edwards (Minister for Consumer Affairs), and read a first time.

Second Reading

Leave granted to proceed forthwith to the second reading.

HON GRAHAM EDWARDS (North Metropolitan - Minister for Consumer Affairs) [3.17 pm]: I move -

That the Bill be now read a second time.

I am pleased to introduce into the Parliament this Real Estate and Business Agents Amendment Bill. This Bill will amend section 130 of the Real Estate and Business Agents Act under which the Real Estate and Business Agents Supervisory Board is authorised to pay into an educational facilities account a percentage of moneys received from income on the deposit trust for educational purposes.

It is apparent that, with the constraints being placed upon Government, these funds, which are substantial, could be more appropriately utilised and applied more broadly to permit the board to conduct educational seminars on its own account for real estate agents, salespersons and for the public, and in the preparation of written material of an educational nature for the industry and the public alike.

The amendment will allow members of the board or its staff to participate in conferences relating to the real estate industry rather than draw expenditure directly from Consolidated Revenue.

In addition, it is also desirable that the Act permit the board to grant money to the Ministry of Consumer Affairs for the purpose of acquiring equipment for the education of agents, salespersons and the public in real estate and business agency matters and to provide educational programs instituted to those persons or groups in respect of those matters.

This amendment will have the effect of reducing the financial impact upon the educational role of the Ministry of Consumer Affairs. Additionally, as Western Australia is to host a

Licensing Authority Conference in 1988 involving considerable expenditure, the amendment will permit such cost to be drawn from this fund rather than Consolidated Revenue. The industry, through its representatives on the board, has clearly indicated its support for this amendment.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Max Evans.

SUPPLY BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Kay Hallahan (Minister for Community Services), read a first time.

Second Reading

HON KAY HALLAHAN (South East Metropolitan - Minister for Community Services) [3.21 pm]: On behalf of the Minister for Budget Management, I move -

That the Bill be now read a second time.

This measure seeks the grant of supply to Her Majesty of \$2 200 million for the works and services for the year ending 30 June 1989 pending the passage of Appropriation Bills during the Budget session of the next financial year. The Bill seeks an issue of \$2 000 million from the Consolidated Revenue Fund and \$200 million from moneys to the credit of the General Loan and Capital Works Fund. The amounts sought are based on the estimated costs of maintaining services and works at existing levels and no provision has been made for any new programs, which must await the introduction of the 1988-89 Budget. Before dealing with the formal requirements of the Bill, I would like to comment briefly on the current year's budgetary position.

As members will recall, the 1987-88 Budget presented to Parliament on 10 September 1987 provided for a surplus of \$1 million with expenditure estimated at \$3 546.9 million and revenue at \$3 547.9 million. Given the magnitude of the total figures involved there will, not surprisingly, be variations to the estimates of both revenue and expenditure. A recent review of the Budget indicates that estimated receipts and outlays will be above budget with the prospect of a surplus being achieved for the fourth year in succession. Revenue collections in total are expected to be above estimate, due mainly to higher than estimated receipts from taxation, attributed mainly to stamp duty collections. The estimated additional stamp duty reflects, in the main, increased collections from conveyancing and mortgages as a result of higher levels of economic activity than anticipated in the Budget.

On the expenditure side, every effort is being made to contain overall outlays to the amounts appropriated by Parliament. However, it has been necessary to fund some inescapable or unavoidable additional commitments which have emerged since the Budget was introduced into Parliament. As indicated, these commitments are being managed to ensure that overall outlays are contained within the total funds available. As members will be aware, excess expenditures approved after the Budget has been passed are required by law to be resubmitted as part of the Appropriation Bills for Parliament's approval.

At this stage I do not propose to go into a lot of detail about the outcome of the Premiers' Conference and the implications for our financial position in 1988-89. The Premier will have more to say on these issues when he presents the Budget to Parliament in August. However, most members will now be aware that the Premiers' Conference and Loan Council meetings resulted in a financial package comprising the following major elements -

A reduction in general revenue grants to the States and Northern Territory of \$650 million;

new hospital funding arrangements;

guarantee arrangements to ensure that each State and the Territory receives at least the same nominal level of general purpose payments and health grants as in 1987-88; and

a further reduction of State authorities' global borrowing limits from \$5 293 million in 1987-88 to \$4 750 million in 1988-89.

So far as Western Australia is concerned, these measures will result in a reduction in real terms of 5.2 per cent in general purpose payments. In addition our global borrowing allocation is \$6.7 million below the 1987-88 level although, in recognition of our funding need for capital works, the reduction is the lowest imposed on any State.

Clearly, the funding reductions I have just outlined will make our budgetary task in 1988-89 much more difficult than it would otherwise have been. However, the Western Australian Government fully acknowledges the need for continued restraint in public sector outlays and Government borrowings if the nation is to build upon the major economic improvements that have been made in recent years. While the adjustment process may be painful, we recognise that the State must play its part in addressing the macro-economic problems confronting the nation so as to ensure soundly based and sustained economic growth.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Max Evans.

ADDRESS-IN-REPLY - SIXTH DAY

Motion - as Amended

Debate resumed from 14 June.

HON A.A. LEWIS (Lower Central) [3.25 pm]: I too join with other members in paying my respects to the Governor and Mrs Reid. I think that they have done a superb job. I have found no Governor who has not carried out his job in a magnificent fashion, but Professor Reid, especially for those from country areas, has been a great ally and friend for those of us from this place who have had to visit him with reports, Royal Commissions and other things. He has always been courteous and interested in what we were doing in the Parliament. That shows he is still keenly interested in parliamentary affairs.

I guess I could cynically quote parts of the Governor's Speech which were written for him by the Government. I grinned a little, having been through all the brouhaha raised by the Labor Party about the North West Shelf - how it was going to be a shocking thing and how Court and Jones and other people had made a monstrous mess of the whole thing -

Hon Mark Nevill: We tidied it up.

Hon A.A. LEWIS: It is interesting that Hon Mark Neville thinks the Labor Government tidied it up. The only place Hon Mark Neville will be tidied up is in Collie. If I read my local Press properly, they do not like his comments in respect of many things in Collie. At least he managed to get the front page headlines, but that is the second time he has managed to make himself unpopular in Collie. There was no need for anything to be tidied up.

Hon Mark Nevill: Do you disagree with me?

Hon A.A. LEWIS: Yes I do. There was no need to tidy anything up to do with the North West Shelf. All that was done long ago. This Government has merely taken the credit for it. I quote from the Governor's Speech -

The North West Shelf gas project continues to provide stimulus to the local economy. The construction of the massive liquified gas plant and its related facilities at the Burrup Peninsula are nearly complete with expenditure on the LNG phase having totalled \$2.24 billion to December 1987. The first exports of LNG to Japan are expected to commence in the second half of 1989 marking the beginning of a significant new export industry for the State.

We should thank the Lord for Sir Charles Court and Peter Jones.

Hon Mark Nevill: Why?

Hon A.A. LEWIS: It is typical of Labor Party members to ride on the coat tails of someone else. The Labor Government has not created anything but it still wants to take the credit.

Hon Fred McKenzie: We tidied it up.

Hon A.A. LEWIS: Oh yes, the Labor Government tidied it up! The Labor Government wants it both ways. It wants the employment and the money that this project has brought to Western Australia because, if it did not have those things, there would be even more massive

unemployment than exists at present. The Labor Government has fiddled the unemployment figures regularly.

Hon Mark Nevill: That is a slur. They are Australian Bureau of Statistics figures.

Hon A.A. LEWIS: ABS figures can be changed any way one likes.

Hon Mark Nevill: Who fiddles with ABS figures?

Hon A.A. LEWIS: Mr Butler said that they were inaccurate.

Hon T.G. Butler: What? When did I say that?

Hon A.A. LEWIS: We will deal with Mr Butler's speech a little later. I have a list of things that I will throw back at Mr Butler.

The DEPUTY PRESIDENT (Hon John Williams): Order! I am enjoying the member's mellifluous tones; I do not appreciate the interjections.

Hon A.A. LEWIS: You are embarrassing me, Mr Deputy President.

Hon H.W. Gayfer: Are you embarrassed?

Hon A.A. LEWIS: Yes I am.

Mr Deputy President, I am concerned about a matter in Mr Evans' and your electorate. The situation with Steves Nedlands Park Hotel has gone far enough. The money that has been spent to support both sides of the argument is ridiculous. The State's Coat of Arms has been used illegally on pamphlets. The town planning committee of the local authority has asked the proprietor to do certain things, and then had those recommendations knocked back by the council. People have told us that there are huge traffic problems. I drive home that way at night when I leave this place. I have never been restricted in driving up that road as I was restricted driving to my home the other night by Lang's birthday party.

Hon Mark Nevill: Weren't you at the birthday party?

Hon A.A. LEWIS: No, I was not, but I live two houses away.

Hon Mark Nevill: Your mortgage would be bigger than his.

Hon A.A. LEWIS: For once Mr Nevill is right - my mortgage is bigger than his. Nobody should be able to seriously suggest that a hotel that has been there for 80 years - long before any of the residents living nearby moved there - should not be licensed just because 180 people attend a meeting. They wrote to people and suggested parking should not be allowed on the foreshore of the recreation reserve. What is the true meaning of "recreation"? To some people it might mean having a beer, playing ludo, or just walking. It is ludicrous to suggest that the reserve cannot be used for car parking.

Hon C.J. Bell: For some people recreation might be parking.

Hon A.A. LEWIS: That may be, although I do not think that site would induce anyone that we know to want to park there.

Hon T.G. Butler: There would not be much room in the front seat.

Hon A.A. LEWIS: I do not know about the front seat; I have always been a back seat driver.

Hon H.W. Gayfer: Is that on the way to the hot pool?

Hon A.A. LEWIS: With Mr Gayfer talking about hot pools, obviously many people in this House know a lot more about that than I do.

There is no reason at all why that land could not be used for car parking. To refuse them that would be like refusing to allow people to park in national parks. That is a ridiculous argument. I agree that, in the past, fairly loud noise levels have emanated from the hotel. However, I believe that if the publican breaches noise regulations he should be hit and hit hard.

Those same people are now suggesting that Cafe El Greco down the road which has approximately 80 seats is causing the same problems. I go there frequently because of my capacity to pay. I had dinner there the other night with Trisha and it cost us \$10 for all we could eat. I am not publicising that restaurant but anyone who enjoys good food should go there. People are now saying that too many cars are parked outside Cafe El Greco. How far

are these people prepared to go - further down Broadway and along Stirling Highway and close everyone down because they make too much noise? I sympathise with the local government authority, the Minister, and the Licensing Court. I think it is probably all our fault because we have not legislated to prevent these things happening. I think all parties should get together and discuss the matter.

As is my wont, I intend to talk about a few things in my electorate.

Hon John Halden: How are the railways going?

Hon A.A. LEWIS: I was going to ask Hon Fred McKenzie about the Donnybrook-Katanning railway and the Bowelling-Collie railway. This Government promised that those lines would not close. I drove along the Boyup Brook to Kojonup section yesterday. All of the lights have gone and bitumen has been put over the lines, but they have not been closed. Maybe Mr McKenzie has a new type of car to drive across the crossings.

Hon Fred McKenzie: It floats on air.

Hon A.A. LEWIS: Yes, and if it is a Labor Party car, it would float on hot air because the Government and its transport committee are not being honest. The people should be told that those sections are closed and that is the end of it. However, when we follow the history of the Labor Party we see that it has never had the guts to close a railway line. Those sorts of actions are taken by conservative Governments. Railway lines are not maintained under Labor Governments. Because the cost of renewing or bringing lines up to scratch is so great, conservative Governments have to close them. Socialist Governments find it extremely hard to make decisions.

Hon Fred McKenzie: Who is carrying out electrification work on the Perth-Fremantle line?

Hon A.A. LEWIS: I am sure we will hear a lot more about that when someone is electrocuted jumping out of a train.

I have been diverted; I began a tour of my electorate. Socialist Governments -

Hon Kay Hallahan: Good Governments.

Hon P.G. Pendal: Champagne socialist Governments.

Hon A.A. LEWIS: I do not think they have the class to know that champagne is good for them.

Under socialist Governments, school buildings are never maintained and there is no new construction activity. Pemberton High School is a disgrace; it is falling down. The manual arts department building has electric wires running through gutters and electricity cannot be turned on in the winter. It is a bit like the Warren District Hospital. Before the last election we were promised that the Government was going to go right ahead with it.

Hon Barry House: Like the Margaret River Hospital.

Hon A.A. LEWIS: It has not been going quite so long, but we are talking about exactly the same thing.

Two of the electorates concerned are held by so-called senior members of the Labor Party, Mr Evans and Mr Jones. Northcliffe District Primary School needs a great deal of work and the Pemberton District High School needs rebuilding. In Manjimup the Warren District Hospital is still no further ahead than it was four years ago, despite all the promises. I will be very fair in my comments with respect to the Bridgetown High School, because successive Ministers for Education - G.C. MacKinnon, Bill Grayden, Peter Jones, Jim Clarko and Bob Pearce - have known that the school has no separate administration or library building. The library at the school is in the same room it was in when the Leader of the Opposition went to school there some 30 years ago.

Hon Fred McKenzie: We have had a few Liberal Governments since then.

Hon A.A. LEWIS: I know, and I am criticising them equally. But, Mr McKenzie, the Bridgetown Primary School needs at least two, probably three, new classrooms. Members of the House have probably heard Bob Hetherington talk about the horrible bostons and how they should never be used. Two classrooms in the old bostons have been turned into a library for the primary school and the library still has to be used for another class. If I make one plea in this my last speech on the Address-in-Reply - I promise that it will not be my last

speech - it is that I would like to see after 17 years a library and administration building in the Bridgetown High School. I would also like to see the Bridgetown Primary School get some extra classrooms. I make that plea from the bottom of my heart. I have been working for it for 16 or 17 years without an ounce of luck.

Hon H.W. Gayfer: What have you been lucky with?

Hon A.A. LEWIS: I got one hospital, at Donnybrook. That was only because I gave the Minister a hard hat when he visited the old hospital in case a beam fell on his head. Mr Gayfer would know that I got Dumbleyung Police Station built because the poor wife of the policeman had to put the baby outside the house when she used the spin dryer of her washing machine because she was frightened the house was going to collapse. We got those things under a Liberal Party Government. It is interesting that Dave Evans has been the member for that region for many years.

Hon Tom Helm: He is a good member.

Hon A.A. LEWIS: I judge the goodness of a member in terms of what he achieves for his electorate. He has achieved very little, apart from letting down his constituents and the industry over the Shannon and letting down the community with respect to the provision of schools.

Hon Fred McKenzie: That's why they stuck with him all those years!

Hon A.A. LEWIS: He is getting out, Mr McKenzie. Do you know why he is getting out? He is getting out because in the last election there was a 12.6 per cent swing against him when the rest of the State did not move. I think Mr Evans can do one thing - he can add up. He knows what figures are.

Hon Fred McKenzie: How old is he?

Hon A.A. LEWIS: He is very old and he is looking it. He is like the whole of the Labor Party. He is looking as though he has had it.

We also have problems with schools in Collie. Fairview, which is a school in Collie, is short of five classrooms. Since this Government came into office, each year it has needed an extra classroom and nothing has been done about it.

Sitting suspended from 3.45 to 4.00 pm

Hon A.A. LEWIS: Before the tea suspension I was talking about the deterioration that schools were going through and how shocking it was to see socialist Governments in this country allowing the maintenance and construction of schools to slip. For those of us who have been in Government and in Opposition a few times, we know it is a fact of life that our schools are going to slip back in maintenance and construction when a socialist Government is in power because such Governments bring in all their crazy schemes, most of which fail, and forget about the basics.

I have talked about the Donnybrook to Katanning railway line. The lack of decision there probably cost the Kojonup Shire in excess of \$100 000 because it wanted to use the railway yards and the railway station as the site for a new tennis club. The previous Minister for Transport, Mr Grill, would not make a decision, so we have now no trains, a vacant lot, and the Kojonup Shire has to go somewhere else to build its new tennis club. It would seem that lack of decision making and lack of understanding of the realities of life is a part of socialist Governments. That will change next year when there is a change of Government. The MacKinnon Liberal Government will have a massive job in front of it to create decent schools and hospitals and show concern for people in the bush.

I asked a question on notice, which was answered yesterday, about whether the Government was going to do anything about building a hospital in Boddington to cope with the huge increase in its population. I was told the Government is not going to do anything about that situation. That must be viewed seriously by all of us, not just by the people of Boddington.

I want to talk briefly about tertiary education. I wonder whether we will ever be able to provide a tertiary education for everyone who wants it. I wonder whether it is good for society to allow people to go into tertiary institutions when they perhaps should be doing something else. I am worried about the lack of jobs for tertiary graduates. We have seen an over supply occurring in the case of schoolteachers. I believe we will see that occurring also

now that nursing is being taught in tertiary institutions. We will eventually see an over supply of nurses because people will think it is a good and easy job. I do not know the number of schoolteachers who are currently unemployed, because we went away from the previous system of bonding. People did not like that system, but at least it related supply to the demand. We had then 1 000 or 1 300 surplus teachers, but perhaps it is now settling down and people are not going into teaching because there is no certainty that they will find a job.

We need also to look at the total community. The areas in which we need graduates appear to be engineering, medicine, and degrees that are going to bring back to Australia the production ethic. There are a number of degree courses in which I wonder whether graduates will ever be able to get jobs. A number of middle aged women are doing degree courses as a hobby. I have not heard anybody say whether they believed they should pay fees to go to university to indulge in their hobby. I know the University of Western Australia was openly canvassing for students in some areas so that the academics could keep their jobs.

I believe we need to go back to having a scholastic bench mark. I do not have the up to date figures, but the situation used to be that four per cent of the community with tertiary degrees could be employed by society. That figure may have increased, but I would doubt it. We are now putting about 13 per cent of graduates into the community, and in so doing we are breeding trouble. It may be that we are allowing tertiary education to get out of hand and that we are going along with the idea that everybody should be a graduate. I am not one of those people who believes that. I would rather see more tradesmen than more graduates. I believe that within the next 10 years our plumbers and carpenters will be paid more than our graduates because no-one is taking up a trade. We need such people more than we need tertiary graduates. I suppose I should not say that because you, Mr Deputy President (Hon John Williams), have a tertiary degree, and you may take offence, but I think you will see what I am aiming at.

I move now to the subject of privatisation. One does not need to have a very long memory to remember what Mr Burke and his colleagues from the unions said about privatisation at the last election - how they damned it; how Mr Hassell and his shadow Ministry were damned for even suggesting there should be anything like privatisation mentioned in Australia; and how they have ducked and weaved and dived to get away from their previous stance. All these big people went to Hobart - the President of the State ALP and others who were damning the Liberal Party over privatisation - and, because Bob Hawke told them to, went meekly along, did what they were told, and now agree to privatisation.

Hon T.G. Butler: I did not think that was what happened. I wasn't there, though.

Hon A.A. LEWIS: Mr Butler knows that in practical terms they were rolled completely. His Deputy Premier won his battle on uranium and, for the rest of it, Mr Butler was rolled.

Hon S.M. Piantadosi: But you said Mr Butler went to Hobart. He did not go.

Hon A.A. LEWIS: Well, I am sorry. He should have, if he was doing his duty as the State President. But of course one cannot expect a socialist to do his duty because they never have.

Hon John Halden: Keith Simpson did not.

Hon A.A. LEWIS: Now that Mr Simpson has come up, we will talk about him. I have never in my life heard a more disgusting attack on a personality than that which came from Hon Tom Butler last night. It was an attack on an individual who cannot answer back.

Hon T.G. Butler: I was supporting him.

Hon S.M. Piantadosi: He needs all the support he can get.

Hon T.G. Butler: If he doesn't get it from me he won't get it from your colleagues.

Hon A.A. LEWIS: Mr Butler knows so much. Mr Deputy President (Hon John Williams), do you remember that last night Mr Butler said in the nine years he had occupied the chair he had faced only one election?

Hon P.G. Pental: That is right.

Hon A.A. LEWIS: What he does not know is that the Liberal Party constitution says one can be president for only four years.

Hon T.G. Butler: But he has not been president for four years.

Hon A.A. LEWIS: The other thing is that Mr Simpson does not want to become an adviser to Premier MacKinnon next year and he does not want to squeeze himself into a seat -

Hon P.G. Penda: Or be a malingerer.

Hon A.A. LEWIS: - or do any of those things that the President of the ALP has done.

Hon T.G. Butler: If he doesn't want to be all those things, why are you putting the boots in?

Hon B.L. Jones: When you have talent you must make use of it.

Hon P.G. Penda: We have yet to see that from Mr Butler.

Hon B.L. Jones: Perhaps you haven't any on your side.

Hon A.A. LEWIS: Then I query why Mr Butler is even here. If one is looking for talent one does not look at Mr Butler. One cannot look at Mr Butler if one is looking for talent - he proved that with his speech last night. One can get vitriolic abuse of an individual who cannot answer back - that is what one can get from Mr Butler.

Hon T.G. Butler: Are you suggesting I abused Mr Simpson?

Hon P.G. Penda: Yes, you did - a cowardly, miserable attack.

Hon T.G. Butler: Who has got their hands up your back, pulling your door open and shut?

Hon A.A. LEWIS: Mr Deputy President, you would know from Mr Butler's speech last night that he has been reading the polls. He knows the Labor Party is on the way down because he made a speech with not one constructive suggestion.

Hon Graham Edwards: Even you do not believe that, Sandy.

Hon A.A. LEWIS: It was a carping speech.

Hon B.L. Jones: What is yours at the moment, other than that?

Hon A.A. LEWIS: I am dealing with Mr Butler's speech.

Hon B.L. Jones: That is all yours is - carping.

Hon A.A. LEWIS: If the honourable member would like to listen -

Hon B.L. Jones: I really don't like to at all.

Hon A.A. LEWIS: - I dealt with one of her hospitals that she did not have the gumption to deal with a little earlier.

Hon S.M. Piantadosi: Here we go.

Hon John Halden: Another unwise attack.

Hon A.A. LEWIS: I was being positive; I was pleading for a hospital at Boddington, but we are not getting it. But Mr Butler talked about Liberal Party policies. At least we have them -

Hon P.G. Penda: That is right.

Hon B.L. Jones: Where?

Hon A.A. LEWIS: - and at least our policies are not divided into what suits the broad left, the centre left, the left and the right.

Hon B.L. Jones: What about the wets and the dries?

Hon A.A. LEWIS: So we can get over a conference without any waves. We do not want any ripples.

The DEPUTY PRESIDENT (Hon John Williams): Order! Order! I have the feeling that the honourable member is labouring under some difficulties with his voice; therefore all interjections will cease.

Hon A.A. LEWIS: Thank you, Mr Deputy President.

Hon Graham Edwards: In the interests of his voice, perhaps he will curtail the rest of his speech.

Hon John Halden: You have the divided faction and the Simpson faction.

The DEPUTY PRESIDENT: Order! Hon John Halden and the Minister, when I say the House should come to order and there will be no further interjections, I mean that. If you want an early Wednesday and Thursday you should continue.

Hon A.A. LEWIS: Thank you, Mr Deputy President. Mr Butler talked about backstabbing. I wonder what Ron Davies and Colin Jamieson would have to say about backstabbing. It happens in all parties. Mr Piantadosi spoke -

Point of Order

Hon S.M. PIANTADOSI: On a point of order, Mr Deputy President, if that remark was about me I think the honourable member should at least attempt to get my name right.

The DEPUTY PRESIDENT (Hon John Williams): There is no point of order. That is of a frivolous nature.

Debate Resumed

Hon A.A. LEWIS: The honourable gentleman who has just resumed his seat made a speech in which he talked about deselection - about Mr Bell and senior Liberals getting deselected. Memories are short, are they not? Some of us remember Ron Leeson's being rolled by a relation of the Premier's. That clique of the Labor Party that was then in power and is now losing power got rid of Ron Leeson, a decent, honourable and upright man, a man with great knowledge. I thought he was a first class politician.

Hon S.M. Piantadosi: What is wrong with Colin Bell?

Hon A.A. LEWIS: They got rid of Ron Leeson. Ron Leeson knew, just as Colin Bell and I knew -

Hon S.M. Piantadosi: Isn't Colin Bell honest?

Hon A.A. LEWIS: Yes, but neither Mr Bell nor I was rolled because of a clique.

Hon T.G. Butler: You were pensioned off.

Hon A.A. LEWIS: We took our chances in a political party and we missed out.

Hon T.G. Butler: It is known as branch stacking or ghosting.

Hon A.A. LEWIS: Branch stacking is another very interesting thing that Mr Butler talked about. When Government members talk about branch stacking they should make sure they are not living in a glasshouse. They should look at New South Wales and Victoria where, day after day - they do not have enough members in the ALP in Western Australia at the moment to stack - their meetings are just dropping off. I am told by my friends in the Labor Party that they are so disgusted with the arrogance of their members of Parliament that they will not turn up to meetings.

Hon T.G. Butler: I think you should apologise to Mr Simpson.

Hon A.A. LEWIS: I have nothing to apologise to Mr Simpson for. I have not attacked him; Mr Butler has attacked him.

A Government member interjected.

Hon A.A. LEWIS: I have not attacked Mr Bell either.

Hon S.M. Piantadosi: Yes, you said he was not honest.

Hon A.A. LEWIS: Mr Simpson has done a superb job, and I guess I know a little more about this than anybody who is interjecting, from either side. He has taken the Liberal Party from severe problems -

Hon J.M. Berinson: To really serious problems.

Hon A.A. LEWIS: The serious problem will come to the Attorney General when he decides whether to go back to pharmacy, the law, or other things after the next election. That will be his serious problem.

Mr Simpson has done a superb job in a party organisational sense.

Hon T.G. Butler: That is why he is getting the chop.

Hon A.A. LEWIS: He is not getting the chop. If I were allowed, Sir, to lay a shade of odds in this place, which I am not, I would say that Mr Simpson is a certainty to stay where he is.

The DEPUTY PRESIDENT: Order! Order! I am will remind members once more. There will be no further interjections.

Hon A.A. LEWIS: Thank you, Mr Deputy President. As I said, Mr Simpson will still be there on 1 August as State President.

Hon John Halden: What about 2 August?

Hon D.K. Dans: He is a very strong party president.

The DEPUTY PRESIDENT: Order! Order! Hon John Halden and Hon Des Dans. Twice I have called for order, twice I have given a warning. There will be no further interjections by any member on either side of the House.

Hon A.A. LEWIS: Thank you, Mr Deputy President. I will not argue with your ruling, but it may alter the effect of my speech.

Hon T.G. Butler: Shorten it, you mean?

Hon A.A. LEWIS: I doubt that it will shorten it. I hope that I have laid to rest the vile attack by Mr Butler on Mr Simpson.

Hon John Halden: Methinks you doth protest too much.

Hon A.A. LEWIS: No, I do not. We all know that politics at times is not a very nice job. I seem to remember the election of the Federal Secretary of the Australian Labor Party had some unpleasant overtones but I did not come into this place and get vitriolic about the Secretary of the Labor Party or the potential Secretary of the Labor Party. Quite frankly, I think the ALP is going down the gurgler so fast that it does not matter, and its leadership is so arrogant that it does not realise that. Day after day people have come to me after my deselection - as the Deputy Premier called it - and said, "Will you run as an Independent -

Hon T.G. Butler: Will you?

Hon A.A. LEWIS: - because we, as Labor Party voters, cannot bear to vote for the ALP." Seven people in one night, at the local club at Boyup Brook, came to ask me. They were seven Labor voters - people who had handed out cards for the ALP.

Hon Graham Edwards: Where was Snow White?

Hon P.G. Pandal: Where you will be next year.

Hon A.A. LEWIS: You see, Mr Deputy President, that puts it in a nutshell.

Hon D.K. Dans: It seems to suggest to me that they would not vote for the Liberal Party but they would vote for Sandy.

Hon A.A. LEWIS: That may be so. Mr Dans is enough of a realist to know that people who vote for the ALP or the Liberal Party as a general rule find it extremely difficult to go right across the spectrum to vote for somebody else, but they are so disillusioned with this Labor Government, both State and Federal, they are so worried about what is happening to them - and while I am dealing with what is happening to them, let me deal for a few seconds with the mini-Budget. Let me deal with the statements by the Minister for Agriculture, who is also the Minister for The South West. He showed a total lack of understanding of what was in the mini-Budget. I am just going to join the queue of people who have had a go at him. Let me quote from the *Farmers Weekly* of 8 June in the "View" column. Under the heading "Worse Off" it said -

The Minister for Agriculture, Mr Grill, must win some type of an award for his attempt this week to turn a very bitter lemon into a palatable lemonade.

I think the lemon was Mr Grill. He started to talk about the benefits to farmers. He put out a Press release on 4 June headed "Tax benefits for farming companies". What is the percentage of small businesses and farmers that are companies? It is less than 10 per cent. Fewer than 10 per cent get the benefits but all the private entrepreneurs, the private farmers, the private businessmen, get nothing. They get sopped, and sopped, and sopped again.

When Mr Grill talked about the companies he did not point out the effect that the fringe benefits tax has had on them already. Mr Stretch dealt with tariffs and other things last night and I will not repeat that argument. This Government does not understand small business or small businessmen. It is totally locked into the big union-big business sphere and it does not

understand that the whole of Australia is built up of small businessmen. It is a tragedy to this country that that should happen.

On 1 June the *Farmers Weekly* talked about the effect of the mini-Budget on farmers in an article headed "New assets test cuts allowances". It is interesting to read and hear things about this Government. Do honourable members remember the inserts in the newspapers when the Government of this State made a decision about mining in national parks? Questions were asked whether mining should be carried out in forests. The amount of \$36 986 was spent on those inserts all around Western Australia and they contained photographs of karri forests - the forests which this Government, as part of the usual con trick at taxpayers' expense, publicised as an area which would not be mined. Lands and Forest Commission land was not included, only national parks and nature conservation land. This was another con trick by this Government.

Hon Garry Kelly: That is unkind.

Hon A.A. LEWIS: It is accurate.

Hon Garry Kelly: It is wrong.

Hon A.A. LEWIS: Hon Garry Kelly would not know. If he wants to debate the subject with me anywhere any time I am happy to do so.

Turning to the Premier's answer on ministerial visits, he said that the usual conventions are to be carried out. Two days before that the Premier arrived in Manjimup without any announcement to upper House members, and Mr Edwards went to Collie. The only thing I knew about the visit was that my fellow upper House member received an invitation.

Hon Graham Edwards: The member received an invitation himself.

Hon A.A. LEWIS: To a luncheon; Mr Stretch did not receive an invitation.

Hon Graham Edwards: There was one from our side and one from the member's side.

Hon Fred McKenzie: That is very fair.

Hon Graham Edwards: If the member continues to complain about this it will be the last time I will do it. I have attempted to seek some balance and do the right thing by all people in the area on an issue that is non political, and the member has the gall to stand up in this House and complain. If that is the way the member carries on, he can forget about it in the future.

Hon A.A. LEWIS: I have, because it is not happening. Is it non political?

Hon Graham Edwards: Rubbish.

Hon A.A. LEWIS: One of yours and one of ours -

Hon Graham Edwards: What about the balance?

Hon A.A. LEWIS: Balance be damned! There was the Minister, Tom Jones, Bill Stretch and Sandy Lewis. That is balance, two and two - is it or is it not? I am not worried about Sandy Lewis; I am worried about people such as Hon Mark Nevill because when they go into Opposition next year, if this attitude continues, they will be disadvantaged. I do not believe any elected member of any party -

Hon T.G. Butler: If Hon Mark Nevill goes into Opposition next year the whole State will be disadvantaged.

Hon A.A. LEWIS: It has been disadvantaged for six years!

Members of both the upper and lower Houses of this Parliament are elected by the public and Ministers should have the courtesy to inform members when they intend to visit their electorates. For example, the Minister for Employment and Training, Mr Hill, visited Collie a fortnight ago and did not let me know. The same applied to the Minister for Police and Emergency Services, Mr Taylor, when he visited Collie. Not only members from my side of the House, but also senior members of the Labor Party are complaining about the lack of courtesy shown by Ministers and they think it is bad. I will not make a fuss about it because for Sandy Lewis it does not matter. I do not have to hang off the coat tails of a Minister to get any votes. However, I do expect courtesy and I give courtesy. Ministers from both political persuasions who have been entertained by me in my electorate will recognise that

they receive courtesy from me and are treated in the way they should be. If members opposite ask the former Premier about the courtesy I extend to Ministers they will find that I do look after them.

I refer now to an interesting trip to Russia by the Deputy Premier and the Prime Minister. Members would have seen the announcement about the Russians and a smelter and powerhouse. The problem is that the Deputy Premier got carried away in the presence of the Prime Minister and made an odd announcement that Western Australia would have a Russian designed powerhouse. However, he did not clear it with Wardley's bank, which was coordinating the whole deal. I asked a question in this House about the proposed powerhouse and I was told that no such announcement had been made. Obviously the Press in this State picked it up from nowhere and the Deputy Premier did not make such a statement! It is amazing how people run to things when it does not hurt, but run away from them when it does. It was interesting to note that a Russian designed powerhouse has not been built outside the Eastern Bloc. A powerhouse of Russian design has never been built in the Western world. I would have thought that it would be peculiar for Western Australia to find itself in that position.

I really wonder about the answers to questions I receive in this House. Recently I asked a question of the Minister for Conservation and Land Management about clearing the road verges south of the Shannon National Park. The answer I received was that there had not been any clearing of the verges. I then asked the Minister for Consumer Affairs the following question -

- (1) Has the Main Roads Department been involved in clearing the verges of the South West Highway south of the Shannon?
- (2) If so, why are they cleared to a width of 100 metres?

The answer was as follows -

(1)-(2)

In the summer of 1986-87 the Main Roads Department undertook clearing of fallen timber and certain standing trees identified for removal by the Department of Conservation and Land Management - CALM - for forest hygiene reasons. This was done in association with some drainage and shoulder improvement works.

Additionally, the Department of Conservation and Land Management has undertaken clearing of undergrowth for fire control reasons. This material has recently been burned.

Who are we to believe? Is that the sort of answer we have to put up with in this House?

I will comment briefly on a couple of points. First, today we saw an example of this up to date Government when the Minister tabled the financial report of the South West Development Authority for the year ended 30 June 1987. Just on 12 months after the financial period ended we have received this report from the Office of the Auditor General. It is a disgrace and I know the Minister for Budget Management would agree with me.

In 1872 a philosopher by the name of Engels said that Communism alone can save nature by destroying capitalism and Christianity. It is interesting to follow the conservation debate, the world heritage debate, the socialist moves in this State and the debates concerning the Lane-Poole Reserve, the Shannon National Park and the rainforests in Queensland. We then hear statements - I will not say they are untruths - which have a grain of truth and which are circulated by some organisations, mainly those organisations funded by the Government. Most members have probably received a letter from the Campaign To Save Native Forests (WA). The campaign is homing in on a highly emotive issue without giving the public an opportunity to hear both sides of the question. I refer members to a pamphlet which is titled "Woodchipping decision soon". It states -

Woodchipping is rapidly destroying the very nature of our irreplaceable native forests. Therefore, the woodchip agreement with WACAP should not be renewed.

That is not true. Members will know that woodchipping was originally brought into the south west of Western Australia because the marri and mixed forests were destroying the

karri forests. I am referring to 1971 and 1972 when the Tonkin Government was in office. If we had not allowed woodchipping it would have cost a lot. I know that Dave Evans signed the agreement which had been drafted by Sir Charles Court before the Tonkin Government was elected to office. Both political parties agreed that the then Forests Department would have to fell trees, which in 1972 figures would have cost about \$11 million a year, to fell the marri and karri forest. That would have been a net cost to the State of \$11 million, and we managed to get woodchipping which gave us an income as well as doing the felling job for us. Hon Fred McKenzie has been with me on a number of visits to that area and I am sure that other members also have seen the magnificent regeneration. That bold comment does not tell the history. It states that they are protecting the habitat.

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

Hon A.A. LEWIS: Nobody who has seen the work of the ex Forests Department could say that those people had not protected the habitat or the national estate. What is the national estate? What is this great heritage that somebody from the World Heritage Organisation in Cuba, Brazil or Malawi can tell us what to do with our forests? I do not know why we should go to Paris to decide how to run our rain forests or our national parks. This State makes the decisions on running its national parks, not the Federal Government or some mob in Paris which thinks that because Australia has signed an accord on world heritage, it has the control. If it wants the control and is prepared to put in the money to run things, that may be a different story. However, all it wants is the control; all power and no responsibility. Flexible logging rates do not tell the story. A shorter period has been asked for and that is not economical. Finally it says that we should not risk dieback. Who quarantined the forests for dieback in the first place? Was it the Campaign to Save Native Forests or the Forests Department? The Campaign to Save Native Forests would not have known dieback was in the forests, had the department not told it.

I am a little sick of professional foresters being maligned day after day by amateurs; and I am sick to death of Governments taking the amateurs' side without talking to the professional foresters and land managers. The situation will be irretrievable if we do not take a stand now. What nonsense it is to say that mining cannot be done in forests; what nonsense it is to say that mining cannot be done in national parks. Of course, mining cannot be done in critical areas such as Two People's Bay which has only two or three pairs of noisy scrub birds. Not even the most insane person would suggest mining in that type of area. But, with regard to the Southern Hamersley National Park and Rudall River, does anyone really believe that there is not enough land to accommodate both the ecosystem and mining?

I will give two examples: The value of minerals taken out of forests in the United States - a country which does mine in its forests - is US\$3.6 billion. About one third of that is probably from national parks. The craziest scheme I have heard in my life involved the Hetch Hetchy Dam which provides water to Sacramento and Los Angeles. Some avid conservationists want to destroy the Hetch Hetchy Dam at a cost of \$6 billion; that would just get rid of the dam and leave the area without any rebuilding. I see the Minister for Budget Management blanch at that figure. The dam has been in place for 65 to 70 years and these people are saying that it should be knocked down. That is crazy because the true soil scientists say that it is not possible to get back what was originally in that area because it has been under water for so long. Yet everyone in the approaches that have been made to us has gone soft on conservation and on the options because we have not learnt enough about it ourselves.

Governments have done some disastrous things, and I will not raise them now because some people in this House might be offended if I did so. We have to put back in the hands of land managers the management of our forests and national parks. We must allow private enterprise to play a part in our national parks. We cannot just lock them up, and I am dead scared that if we do so we shall have a situation in the Warren National Park, for example, where, because of the age of the trees, a 30 tonne limb will come crashing down on a bus load of tourists. Do any of us in this House want to take the responsibility for that happening? Seasoned foresters say that that could happen within three to four years of the life of those karri trees. Would it not be better to manage our forests, to log certain parts, use those resources, and then regenerate so that future generations will have the beautiful parks we have been able to enjoy? The selfish approach is the one of the ambit claim conservationist; he does not want conservation, he wants preservation to keep the forests as

they now are. There is no hope of being able to keep our forests in their present state because trees are like humans, they have a life span. We must realise that and protect them.

Members will be sorry to know that I will not continue with that subject any longer. It is the subject on which I have spoken most and of which the least notice has been taken. I am dedicated to proper conservation and I want to see that happen. However, it must happen with proper management. A few members - Hon Fred McKenzie is one - have had the opportunity to see how this management has been done worldwide. We should be able to take those examples and create something for our youth instead of preserving the forests as though we were putting them in a glass of formaldehyde. I support the motion and wonder whether this House will ever get away from the destructive type of speech we heard last night from Hon Tom Butler. We can attack policies in this place as much as we like but I deplore the attack on personalities that we heard last night.

Debate adjourned to a later stage of the sitting, on motion by Hon Max Evans.

[Continued on p 1111.]

PERSONAL EXPLANATION

Select Committee on Burswood Management Ltd

HON TOM McNEIL (Upper West) [4.50 pm] - by leave: In light of recent developments, including the statement by the President which was delivered to the House today, I wish to make it clear that I will cooperate in any way with an inquiry instituted by the House into the material supplied by me. I have declined up to this time to release both the information and the name of its provider, in the belief that to do otherwise would be to make myself liable to prosecution under Federal law. If the Legislative Council institutes its own inquiry, I would be perfectly happy to supply all necessary information in any way that it is required.

JUSTICES AMENDMENT BILL

Second Reading

HON J.M. BERINSON (North Central Metropolitan - Attorney General) [4.53 pm]: I move -

That the Bill be now read a second time.

Four major amendments are proposed by this Bill, namely -

1. Limitations on the sentencing powers of justices of the peace.
2. An adjustment to the scale of imprisonment for non-payment of monetary court orders.
3. Introduction of a simplified system of enforcing unpaid infringement notices.
4. Amendments to existing provisions for restraining orders.

The specific amendments regarding the sentencing powers of justices provide as follows -

1. Justices and magistrates shall record their reasons in writing where they refuse a request for time to pay a fine. This reflects the view of the Government that the payment of fines should always be pursued in preference to imprisonment in default of such payment. Unless, in the opinion of the court, there are particular reasons to the contrary, time to pay should always be allowed where the financial circumstances of the defendant require it.
2. Justices and magistrates shall record in writing their reasons for imposing a term of imprisonment. The Court of Criminal Appeal has consistently ruled that imprisonment should always be the sentence of last resort. Written reasons for imprisonment will assist to clarify the issues in appeals against sentence.
3. Where justices have authority to impose imprisonment for an offence, the period they impose must not exceed one month. Where there is more than one offence being dealt with on the same day, the aggregate must not exceed one month.

4. Where justices impose a fine, the amount of the fine must not exceed \$1 000 for each offence. However, they may impose the minimum fine for an offence where a mandatory minimum is in excess of \$1 000. The limitations applying to penalties imposed by justices will not affect the sentencing powers of magistrates. The amendments will limit the role of justices in determining the more serious matters, and will require such matters to be brought before magistrates. This implements the recommendations of the Law Reform Commission, though in a somewhat less restrictive way.
5. The amendments increase the amount of fine that justices can impose in lieu of imprisonment from \$500 to \$1 000. This amendment is to further encourage fines as a sentencing option.

Another amendment proposed by this Bill provides for the period of imprisonment for the non-payment of a monetary court order to be assessed on the basis of one day for every \$25 in lieu of one day for every \$20 payable. It also provides that in future this rate shall be prescribed by regulation. Important administrative changes are provided by another set of amendments which establish an alternative and simpler method for the enforcement of unpaid fixed penalties. Due to the volume of infringement notices now being issued and processed but remaining unpaid, the current system is proving inadequate. Under the existing procedure, if payment of an infringement penalty is not made, the only enforcement action available is by way of court proceedings.

The existing procedure therefore results in lack of provision for payment by instalments prior to a court hearing; the need for police officers and officers from other enforcement agencies to attend court to give evidence on ex parte matters, thus removing them from their normal policing duties; excessive time taken by various personnel, including police, court officers and the judiciary, to process fines for minor uncontested infringements; and excessive time taken from the offence to the payment of fines.

Under the proposed procedures, following the receipt of an infringement notice an alleged offender may either pay the penalty within the prescribed time, elect to have the matter dealt with in open court, or ignore the notice, whereby the provisions of this Bill will take effect. The amendment will reduce the need for evidence to be given on ex parte matters, reduce the clerical work involved in the process of enforcement of minor matters, and reduce the time taken from offence to payment of infringements. It will be a far more efficient system. In every case offenders retain the right at any stage to elect to be dealt with in open court. The system will apply only to adult offenders.

The specific amendments are -

The Perth Court of Petty Sessions is specified as the court at which all these actions will be registered. Thus, unpaid infringement notices from throughout the State will be centrally grouped for enforcement purposes. However, should offenders request a hearing, the action can be transferred to a court near to where the offence occurred.

Where an infringement notice is not paid within the time prescribed, the agency issuing the notice shall serve a courtesy letter on the offender. This will contain a statement advising the alleged offender of the alternatives available. The letter will also indicate a further period in which to pay or take alternative action.

Where the time allowed by the courtesy letter has expired and the infringement notice remains unpaid, and the alleged offender has not requested a hearing, the matter is registered at the specified court for enforcement.

The registrar of the court then notifies the offender of the registration. This notice informs the offender that an order has been made, requiring either payment of the amount due, or an election by the offender for a court hearing within a further designated period. The notice further advises that if neither of these options is exercised, an enforcement warrant will issue.

When the prescribed time on the infringement notice has expired, and neither payment has been made nor an election for a court hearing received, a warrant will issue. The warrants will issue in the same manner as warrants now issue out of Courts of Petty Sessions. As all notices are served by ordinary post, a warrant shall not be executed unless the officer responsible for that execution is satisfied that the

alleged offender had previous notice of the enforcement order. Where the alleged offender did not have such advice, that person shall be given a notice advising that a further seven days has been allowed to either pay the amount due or apply for a hearing in open court.

At any time up to the execution of the warrant, an offender may apply for time to pay the amount outstanding. The payment of the amount outstanding on an infringement notice or the making of an enforcement order constitutes a conviction in respect of section 103 of the Road Traffic Act. This enables demerit points to be allocated in appropriate cases.

An alleged offender may at any time after the making of an enforcement order, but before either the amount has been paid or a warrant executed, elect in writing to have a complaint of the alleged offence heard and determined in open court. As all documentation is to be served by ordinary post, this will act as a further safeguard for the rights of offenders.

Persons authorised to issue infringement notices have the right to withdraw proceedings at any stage in the process.

The fee structure proposed in conjunction with this amendment is based on the user pays principle and will allow agencies to recover administration fees incurred prior to payment by offenders. To cater for the increase in the volume of infringements to be processed, and to reduce delays, this procedure will be computerised. These amendments will simplify the recovery procedure for infringement offences, increase the rate of collections at an earlier stage of the process, and greatly reduce the time required by personnel in carrying out basic clerical procedures in relation to minor offences for which infringement notices may be issued.

Finally, amendments proposed to the existing provisions on restraining orders deal with the following issues: At present, an interim order may be granted in the absence of a defendant, provided the defendant is then summoned to appear at a hearing of the application. Should a defendant fail to attend at the hearing, the order may be confirmed in his absence. One amendment will provide that the hearing to confirm the order does not have to be before the same justices who made the interim order. Secondly, the maximum fine for contravening an order is increased from \$500 to \$1 000. The option of six months' imprisonment remains unchanged.

At present, orders are not enforceable until the defendant is served personally with an order. Under the proposed amendments, where an order is made in the presence of the defendant it comes into effect from the time it is made. Where the defendant is not present orders will continue to have effect from the time of the service of the order. In future, restraining orders will be limited in operation to a 12 month term or less. Presently, restraining orders are not limited as to duration and this amendment will encourage parties to seek other long term solutions to their problems should they be necessary. A fresh order may be applied for if circumstances justify that course.

I commend the Bill to the House.

Debate adjourned, on motion by Hon John Williams.

[Questions taken.]

Sitting suspended from 5.00 to 5.09 pm

ADDRESS-IN-REPLY - SIXTH DAY

Motion - as Amended

Debate resumed from an earlier stage of the sitting.

HON MAX EVANS (Metropolitan) [5.09 pm]: I support the motion of Hon Doug Wenn. I also mention the false starts that have occurred in this House; we were waiting for this matter to come on yesterday, but it was switched for something else, and a few minutes ago there was a request for it to be adjourned again. I am pleased to support the motion and make a comment about His Excellency, the Governor of Western Australia, similar to those made by other members here. What a wonderful job he has done in the last five years. I was sorry to

hear that we are considering a replacement for him as I had hoped he would see his way clear to making himself available for reappointment. The Governor has done a very good job. When he took office I heard him talk to the Western Australian Chamber of Commerce and Industry (Inc) and the Confederation of Western Australia Industry (Inc). He was talking about his observations as a political historian, looking at the Federal Government and how it was in the interests of business and community groups to put pressure - and he referred to the Federal Parliament - on the Senate. The same applies to the Legislative Council as a House of Review. I took note of this some years before I decided to enter Parliament and I think what he said then about the whole attitude to Government was very important. This is a place in which we must review and consider many matters.

His Excellency the Governor has also done a marvellous job as the Chief Scout of the Boy Scouts. I know the scout movement is appreciative of what he has done. Mrs Reid has similarly done some wonderful work as President of the Girl Guides. Hon Kay Hallahan was at a function on Sunday and heard the comments made by the State Commissioner of Girl Guides about the involvement of the Governor and his wife in the scout and guide movements in this State. I wanted to record that they have performed beyond the ordinary call of duty, especially with the interest Mrs Reid has taken in the Girl Guides. The fact emerged on Sunday that she was a Ranger Leader in London at the time of their marriage and the Rangers formed a guard of honour for their wedding. That is just another side to the Governor and his wife. Hon Sandy Lewis has already mentioned that they have also visited the country areas. I am very sorry that the Governor and his wife will not be available for another term of office.

It was pleasing to be able to listen to Hon Sandy Lewis' speech today. I have enjoyed the many debates and discussions on forests and conservation in which he has participated. As an accountant and numbers man - a number cruncher - I do not come into contact very often with environmental problems or forestry. Hon Sandy Lewis said he had made more speeches on that subject than on anything else and they were the least listened to. That is not the case. It has been a great contribution to my learning and I thank him for it. I thank Sandy for what he is. Every party needs a stirrer to make things happen. He makes things happen inside and outside this House and his going will be a great loss to us.

I mentioned before I came to this House that I was very worried about the accountability for the finances of the State and Federal Governments. I had thought it was just an overall, broad brush problem, but as I looked more closely at the finances of Government I saw that the big problem comes about because the Government's financing is on a cash basis. It is misleading to the Parliament and to the public, and therefore it is misleading to the taxpayers. Cash accounting must also be misleading to the Government itself because it does not always record the true events of the year or over a particular period.

It is not surprising that much is being said now about the need for accrual accounting in Government. It was my experience 20 or 25 years ago when I was at Hendry Rae and Court that the local Red Cross branches or other charitable organisations or surf clubs changed their accounting system from receipts and payments to income and expenditure with a balance sheet so that they could truly record their financial position at the end of the year. They had found the receipts and payments method was not an adequate way of recording finances, even in the simplest of organisations. With the receipts and payments method one could even record the placing of money on and off deposit in a savings bank account - it all comes under receipts and payments and all that is shown at the end of the year is a movement in the bank account.

In Government financing, in every set of accounts for statutory authorities, reference is made to the source and application of funds. That has no similarity to what is required in the accounting standards of the accounting bodies; it is just a movement in the cashbook. It shows the opening and closing balances and the movement of cash funds but it does not show the real cash flow and the source and application of funds as we in the private sector would expect. With cash accounting Governments, and for a long time statutory authorities and local authorities, could do as they wished with their financial reporting.

Fortunately the new Financial Administration and Audit Act, which was initially drafted by the previous Liberal Government, was brought in by this Government. I commend it for that; it is an excellent piece of legislation and is recognised as such in Melbourne and

Sydney. Recently I have had conversations with the Auditors General of both of those places. They recognise that it is an excellent piece of legislation. The Financial Administration and Audit Act requires all statutory authorities - that is, non-Government departments under Government control - to report their accounts for the year ended 30 June 1987 on an accrual accounting basis. A number of extensions were given and exceptions made for some statutory authorities, and I understand it is expected that the accounts of June 1988 will comply with this rule.

The Auditor General of Western Australia in his own recent report referred, I think for the first time, to cash and accrual accounting. I commend him for this because the subject is on the lips of people around Australia and this Government and future Governments must address the problems. The present method of accounting on a cash basis is not adequate.

The Auditor General in his report says, *inter alia* -

Both the cash basis of accounting and the accrual basis of accounting are relevant in government.

The cash basis of accounting adopted in the Treasurer's Annual Statements and by departments flows from cash appropriations and the fundamental requirement of Parliamentary control of the public purse. Accrual accounting is in essence an extension of the cash basis of accounting, recognising

- . revenues uncollected;
- . accounts unpaid;
- . non cash items such as depreciation and provisions; and
- . within the balance sheet, assets and liabilities.

Under accrual accounting, liabilities are recorded at the time they come into existence. Accrual accounting practices within the private sector do not address and report on future obligations.

Although transactions are reported on a cash basis within the Treasurer's Annual Statements, the Statements extend the disclosure by also including loan and contingent liabilities . . .

They are just set up in a separate book and are recorded as such, and are not part of the balance sheet to arrive at the net financial position of the State. The Auditor General's report continues -

. . . primarily arising from loans guaranteed by the Treasurer, plus investments and cash balances. This practice has been followed in Western Australia for many years. In addition departments are required, where practical, to report

- . expenditure claims on hand but unpaid;
- . revenue due and uncollected; and
- . expenditure commitments as at June 30.

Not all departments have been able to report in this manner for June 30, 1987.

These accounts are not brought together in one place; one has to go through many books. I have enjoyed the exercise of finding out new facts. The facts are there but they take time to locate and I am grateful for the many times I have rung the Auditor General and asked where can I find this or that; for example in relation to contingent liabilities. Last night I received a call from Hon Andrew Menzies saying he had received a reply from the Treasurer about contingent liabilities referring him to various sources for the information. I was able immediately to locate the report for him.

The Auditor General's report continues -

The consolidation of the above aspects together with what potentially are other major liabilities for superannuation pensions plus accrued leave and salaries would provide the basis of statements of liabilities, current assets and commitments. The latter are of the nature of future obligations, as commitments arise when transactions are entered into which require some additional performance on the part of the other party before the department becomes liable for further payment.

That is the end of my quotation from the Auditor General's report. It is putting the Government on notice that the Auditor General is looking at this matter and bringing to the notice of the Government the need for changes.

In 1985 the Asian Organisation of Supreme Audit Institutions, a body of financial treasurers from around the world, made this statement -

The concept of public accountability must be present in all the officials concerned with the public finance as the basis of their performance, whether or not they are aware of its presence. Disseminating this concept of public accountability throughout all the institutions as well as individual officials in the public sector would contribute greatly towards a proper and sound execution of public finance. This would also facilitate a rational and efficient execution of government auditing activities.

In recent years, the western world has recognised that accounts recording has been far from satisfactory. It has been far from true and fair, and far from providing information required by Government accounting. The Financial Administration and Audit Act requires an accountable officer to sign the accounts as true and fair and reflecting the position of the department. However, those officers must have realised, as they looked at the problems of cash accounting versus accrual accounting, that the figures were far from true and proper records because they did not always reflect the movement of finances for the year.

I refer Government members to my first and second Address-in-Reply speeches. In my first speech I referred to the fact that every Government department paid payroll tax and therefore had to contend with much unnecessary paper work. They were not in competition with the private sector. That practice has been discontinued in the next Budget. While I was in the Eastern States two weeks ago, I spoke to the New South Wales Auditor General and found the departments in New South Wales still pay payroll tax to the Treasury, but may now look at making appropriate changes. After I made my speech about this matter two or three of my colleagues did not believe that that could happen.

In my second Address-in-Reply speech I referred to capital works estimates to June 1986 not being adequate in detail so that one could work out the estimates of capital costs, the expenditure to date, and the expenditure for the next year to find out the future capital commitment. One could not work out on the figures whether the future capital commitment would be \$1 billion, \$2 billion or \$3 billion. It was not possible for one to assess what the different departments would spend without adding up the figures oneself. The Treasury Department adopted my comments in the following year, improved the method of accounting and showed the estimate of the capital commitment for the following year would be \$1.1 billion. It is important that the taxpayers and this Parliament know how much money has been committed. At the present time it is not a lot of money. Some years ago the commitments to major developments carried out by the Government were far bigger.

In February of this year, the New South Wales Public Accounts Committee invited members of Public Accounts Committees throughout Australia and public servants to discuss accrual accounting and how it effects Federal and State Governments, when it should be done, and the problems that may arise with it. I have said already that accrual accounting was introduced to statutory authorities on 1 July 1986. Local authorities of this State have been required to comply with accrual accounting standards for many years, but that is not the case in other States.

Hon Fred McKenzie: They have not been doing it, though, if one looks at the recent episodes at Bassendean.

Hon MAX EVANS: I am glad Hon Fred McKenzie mentioned that because a gentleman from that authority, and officers from many other local authorities were invited to attend a seminar at the Melville City Council to discuss what is required under the new system. I understand that gentleman did not attend. My firm did the report. The system is very important because it is the only way one can show true and fair reporting, particularly in local government which has to set rates and charges for the next year based on the figure for the previous year and its estimates. I think the Government has used cash accounting for long enough. The Department of the Treasury and the local government sector have stored money in follow logs for a rainy day. Those reserves are now being spent, and when that happens the organisation has to know where it stands because there will always be a day of reckoning.

At that seminar, Professor Bob Walker of the Department of Accounting at the University of New South Wales said -

The term "accrual accounting" isn't found very often in text books. It's mainly used in discussions of public sector accounting, where it's contrasted with "cash accounting".

I agree with that. When I first read about accrual accounting I asked what it was. The private sector has accepted it as a normal method of accounting except in the case of small accounts such as Red Cross accounts which may still use the receipts and payments method. Professor Bob Walker continued -

In contrast, the term "accrual accounting" is used to describe a form of accounting close to that used by commercial enterprise in the private sector. This involves the production of income statements which record "revenues and expenses" rather than "receipts and payments" - the difference being that accrual techniques supposedly record the amount of unpaid bills and receivables at the end of the year, and treating some receipts or payments as attributable to several accounting periods. Accrual accounting also generates balance sheets, which set out the things regarded as "assets" and "liabilities" of the enterprise.

A good example of that occurred in the first year of this Government - I am not reflecting on the Government; I am advising what did happen. Argyle Diamonds made a prepayment of \$50 million in royalties to the State Government in lieu of building a township in the north west. In the next two years it was shown as revenue. Royalties on diamonds for the last two or three years have totalled about \$10 million a year, so the royalties for two or three years were paid over two years. One can distort figures by bringing income forward when it was received as cash.

The New South Wales Public Accounts Committee said that, for many years, it had been hard for people to come to grips with the problems of accrual accounting. However people are beginning to see the solutions and not just the problems. Everybody is now looking at changing over and considering the resources that will be required. A typical example of that occurred in New South Wales and Victoria recently. Those Governments sold major assets like railways, ferries, and trams and brought those amounts forward as current revenue for the year with a liability going on for years which is not reflected in any balance sheet. Today, with proper accounting standards, that liability must be accounted for. The sale of land, as distinct from the sale of land and buildings, is another interesting concept from an accounting standards point of view. One could say that the buildings were paid for out of Consolidated Revenue or Government funds years before, as with the old Perth Technical College site. The Government decided to liquidate one of its finest assets in the Terrace and found that its value was \$14.5 million. It sold the asset to a Government authority for \$20.5 million and recorded that as a profit. It congratulated itself on having done a good job.

In the 1960s in Victoria, Stanley Korman of the Stanhill Group made big profits for his companies by selling the assets of one subsidiary company to another, adding on the profits each time. Company A showed a profit selling to company B which then sold to company C. In recent years accounting standards have tried to limit those profits on consolidation. Profits such as those achieved when the WADC on-sold the property to the State Superannuation Board as a half interest should never have been brought in as a real profit by WADC, a statutory authority. It went from one pocket of the Government to another. By normal accounting standards, a true profit was not made by the Government. I am most surprised that the private auditors allowed the Government to get away with it because the owner of all the shares of the Western Australian Development Corporation was the Treasurer, who sold the property to the State Superannuation Board, the owner of whose shares is still the Treasurer. The Superannuation Board did not buy it as a separate body because it only invests funds. The Superannuation Board does not rely on its funds to pay out the pensions of Government employees.

I recently came upon other anomalies with respect to statutory authorities. I will quote only Western Australian instances, although I have papers dealing with Eastern States anomalies. Some two years ago in its accounts the State Government Insurance Office for the first time brought in an accrual amount of \$1.5 million owing to the Fire Brigades Board. It was the levy it had to pay out. In other years on a cash receipts and payments basis it brought it in

only when it was paid. The first year it brought it in it reflected a trading loss for the State Government Insurance Office that year of about \$1.8 million.

I recognise that the Wran Government in New South Wales did a lot towards greater accountability of Government and recording accounting information and looking at accounting standards. It was moving towards accrual accounting. Premier Greiner has set up a New South Wales Commission of Audit that must report to the Government by 31 July 1988. It must report as best it can on the information available a balance sheet of the State of New South Wales. It really means accumulating or consolidating the balance sheets of departments and statutory authorities approximating to our organisations of, for example, Westrail, the State Energy Commission, the hospitals themselves, and so forth. By bringing them all together it will be possible to see the total liabilities, the debts, the creditors and the moneys owing to them. The matter of fixed assets, the value of land and buildings, is not that material. A notional value can be put on them. Mr Greiner wants to find out the true indebtedness of the State Government he has taken over. Anybody in the business of taking over companies would do that. Any new person taking over would want to know all the facts and to see the balance sheet for the previous year to see whether it complied with the valuation and to see that everything was properly accounted for.

In recent years we have been greatly assisted in better Government accounting procedures by the Public Sector Accounting Standards Board, of which Mr Richard Humphries, the Auditor General in Victoria, was chairman until December last year. He received great cooperation from Governments throughout Australia, including the Federal Government, in making changes. Because of the anomalies in the system there is an urgent need to make proper business judgments on the finance of the State not only for one year, but two, three, or four years ahead. It is most important to know all the facts.

Governments should move to accrual accounting for reasons other than the fact that the private sector uses it. It is necessary because it reflects much more accurate figures and there can be much less manipulation. In backing up Hon Phillip Pender some two weeks ago, I mentioned that in the private sector interest earned cannot be accelerated; that is, interest cannot be paid three or four years ahead, as was done some years ago with certain tax avoidance schemes, into a company that has major tax losses. The Australian Taxation Office made certain changes that meant that sham deals no longer attract deductions.

As I mentioned before, we had a problem in this State regarding interest earned on the short term money market. Up to June 1987 accumulated interest earned over four years, amounting to \$155.4 million, was reflected in a note to the accounts, but not in the earnings of the Government for those years. It was estimated that the Budget would bring in \$92.6 million in interest into the financial statements of the Government to June 1987 and none was brought to account because of satisfactory revenue from stamp duty on mortgages, sale of land and so forth. I recognise that factor. I am asking how we can get the true position when amounts are just carried forward. As I have mentioned before to our farmer friends, it would be excellent if they could carry forward lump sums from the proceeds of wheat or wool in a separate bank account earning interest and more interest without accounting for it in their tax returns in each of those four years. Many years ago I had some clients who did that. They had a bank account with the Commonwealth Bank in West Perth. Unfortunately, the Taxation Office found out that they had accumulated a lot of money from the sale of skins. We read in the *Daily News* today that the Taxation Office has the power to investigate people who accumulate income and do not submit an income tax return. In the same way, the Government has been accumulating income without properly recording it in its figures of the day.

I have enjoyed doing research into Government accounting and I am learning much more about what is going on. During the course of my research, I had a discussion with the Office of Government Accommodation. I commend that body for the work it has done. It is an excellent group. It explained to me the position of rentals by State Government departments. I was interested in the matter because the Federal Government found out that the Department of Administrative Services pays the rental for all Government departments. The rental figures are not reflected in the accounts of individual departments. The rental bill went up by tens of millions of dollars. A large part of that increase in recent years was due to the fact that the Department of Social Security wanted beautiful offices in prestige places in big shopping centres. There is a good reason for their wanting better exposure to their clients, but the costs are not reflected in the budgets of those departments.

The same thing is happening in this State with the Office of Government Accommodation paying the rent of the Premier's Department, the Attorney General's Department, the Prisons Department, the Community Welfare Department, the Sports Department and so forth. The one exception to this is the "Silver Palace" of the Education Department. I understand that it is the only item of a Government department, the rental on which is paid by the department. It believes that if it is going to have a big building like that the rental should be reflected in the accounts of that department and not those of the Office of Government Accommodation.

I understand that other departments are moving into the "silver palace" as there is spare space available; Hon Norman Moore has told me that. It will be interesting to see whether the rental remains the same. If the chief executive officer, Dr Warren Loudon, knows this, he will make a few changes; they will have to pay their share otherwise he will make no major saving. When one looks at this matter in the correct perspective it comes back to the fact that departments have only had to apply for prestige accommodation and up to now the Office of Government Accommodation has said that it was okay, and the cost has not reflected against the department. What is the true cost of these departments, particularly those where a lot of money has been spent on high priced accommodation in recent years?

An example of this is the old Perth Technical College site where the State Government Insurance Corporation has given a guarantee that it will take 32 000 square metres of office space over five years at \$400 a square metre rental, which will be by far the highest priced rental in the city. Some Government people say that it is a good idea and that they will open an office there because it may be nice, with good views. But can we afford these luxuries for Government departments when the majority of their employees would prefer their offices to be in a fringe area where they are easy to get in and out of and where there is better parking? If those officers were shifted north of the river but lived south of the river they would work that out in time.

The Office of Government Accommodation has a directive that Government departments be moved off the terrace into lower cost accommodation. I commend it for doing that because that is what it should be doing for the public purse. One example of this is a department that will transfer to a new building in Forrest Place off Wellington Street where rentals are much less. One of the reasons for doing this seems to be that the proportional cost of land to land and buildings on the terrace has gone from about 10 per cent of the total development to about 40 per cent. This means people are paying a large premium for being on the terrace. When departments shift to Wellington Street or Murray Street there is an automatic big saving that comes into play and the Government picks that up. It must further develop that attitude and develop offices out of the city altogether.

The other interesting matter that arose in relation to credit accounting is that the Building Management Authority pays the insurance premiums on all Government buildings valued at over \$6 million. Costs such as these for the Education Department or the Health Department do not reflect back on those departments as part of their costs, but the costs of the BMA; insurance of \$600 000 seems to be low, so there must be a special rate. Buildings valued at less than \$6 million are self insured and the BMA does repairs in the case of major damage such as a school building being burnt down. It would replace that building and the costs are against the BMA and not against the department. This once again ignores proper accountability of costs where they are applicable to the Minister concerned.

If these costs were charged to departments, particularly costs such as damages to schools, which run to millions of dollars each year, the Minister might then say that he has a problem that has resulted in losing a building, but if the cost is against his department and will eat into what he can spend the next year he might then look at ways of installing things such as better surveillance cameras to stop such happenings. That amount does not come out of the Minister's budget at present, but if it were to come out of his budget it would be a bit like a person who keeps on spending money because it was a bequest and because that does not rely on their earnings.

Heads of department, these accountable officers, must take responsibility for their departments and must start taking responsibility for all the departments' costs. The Public Accounts Committee some years ago prepared a report on the Government's lawnmowing service which was an offshoot of the BMA and which cut lawns around the metropolitan area. Nobody knew the costs involved. They have now set up an income, expenditure and

balance sheet relating to lawnmowing costs and a fee is paid by the Government to this body, so it can check costs. This involves an amount of \$1 million or \$2 million - a nice accounting function obviously recommended by the Public Accounts Committee, yet a lot bigger amounts are being missed. It is Parkinson's law - people seeing lawnmowing understand that because they push a lawn-mower at home, yet far bigger amounts of money by way of rental, insurance or repairs to Government accommodation should be sheeted home to the appropriate departments to show what they are costing the Government and should not be lost in the accounts of the BMA.

Hon S.M. Piantadosi: Is it providing a worthwhile service?

Hon MAX EVANS: Yes, it is. That is why they are getting better control.

Hon S.M. Piantadosi: And the quality of the service?

Hon MAX EVANS: I have not checked the lawns. I have no criticism of what is being done. I am saying that a lot greater detail and supervision should be done in relation to bigger sums of money. Look at the insurance of public buildings in relation to money spent on lawnmowing. It is a very small sum. If one looks at insurance company and other levies paid to the Fire Brigade Board one sees that the State Government pays a major levy to the board. However, there appears to be no relationship between the amount paid and the value of the buildings covered, or the insurance cover, because all Government buildings valued at less than \$6 million are not insured. There is no direct levy for the Government buildings paid to the Fire Brigade Board.

Also, Commonwealth Government buildings in this State are not subject to a levy to the Fire Brigades Board. It seems to be wrong that small taxpayers, every one of us, are paying for fire insurance for our houses by way of a major levy for the Fire Brigade Board yet the Federal Government has all these buildings in Western Australia and contributes nothing towards that board. We do not know whether the amount contributed by the State Government is more or less in respect of buildings such as schools and hospitals throughout the State. However, I am doing research on this matter and hope to bring figures forward at a later date.

Another interesting fact is that 30 June is nearly here. In the balance sheet and Treasury papers of last year the Government recorded a contingency liability to Swan Building Society, Teachers Credit Society and Rothwells in respect of giving guarantees. We know that the amount involved for Swan Building Society is \$13.3 million. In normal accounting practice that figure would be quantified and an accrual would be brought in if the money had not changed hands. I hope we find out whether that money has gone across to the Home Building Society for that debt. I think it has not. Will it be paid before or after June? The amount should be brought in before the end of June on an accrual basis. The Teachers Credit Society's loss was shown at \$62.5 million. The Government accepted that, less the sale of certain assets, as \$48.5 million. That is recognised as a real loss. From all my investigations it seems that that money has not been paid. It should be paid out of revenue this year. The debt has been solidified into this year and should be paid by the Government this year and not left in the financial figures for next year.

It is also interesting that this Government accounting is not worrying about a balance sheet or whether something is a capital investment or revenue expenditure. In May last year the Government invested a further \$19 million in the Rural & Industries Bank, increasing the capital from \$240 million to \$259 million. That money came out of capital works and from loans money, which is where one would expect it to come from. It never shows as an investment in the R & I Bank as there is no balance sheet. This year the Supply Bill is providing another \$35 million to the R & I Bank. That is coming out of revenue; we are appropriating it. Nothing is under cover; it has come out of consolidated revenue for a capital item. There are inconsistencies there. If they were all capital works or revenue, okay; one is done one way and the other another way. How do we know at the end of the year what is the true accounting?

I will put this in perspective again, as I have done so many times that I am tired of repeating myself. The total surplus of this Government for the last four years is only \$8.9 million. It was \$6.7 million in the last year. We are talking about \$35 million coming out of revenue to go to capital expenditure to cover investment, and that has a very material effect. If the

surplus is good, we can do it, but this is not allowed in the private sector. It is not permitted to write off farm machinery against taxable income, plant and many other items. It is just not possible. That is why we must find a better and more regular way of handling Government accounting in the future.

The Motor Vehicle Insurance Trust was another statutory authority. At the end of June 1986 it said, "We have interest accrued but not brought to account in the sum of \$14 million." In December 1986 it was \$15 million. The MVIT said, "We are going to become part of the SGIC tomorrow, so we will bring it all into revenue." For six months to December 1986 we have an abnormal amount of \$15 million revenue coming to the MVIT to put the accounts right. They have been wrong for years. The trust was showing a major deficit for many years. It was carrying an amount like this which was not brought into account. Eventually, when it was brought in on 31 December 1986, it was \$15 million. The trust made a profit then of only \$2 million, because it made a loss on investments at that date. It was written down in the accounts and taken on board by SGIO the next month.

One of the major problems the Government will have with accrual accounting is the Government computer. I was made aware of this in about 1981 when I was doing some work for the Perth Theatre Trust. The trust said, "We do not want cash accounting." The Government computer just records how much you have received, and how much you have paid out each month. They said, "It means nothing to us. We receive receipts for the concert hall for the month of June for a show not to come on until late in July. We have all the income one month and the expenses the next month, and all this problem is brought out by the Government computer." Nigel Prescott, the Executive Officer of the Perth Theatre Trust, wanted to know whether he was making a profit or a loss each month. The fact is that advertising is done in the month of May and some receipts come in the month of June, and he wanted to equate expenses with income.

We had a look at this to see what we could do for him. We had talks with Treasury in 1981 and found it was not possible; the database there is based on cash receipts and payments. This will be the major problem with the Government computer if and when - and I believe it must - the Government goes to a form of accrual accounting. Nigel Prescott now has a very good program called "Budget Master" which enables him, on a small PC computer, to pick up all the cash receipts and payments items. He enters into the PC computer all his budget figures. He can throw up on the screen a schedule of every item of income and expenditure, assets and liabilities. He can put in his projections of what he expects to happen, when he expects receipts to come in, whether in 30 or 60 days, and capital expenditure.

When Treasury has been through his accounting information and makes three or four changes he just has to throw the figures up on the screen, make those changes, and in five minutes he has updated the budget and printed it out again. He has his income and expenditure account, his cash movements, prepayments, accruals, any stock on hand, and a projected balance sheet for each month of the year as he expects to see the movement of his funds. The program he has, "Budget Master", should be used by many Government departments so that the accounting officer knows what is going on in his department. He can bring everything to account every month, and particularly at the end of the year, and see his income and expenditure position and his assets.

Another problem in Government accounting was reflected in South Australia a couple of years ago, where the Government carried \$27 million revenue in a Main Roads Trust Account. The money was not needed in that year, so it was deferred by Treasury. The same thing happened here. Several years ago, \$22 million was budgeted to come from the State Development Fund into revenue. This money came from Argyle Diamonds. It was not needed so it was left out. This is bad accounting and gives a misleading position.

I commend Mr Ken Robson, the Auditor General of New South Wales, who is the father of accrual accounting in Australia, and has been pushing it for some years. I enjoyed my discussions with him. Without knowing all cost information, an organisation in the private sector would almost certainly be doomed. From my experience in the private sector, many companies have failed because they have not known all their financial information; they have not had regular accounts; they have not been able to make a real profit and so on. Any company which does not value its stock properly will be doomed.

Mr Robson has this to say -

Decision makers, including Members of Parliament, need to know not only the immediate, but also the long term costs of programs being initiated. Operational managers need to know the true cost of their operations.

What is often overlooked when putting on 10, 20 or 30 staff, whether in an office, the Police Force, or a hospital, is ongoing things like office or floor space required. The benefits go to them, and there is the increment in those salary costs. In the same way, if one puts up a big new building, it may have 10 000 square metres and one might want to go to 15 000 square metres. It gives more room to move, but at a high capital cost which does not show up the first year, but in future years it involves higher cleaning costs, higher air-conditioning costs, electrical costs, repairs and so on. All these extra costs will result from these decisions. Operational managers need to know the true costs of their operations. Take the example of a major building program such as an office building. If those costs are absorbed by capital costs, there is no ongoing rental cost. The rental of all Government departments is paid by OGA. Where the Government has put up a building like a school, there is no cost to the department at all; it does not reflect that cost.

Sitting suspended from 6.00 to 7.30 pm

Hon MAX EVANS: Only this morning I attended a meeting with the parents and friends of Catholic schools, and we discussed their statistics showing the cost of education in non Government schools and Government schools. There was a big difference between the two. Having done work on this subject I was able to point out that the cost to Government schools is higher than it seems to be. In the private sector, non Government schools have to finance the cost of extensions to buildings, etc, and must include those interest bearing costs in their operating costs. However, costs of new school buildings and extensions are not charged to the Education Department; the interest cost goes straight to capital works. Governments can always find money for capital expenditure, but not for revenue expenditure. When making comparisons between the cost of a pupil to Government schools and a pupil to non Government schools, the Government uses formulae with a percentage factor ranging from 15 to 20 per cent, according to the subsidies it allows.

One should ask the question, when looking at Government figures, how much higher could they, or should they be? Finance and insurance costs are not included. I am not certain whether the Government lawn mowing service, is charged to the BMA or the Education Department. I understand the cleaning costs go directly to the Education Department. We have not got the cost of superannuation, long service leave, payroll tax and other costs which schools must include in their structure, but which are not included in the Government system.

Hon J.M. Berinson: Certainly long service leave is reflected in the salaries.

Hon MAX EVANS: They pay as they go along, as most people do. Companies or businesses have provision for this, because it is accumulated over a length of time until the day on which it has to be paid. In accrual accounting, when the long service leave or holiday pay is paid, it comes from the provision account, not running expenses. The facts which came up today are interesting in respect of the anomalies which occur in comparing the costs of Government and non Government schools. These people are to show these figures to the Minister, and I told them they should take other factors into account because the Government costs are greater than they appear to be.

Mr Ken Robson, the Auditor General of New South Wales, commented as follows -

Until the early 1980s, the public sector was not required to have recourse to accounting standards.

This is irrespective of cash or accrual accounting. He went on -

In fact, they were virtually unheard of even in statutory corporations. The result was that organisations produced financial statements when they liked and included in them virtually whatever they liked. Compared to present day statements they were nothing short of a sham.

I have referred to this before, but four or five years ago, when I was looking at this subject, I found that the Australian Wheat Board had borrowings of \$3 billion or \$4 billion at that time, and had not produced a balance sheet for four years. It was impossible to see whether it was solvent because there was no balance sheet. No-one had calculated the figures to show

whether the board was in front or behind; it was buying wheat and selling it forward, yet was four years behind with its financial statements. At the same time, one of the growers' cooperatives in Queensland became insolvent. It had gambled on the futures market on its commodities, and had to go into liquidation. I suppose that as the Australian Wheat Board did not know where it was going and what it had done, it could not go into liquidation and had to keep borrowing more money from overseas.

Mr Ken Robson also stated -

A series of statutes and regulations now requires statutory bodies to produce . . . (accrual) accounts . . . while statutory bodies produce far better financial statements than they used to, the departments, although now supplying a lot more information, to my mind, still produce financial statements which need many changes to make them meaningful.

That applies even more here. I have seen a lot of the work that has been done in New South Wales in program budgeting, and getting details of costs to be set against certain projects within a certain year. The article goes on to say -

It can be said that the fact that government does not have profit as a goal is a good reason to suggest that there should still be a focus on stewardship; but there is a need for wider accountability than in terms of annual cash flows. However, we should never lose sight of the concept that the appropriation of cash by Parliament is how the public purse is controlled.

I believe that is how it should be controlled. As the Minister will know, with accrual accounting many ideas can be put forward by distorting the figures. It is not as careful as cash accounting. Accrual accounting is an effort to show the true costs at the time. The article further states -

On the other hand, the fact that government is not profit oriented does not mean that a view of the current departmental type stewardship is the only way by which the government's activities should be examined . . . In most cases organisations are only too happy to demonstrate their ability to function effectively and economically. In others the primary aim seems to be to conceal as much as possible. Despite meeting the minimum requirements set out in Reports legislation, and I regard them as minimum requirements, these organisations are not able to demonstrate satisfactory performance and therefore engage in innovative accounting practices to conceal the true picture.

I refer the Minister to the case of Exim, some 18 months ago. That is a corporation, owned by the Government, which did not want to expose the true position of its trading, when it lost about \$4 million, because the Government was to invest a further \$7 million. The figures were distorted with creative accounting, bringing in \$2.8 million which had not been earned by the corporation, and a revaluation of the livestock of \$1.4 million. I read in the paper today of the possible sale of the Exim leases. The Exim leases are based on the value of the livestock. The livestock purchased under those leases was about \$8.5 million, there are 70 000 head of cattle at \$120 per head. In the books it is put at \$1.5 million to \$2 million. The \$6 million grant provided by the Commonwealth Government to Exim was offset against the total cost of properties owned by Exim. It was recorded in the books as \$5 250 000 and not \$11 250 000. The difference was written off against livestock. Perhaps the Government will tell us in a few days that it has sold the livestock at a huge profit and it will be because of the grants provided to Exim by the Commonwealth to the State Governments. I suggest that the Minister look at this matter because the profit will not be what he thinks. In reports presented to the Government some time ago the profit to be made on livestock was reflected in the low base figure in the accounts. It was incorrect accounting.

The PRESIDENT: Order! The member has one minute to complete his speech.

Hon MAX EVANS: I still have a minute.

Several members interjected.

The PRESIDENT: Order! I simply reminded the member that he had a minute remaining. I never said anything about extensions. We are using up the minute now, but I intended to remind the member in case he was not aware of it.

Hon MAX EVANS: One of the problems is that pricing policies may be completely distorted and pressure may be placed on the Government.

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

Hon MAX EVANS: In addition to the Attorney General saying that it is putting pressure on the Government to make these changes, it is too easy to manipulate a result without accrual accounting, for example, by delaying payments on invoices on hand and drawing cheques and keeping them in a safe, a practice which was popular some years ago. I do not know whether the Minister ran his business in that way, but people used to draw the cheques, put them in the bottom draw, use them as required and write them up in the cashbook as though they were true expenses. There is a tendency for the Treasury to transfer large sums of money to reserves and provisions as at the balance date. Any of these accounting techniques can be overcome by accrual accounting. I have not found out whether this Government transfers funds from the Treasury on a regular basis; although I recall that two years ago it took \$23.5 million out of its account on the last day of the financial year and deposited it in a short term money market investment.

It is important in such an exercise to recognise the assets which have been acquired and to bring to account some form of charge for the use of them in that program. There is nothing unusual about that. However, when we speak of capital projects funded out of loan moneys there should be some recognition of the cost of servicing the loan. The Sir Charles Gairdner Hospital runs at a cost of between \$100 million and \$150 million. That amount is not shown because there is no balance sheet. It was written off in capital loans. I believe that is basically wrong. It is important in accounting to know exactly what are the assets and what is the true cost of the service that is being provided.

I understand that the Government has been looking at an alternative which will reflect on cash payments and accrual accounting. Although many accountants will say that is not possible, it is possible. I believe that the appropriations were based on the cash available to the Government and I have seen nothing to the contrary. Several years ago the tax paid by many professional offices was determined by the cash revenue. Following a case involving a Roy Henderson of C.P. Bird and Associates, it was decided to implement an accrual accounting method to bring in its debtors. It had about 50 partners and it wanted a proper accounting basis. This could not be implemented on a credit basis because it did not know how to treat the value of the assets for tax purposes. As a result, it went to the Department of Taxation to obtain a ruling.

The PRESIDENT: Order! I remind honourable members that the rule relating to the reading of newspapers still applies and it is still out of order.

Hon MAX EVANS: I am explaining that two sets of accounts can be created on a cash basis and on an accrual basis of accounting. This method was used by many firms including my firm. We had a cash basis account for the Taxation Department with a balance sheet with no work in progress or accounts receivable and the normal accounts to show the true basis. This method of two sets of accounts could be carried out on a computer quite easily.

Another matter which should be considered is a provision of certain costs. We know there will be a large ongoing cost for future maintenance of roads. It is a cost which we will have to catch up with at a later date and there must be other costs which we should be looking at.

This Government and future Governments must begin preparing strategies in line with other States to look at accrual accounting, the problems associated with it and the benefits to be gained from it. All States should undertake this method because if only one or two States work on an accrual accounting basis, the Federal Government will not be able to make comparisons and that may or may not be advantageous. I know that the Government arranged for the Public Accounts and Expenditure Review Committee to travel east last February and I hope that at a later stage the Minister will brief us on the course of action the Government is proposing.

I support the motion.

Debate adjourned, on motion by Hon J.N. Caldwell.

BAIL AMENDMENT BILL*Second Reading*

Debate resumed from 1 June.

HON JOHN WILLIAMS (Metropolitan) [7.48 pm]: The Opposition supports this Bill. One often says simple things in the Parliament, but this is a simple Bill although with its many clauses one may think it is complicated.

The Government has listened to objections from the various law bodies outside this House and has introduced an amendment to the parent Act. In introducing the amendment it has done a service to what I spoke about in my speech on the Address-in-Reply; that is, that the law, as applied to the citizens of the State, is essentially an instrument to make sure that those citizens enjoy justice. The old Bail Act was a very complicated method of getting someone out of custody when he had been charged with an offence. Bail could or could not be granted and it required a lot of intricate work to make sure that not only the person who was granting the bail, but also the bailee understood what was happening.

I commend the Government on bringing this amendment to the Parliament because it is good that the bail process has been simplified. Perhaps members in this House have from time to time observed people who have not complied with the law, or who, having been charged with not complying with the law, have been held up in certain institutions because they could not obtain bail. The Government has decided that the amendments, with safeguards, should be introduced and that is the reason the Opposition supports the Bill.

The Attorney General said in his second reading speech that the amendments are intended to improve procedures within the bail process, and that is precisely what this Bill will achieve. I will not go through it clause by clause because every member in this House is intelligent and able to read the Attorney General's second reading speech. One of the failures of our parliamentary system is that when an Opposition cannot find anything wrong with a Bill, it waffles on for half an hour; not in my book. In my book, if the Bill is what I may describe as "a clean Bill" and does the job, one should commend to the members of the House the reading of the Minister's second reading speech. Admittedly those speeches are not written personally by the Ministers and one can almost detect from the phraseology which officer of the department wrote the speech.

The Opposition has studied the Bill and distributed copies of it; they have been returned and we can find no fault with it. Although one could pick it here and there, the Attorney General will agree with me that we will not know the deficiencies of these amendments, if there are any, until such time as they are put into practice. When that happens the Attorney General will say that the member for Metropolitan Province had no complaints at the time, but in the practice of the provisions when the Bill becomes an Act, it may be a different kettle of fish. I was not blessed by my parents with a crystal ball to enable me to look into the future; if I had been, I would perhaps be able to forecast the problems which might arise.

I support the Bill and commend it to the House.

HON J.M. BERINSON (North Central Metropolitan - Attorney General) [7.52 pm]: I thank Hon John Williams for indicating the support of the Opposition for this Bill, and also for a very fair summary of it. I agree with his concluding remarks that no Bill is perfect, but to the extent that there is still some scope for improvement in this legislation, that will emerge only from experience. We can say with confidence that there is far less scope for improvement with the Bill as now amended for a second time than there was in the original Bill which was passed with great enthusiasm and with support from both sides of the House, at a time when I was a member of the Opposition benches. It quickly became apparent that it had many administrative problems, and these have now been addressed. I thank the Opposition for its support and commend the Bill to the House.

Question put and passed.

Bill read a second time.

Committee and Report

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

Third Reading

Bill read a third time, on motion by Hon J.M. Berinson (Attorney General), and transmitted to the Assembly.

ADJOURNMENT OF THE HOUSE - ORDINARY

HON J.M. BERINSON (North Central Metropolitan - Attorney General) [7.55 pm]: I move -

That the House do now adjourn.

Australian Broadcasting Commission

HON P.H. LOCKYER (Lower North) [7.56 pm]: I wish to bring to the attention of the House my concern about the Australian Broadcasting Commission and its broadcasting of sporting events to country areas. It has been apparent for some time that cutbacks have occurred in the funding to the ABC and the first people to be hit are those in the regional areas. I refer specifically to the Monday of the recent long weekend: Members will be aware that a double race meeting is held at Belmont Park on long weekends and, although the races were broadcast in the normal way to regional areas on Saturday, even though Monday was a public holiday, the ABC did not broadcast Monday's race meeting. This may seem a small matter to some members but members representing the regional parts of Western Australia - I refer specifically to the north of the State and no doubt it applies also to the south and the east - will be aware of the importance of these broadcasts to areas which are not serviced by regional radio stations. Those people who rely on the ABC for direct racing broadcasts are denied the facility enjoyed by people in the metropolitan area in that they cannot tune to the regional station 6PR to hear the broadcast.

It is a further indication of the cutting back of funds and treating people in the country areas of Western Australia as second class citizens. It also makes a mockery of the cry for one-vote-one-value. Perhaps the first places in which to ensure that all votes are equal are in the remote and isolated areas. The ABC is funded by the public purse and it has a duty to broadcast to the many parts of Western Australia it now serves. The cutting back of programs, particularly sporting programs, is wrong. I hope the leader of the Government in this House will use his position to try to rectify the situation. This cutback will start with racing and will end with the cutting back of broadcasts of football, cricket and other programs which people in remote areas enjoy as much as those in the metropolitan area. The Parliament has a duty to assist people in remote areas to have these matters addressed and the broadcasting of race meetings on public holidays should be reinstituted. I shall be in touch with George Grljusich, the sporting editor of the ABC, seeking his assistance, and I hope other members will support me.

HON GRAHAM EDWARDS (North Metropolitan - Minister for Sport and Recreation) [7.58 pm]: I concur with the remarks made by Hon Phil Lockyer. I have spoken to George Grljusich who has made his concerns quite apparent over the past two or three weeks. I issued a Press release which appeared last Saturday, indicating that we are approaching the Prime Minister, the appropriate Federal Minister, and Mr Hill, the General Manager of the ABC. The matter is also being pursued by my Federal colleague, Mr Ron Edwards, who will be making representations to Canberra. Certainly the loss can be seen in two ways: First, to merge the sports section with the news section would make the sports section subservient to the news editor. If that were the case, quite definitely cutbacks would take place in sporting broadcasts, not only in country areas but also in the metropolitan area. I understand there could be some centralised management of the program which could well mean cutbacks in such programs as "Saturday Sports Talk", a very popular Saturday morning program.

The other area of concern from my point of view is that the ABC sports program provides a vocational service: People who want to come into the ABC as sports journalists now have the ability to do so. That they have been successful is seen by the number of excellent sports callers who have moved on from the ABC to take up very prominent positions in commercial radio and in commercial sports generally. A couple of people who spring to mind are Dennis Cometti and Wally Foreman, who is currently the Executive Officer of the Western Australian Institute of Sport.

Hon Tom McNeil: You should send them over to Victoria to do a bit of broadcasting. The commentators who now cover the VFL games are hopeless.

Hon GRAHAM EDWARDS: If they did want to cut back on some of the services, some of those sports callers from Victoria in particular could get the chop. That is perhaps an argument in favour of the situation because I do not think I have ever heard so much nonsense, so much rubbishing, and so much putting down of sportsmen, such as the Eagles, as I have heard from some of those one eyed - I should say bleary eyed - beer gutted sports callers. It is a bit sad that this is being mooted, but I can assure Hon Phil Lockyer, and other interested people - particularly those Western Australians who live in remote country areas - that we are pursuing the matter vigorously.

Question put and passed.

House adjourned at 8.02 pm

QUESTIONS ON NOTICE

ABORIGINES

Turkey Creek Roadhouse

63. Hon N.F. MOORE, to the Minister for Community Services representing the Minister for Aboriginal Affairs:

- (1) Is it correct that an Aboriginal group has purchased all or part of the Turkey Creek Roadhouse?
- (2) If so -
 - (a) which group made the purchase and when; and
 - (b) was stamp duty paid on the transaction, and if so, how much?
- (3) If stamp duty was paid, was all or part of it refunded by the Government, and if so, why?

Hon KAY HALLAHAN replied:

- (1) Yes.
- (2) (a) Warman Community (Inc);
(b) yes - \$26 000.
- (3) The purchaser has applied to the Stamp Duty Office for an exemption. If the application is successful the amount paid in stamp duty will be refunded.

WATER SPORTS

Wellington Dam - Australian Rowing Championships

76. Hon A.A. LEWIS, to the Minister for Community Services representing the Minister for Water Resources:

What protection has been given to the Wellington Dam shoreline as a result of the dam being selected for the Australian Rowing Championships?

Hon KAY HALLAHAN replied:

The organising committee for the event has a representative of the Water Authority who is ensuring that all activities on the Wellington Dam are carried out consistent with the management of the dam as a drinking water source.

WATER RESOURCES

Landholders - Water Sales

95. Hon W.N. STRETCH, to the Minister for Community Services representing the Minister for Water Resources:

- (1) Is it possible for a landholder to sell water to -
 - (a) a Government department or authority; or
 - (b) any other person
 where the land is situated -
 - (i) in the metropolitan area;
 - (ii) in a rural area proclaimed by the WA Water Authority; or
 - (iii) in a rural area not proclaimed by the WA Water Authority?
- (2) (a) For what purpose can a catchment area be proclaimed;
- (b) how is such a proclaimed area defined physically by readily recognised landmarks; and
- (c) will the Minister provide a list with maps of the currently proclaimed catchments in the south west of this State; that is, Mandurah to Albany?

Hon KAY HALLAHAN replied:

- (1) The sale of water by landholders is possible under certain circumstances provided it has not been supplied to the landholder under the provisions of the Metropolitan Water Supply Sewerage and Drainage Act 1909 (MWSS&D Act) or the Country Areas Water Supply Act 1947 (CAWS Act). Water collected by the landholder can be sold provided the landholder complies with Statutes and the terms of any licences issued under the provisions of the MWSS&D Act or the Rights in Water and Irrigation Act 1914.

The Water Authority has the power to control diversions of water from watercourses and the taking of groundwater. The Water Authority, while seeking to encourage development of water resources, would have regard for any interference with the rights and activities of other landholders when considering proposals or projects to collect water for sale.

- (2) (a) For the purpose of the MWSS&D Act and the CAWS Act the Governor may declare catchment areas. The Water Authority then, amongst other things, has the power to divert, intercept and store water;
 - (b) either by a published grid reference or as indicators on a plan;
 - (c) due to the large number of catchments in the area indicated by the member, it is not practical for me to provide a map of each catchment. However, if the member cares to write to me requesting information on specific areas I will respond.

WATER AUTHORITY OF WESTERN AUSTRALIA

Retirements

110. Hon BARRY HOUSE, to the Minister for Community Services representing the Minister for Water Resources:

- (1) How many retirements, with redundancy packages, have occurred from the Western Australian Water Authority in the south west since 1986?
- (2) What was the redundancy package in each case?
- (3) Are some of these same retirees now working for WAWA on a casual basis?
- (4) What is the casual rate of pay being paid to these employees?
- (5) What is the reason for their employment?

Hon KAY HALLAHAN replied:

- (1) Thirty four.
- (2) Two weeks' pay for each completed year of service; an upper limit of 45 weeks, provided that no payment will exceed the amount an employee would have received had employment continued to age 65.
- (3) No.
- (4)-(5) Not applicable.

TOBACCO ADVERTISING

Legislation

135. Hon P.G. PENDAL, to the Minister for Community Services representing the Minister for Health:

- (1) Is there any intention to introduce legislation or other restrictive measures before the State election aimed at further restricting the advertising of tobacco products?
- (2) If so, what form will these new measures take?
- (3) Is there any proposal before the Government to prohibit tobacco company sponsorships of sport or the arts and to replace that sponsorship from a Government trust?

Hon KAY HALLAHAN replied:

- (1) The Government is currently monitoring the impact of legislation introduced into Victoria and South Australia.
- (2) Not applicable.
- (3) No.

AGRICULTURE PROTECTION BOARD

Weeds - Category 2 Plants

137. Hon H.W. GAYFER, to the Minister for Consumer Affairs representing the Minister for Agriculture:

- (1) Why is it that the Agriculture Protection Board refuses to have Mossman River and Spiny Burrgrass declared a category 2 plant within the boundaries of the Shire of Wongan-Ballidu?
- (2) If it appears to the APB that the weeds are no real problem, could it liaise with the Shire of Wongan-Ballidu, which has differing views as have neighbouring shires?

Hon GRAHAM EDWARDS replied:

- (1) Mossman River and Spiny Burr are nuisance weeds and not weeds of economic importance to agriculture. Local authorities can prescribe these grasses as pest plants for their districts.
- (2) Regular liaison is carried out with all shire councils, both on an individual basis and through the Agriculture Protection Board's zone control authorities and regional advisory committees.

STREET

Street Number - Uniform System

138. Hon P.G. PENDAL, to the Minister for Community Services representing the Minister for Lands:

- (1) Would the Minister advise whether consideration has been given to instituting a system of uniform street numbering?
- (2) In view of the importance of emergency services being able to readily locate an address, when can they expect that a better system of street number allocation will be introduced?

Hon KAY HALLAHAN replied:

(1)-(2)

Street numbering is not a responsibility under the Lands portfolio. It is suggested that the question be directed to my colleague, the Minister for Local Government.

PEST CONTROL

Crickets - Indian Cricket

141. Hon P.G. PENDAL, to the Minister for Consumer Affairs representing the Minister for Agriculture:

- (1) Is the Minister aware of the widespread presence of a foreign cricket in the Perth metropolitan area?
- (2) From where, when and by what means was this species of cricket introduced into Western Australia?
- (3) Is any action contemplated to eradicate this pest?
- (4) If not, why not?

Hon GRAHAM EDWARDS replied:

- (1) Yes - common name, Indian house cricket.

- (2) The Indian cricket has been established in northern Australia for many years. It has been present in the metropolitan area for 10 years.
- (3) No.
- (4) Investigations on the feasibility of eradication indicate that a program would be impracticable and not justified for the following reasons -
 - (i) It is a household nuisance pest which can be controlled with bran baits at low cost;
 - (ii) the damage caused by the cricket is slight and localised;
 - (iii) there is some evidence that the infestation is decreasing naturally;
 - (iv) past experience has shown that eradication measures in domestic situations using pesticides are difficult to implement.

TOURISM

Holiday WA Centre - Window Display

142. Hon P.G. PENDAL, to the Minister for Consumer Affairs representing the Minister for Tourism:

- (1) Is the Minister aware that one half of the window display at the Holiday WA Centre in Hay Street, Perth, has been allocated to another department?
- (2) Is this a permanent arrangement?
- (3) Is the Minister aware that private tour operators are being disadvantaged by having less display space in this prime spot and have complained about the matter?
- (4) Will she take action to return the full space for the original purpose, that of tourism industry displays?

Hon GRAHAM EDWARDS replied:

- (1) It is presumed that the member is referring to the window space being used by the Crafts Council of Western Australia. One third of the available window space in the Western Australian Tourist Centre, Hay Street, Perth, has been allocated to the Crafts Council for promotion of arts and crafts activities located primarily in regional areas and is featured as an inducement to travel to those regions.

The Crafts Council is not a Government department but a separate incorporated body with its own board of management. It receives financial support from both the State and Federal Governments.

- (2) The arrangement is ongoing and may be terminated at any time by the Tourism Commission.
- (3) There are two other windows available for use by private operators and it is not believed that any operator is disadvantaged by lack of display space. In fact, display space inside the centre has been significantly increased during the last 12 months and shelf space for operators has been considerably expanded.
- (4) Use of the window by the Crafts Council was encouraged as part of the Government's initiative towards a closer relationship between tourism and the arts and in recognition of the fact that local crafts are an integral part of our tourism industry. Use of the window for that purpose will be reviewed on a regular basis.

EDWARDS, MR GRAHAM

Office Relocation

155. Hon G.E. MASTERS, to the Minister for Consumer Affairs:

- (1) Is it correct that the Minister has recently moved from his ministerial office at 197 St Georges Terrace to the 10th Floor, 37 St Georges Terrace?
- (2) If yes, what was the cost of the relocation?

(3) What was the cost of renovations carried out?

Hon GRAHAM EDWARDS replied:

(1) Yes.

(2)-(3)

These questions should be referred to the Minister for Works and Services.

QUESTIONS WITHOUT NOTICE
CORPORATE AFFAIRS DEPARTMENT
Newspaper Article - Assets

65. Hon G.E. MASTERS, to the Attorney General :

(1) Has the Attorney General read *The Australian* today? An article in that paper headed "Department's coffers overflowing with 'defunct' assets" states -

Western Australia's Corporate Affairs Department is apparently doing very nicely turning itself into a behind-the-scenes conglomerate.

At very little cost, the department has been busily picking up not only shopping centres, residential properties, the odd boat and a couple of executive cars but also oil drilling equipment.

It also states that cars, such as Porsches, and people's homes are involved.

(2) Is the report is correct?

(3) Has the Government investigated the assets held by the department?

(4) If so, what does it intend to do by way of disposal of those assets?

Hon J.M. BERINSON replied:

(1)-(4)

I have not read the article, although someone did mention it to me at lunch time. My only comment was that I hoped that, together with any assets, we did not also pick up any deficits that might apply to defunct companies. Beyond that I have not had the opportunity to request or receive a report on this matter. I will do so.

MEMBERS ATTENDANCE
Bipartisan Approach

66. Hon A.A. LEWIS, to the Minister for Consumer Affairs:

In view of the Minister's statement on equal numbers of Liberal and Labor MPs and their functions, can he assure the House that he always has, and always will apply this equity formula, even when the electorate has a preponderance of ALP members?

Hon GRAHAM EDWARDS replied:

I am a bit disappointed about the way this has been approached. I always attempt to deal with members opposite as fairly as I possibly can. Members will be aware that we were trying to -

Hon D.J. Wordsworth: Win an election.

Hon GRAHAM EDWARDS: - hold, adjacent to Collie in the south west region, a national rowing regatta next year, which was to include the Kings Cup. In an endeavour to get the necessary support for this event to be conducted properly I held a lunch in the region. It just so happened that the lunch was held in Collie - it could as easily have been held in Bunbury or any other part of the area.

Hon G.E. Masters: Parliament House.

The PRESIDENT: Order!

Hon GRAHAM EDWARDS: In order not to have the place overflowing with politicians who come from that region, including the members for Bunbury and Mitchell, and Hon Doug Wenn, I decided to get a member from each side so that, hopefully, we could adopt a bipartisan approach.

Hon J.M. Berinson: Even tripartisan.

Hon GRAHAM EDWARDS: The idea was to make the whole thing work because it will have a big impact on the region. We need a bipartisan, non-political approach from the whole community. I am pleased to say that has been the response so far. It has been the most encouraging response until tonight. The honest and genuine endeavour was to get a balance without, as I say, creating an overflow of politicians. I am sorry it has not worked out to the satisfaction of Hon A.A. Lewis, but I will bear his comments in mind for the future.

Hon G.E. Masters: You sound more like Mr Berinson every day.

LOTTERIES

Mail Order Selling - Interwin Lotto System

67. Hon FRED McKENZIE, to the Minister for Consumer Affairs:

(1) Is the Minister aware of a scheme being promoted by mail to Western Australian consumers which guarantees that people who pay \$23 for the scheme, plus postage, will be guaranteed to obtain at least five numbers in Lotto within 10 weeks of using the system?

(2) If so, is the scheme worthwhile?

Hon GRAHAM EDWARDS replied:

(1) Yes, I am aware of this scheme, the details of which are as follows -

- (a) "Interwin Lotto System" is being promoted in Western Australia by a Queensland mail order firm, Cliveden Press.
- (b) It is claimed that the scheme guarantees the user at least a five number - division 3 - win in Lotto within 10 weeks.
- (c) It also claims to increase the chance of winning the jackpot by 1 000 times.
- (d) The system is being investigated by the Queensland Consumer Affairs Bureau. It claims to rely on studies of "probability and frequency analysis".
- (e) To suggest that numbers drawn in previous Lotto games could have any bearing on future draws is absurd and without mathematical foundation.
- (f) The scheme is being promoted by mail. Unfortunately for the promoter, one of the pamphlets was posted to the home of a Consumer Affairs Ministry staff member.
- (g) The pamphlet said names had been "selected at random" from a commercial mailing list for a "special advertising promotion".
- (h) The promoter asks for a full payment of \$23, plus postage of \$1.80.
- (i) The promoter also offers a mystery prize, but the only mystery is how these crazy schemes manage to survive.

It is an absurd waste of money. I would strongly urge consumers to avoid this so-called system and to ignore material sent to them.

(2) For the information of members who may receive approaches from constituents, I will seek leave to table a copy of the information sent from Queensland, so that members may readily identify the scheme. I urge members to read this material. I also commend the employee of the Ministry who acted quickly on this matter. It certainly helps the Ministry to respond

quickly and, hopefully, nip this type of thing in the bud before it becomes entrenched. This is of concern to me, as the Minister, and I will do whatever I can - I hope with the support of members - to minimise the effect that these people have on the community.

[See paper No 248.]
