

Legislative Assembly

Tuesday, 11 August 1981

The SPEAKER (Mr Thompson) took the chair at 4.30 p.m., and read prayers.

EDUCATION

Funding: Petition

MR HODGE (Melville) [4.31 p.m.]: I wish to present a petition from 236 citizens of Western Australia. It reads as follows—

To The Honourable The Speaker and Members of The Legislative Assembly of the Parliament of Western Australia in Parliament Assembled:

We, the undersigned citizens of the State of Western Australia do herewith pray that Her Majesty's Government of Western Australia will take immediate decisive action to ensure that the funds supplied for Government Schools in Western Australia in 1981/82 will be at least sufficient to maintain educational services at the level attained in 1980/81.

The provision of such funds as are required will obviate the need for the present highly disruptive movement and non-replacement of teaching and non-teaching staff within the Education Department in Western Australia, with particular effect in those areas where specialist skills are most needed.

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

The petition conforms with the Standing Orders of the Legislative Assembly, and I have certified accordingly.

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

(See petition No. 60.)

TRAFFIC

Reduction in Road Carnage: Petition

DR DADOUR (Subiaco) [4.32 p.m.]: I have a petition containing 376 signatures from residents of Western Australia. The petition is similar to other petitions presented in this House commending the actions of the RTA and requesting the introduction of legislation to

reduce the permitted blood alcohol level to 0.05 per cent.

The petition conforms with Standing Orders, and I have certified accordingly.

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

(See petition No. 74.)

EDUCATION

Funding: Petitions

MR BERTRAM (Mt. Hawthorn) [4.33 p.m.]: I have 13 petitions to present to the House, and they are all couched in similar terms and touch on education funding. The petitions in part read as follows—

HEREBY humbly pray that the Court Government act immediately to reverse—

- (a) its policy of reducing school teaching staff levels
- (b) its policy of transferring advisory curriculum and development teachers to ordinary schools and—
- (c) its financial policies and priorities so that—
 - (i) the school children and parents of this State may share in the benefits of development boom in this State and—
 - (ii) the cash resources of this State will not be squandered by unnecessary expenditure but shall be used to better and proper advantage including the education of our children.

These petitions conform with the requirements of this House, and I have signed the certificate to that effect. The first petition bears 64 signatures, and the following petitions bear respectively 19, 59, 46, 18, 22, 50, 70, 49, 82, 7, 81, and 79 signatures.

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

(See petition Nos. 61 to 73.)

TRAFFIC

Reduction in Road Carnage: Petition

MR SKIDMORE (Swan) [4.34 p.m.]: I wish to present a petition to the House. It is couched in terms similar to the previous petitions requesting legislation to reduce the permitted blood alcohol content from 0.08 per cent to 0.05 per cent.

I have certified that the petition conforms with the Standing Orders, and that it bears 91 signatures.

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

(See petition No. 75.)

FACTORIES AND SHOPS AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by Sir Charles Court (Premier), and read a first time.

RURAL HOUSING (ASSISTANCE) AMENDMENT BILL

Second Reading

Debate resumed from 4 August.

MR B. T. BURKE (Balcatta) [4.41 p.m.]: The Opposition informs the House at the outset that it does not intend to oppose the proposed amendments to the Rural Housing (Assistance) Act. The scheme appears to have worked well to date, although the number of applicants who have been assisted indicates that the application of the Act has not been widespread. Certainly more applicants have applied for assistance than have been granted it. Judging by the annual reports of the authority, the number of applicants assisted is less than half those who applied.

When considering this legislation and any benefit it might apply to the community, members should bear in mind that the question of funding is of paramount importance. If a scheme which is worth while and which proves to operate successfully is to play its proper role within the community—whether it is the urban community or the farming community—it needs to have a proper level of funding to allow it to operate.

As far as the Opposition is concerned, serious doubts about the ability of the scheme to operate properly are cast by the inadequate funding that is being provided in this area, as in many other areas, by the Federal Government. If the rural housing scheme is a worth-while one, it should be fostered and nurtured. At the moment, it is being denied funds when I am sure the moneys could well be used in a worth-while fashion.

It is interesting to note that in the past year or so of its operation, the authority has borrowed on the private money market to fulfil its lending needs. I venture to say that, in the future, this sort of borrowing will be difficult to carry out. In fact, if it is possible, it will be carried out at rates

substantially above those at which the money previously borrowed was made available to the authority.

It is not the intention of the Opposition to delay the House in the passage of this Bill. However, we re-emphasise that if the scheme is worth while, and its extension is worth while, it is incumbent upon the Government to attempt to ensure that the scheme is funded at an appropriate level—at a level that begins to abate the problem that is experienced by those people who seek assistance under this Act. It is of little consequence to extend the ambit of the Act, to make people who deserve to be included in the ambit of the scheme eligible to obtain money, when all that means is that they are eligible to join a waiting list that becomes longer because the scheme is not funded properly.

Another assurance we seek from the Honorary Minister is that the money which is made available is applied to cases of need. The annual reports of the authority show that the eligibility criteria which apply to applicants vary widely. The Opposition accepts that that will be the case in a situation that is as individual as the agricultural industry.

While it is not possible to say that people experiencing difficulty at present will, by any reasonable prediction, be quite wealthy in the future, because of that situation it is reasonable to say that the criteria applied to applicants should be wide and variable. At the same time, the Opposition seeks from the Honorary Minister an assurance that the money is being provided to people who need it, and that those who do not need concessional funds of this sort are not enjoying the benefits that flow from their availability.

MR McPHARLIN (Mt. Marshall) [4.46 p.m.]: The rural housing assistance under the Act that has been provided has been of benefit to a number of applicants. It is a move which has been well received, and which is functioning quite well.

The committee that examines proposals for assistance has consulted with numerous applicants in various parts of the country from time to time and it has explained the way the system works. The amendments before us will expand the scheme to provide more funds for applicants. I believe these amendments are a welcome move in the right direction.

There are several amendments which improve the administration that the Act provides. A limit is imposed each year by the Treasurer on the amount of finance made available. That limit is

published in the *Government Gazette*, and currently it is about \$5 million. That amount is revised annually. I understand that about \$2 million have been allocated to about 66 applicants.

One part of the proposed amendments is unnecessary. I would like the Honorary Minister to take note of this. It is the amendment to section 16 (1). The committee already has a representative of the Treasurer on it. Section 12 of the Act provides that the Treasurer has the authority to approve a lending institution. That is provided in section 12 (2). Therefore, I cannot see the need for the amendment to section 16.

Perhaps a situation could arise whereby the authority might approve of an applicant and that approval, given by the committee which already has a Treasury official on it, may not receive approval by the Treasurer. That would be rather embarrassing to the committee, a committee which has done a very good job and which is quite capable of carrying on with its good work in the future. I would like the Minister to have a look at this matter, because if approval is given by the committee and no approval is forthcoming from the Treasurer perhaps one could make a comment about the political aspect of the matter, and one would not like to see that apply. However, this is the danger I see inherent in the amendment.

The other amendments are an improvement to the Act and will allow for a wider application of the provisions of the legislation.

MR GREWAR (Roe) [4.51 p.m.]: As its major objective the Bill seeks to allow the Rural Housing Authority to accept applications for financial assistance for housing of farm employees. These employees may or may not be related to the farmer or property owner.

The Bill also gives the Minister additional powers not previously available to him, firstly, to give an indemnity, and secondly, to authorise lending institutions to make appropriate advances. These actions give the Minister additional responsibilities which will ultimately ensure more rapid processing of applications for a farmer's own home or for that of his employees.

The Bill also seeks to bring in a new innovation allowing in certain circumstances for a farmer to sell his property and to assign the debt to the incoming owner, be it his son or someone unrelated.

All the amendments are highly desirable and will ensure the operations and functions of the authority are matched to today's needs. The amendment dealing with the Minister's

responsibilities will streamline the administrative process.

In the original Act and in the amended Rural Housing Authority Act, Government and other lending institutions catered for primary producers carrying on business as primary producers, but it was realised at the time that, ultimately, this Act should be extended to cover other aspects of farm employment. The major needs were originally for the farmer's own housing. The farmers in this case are mainly new land farmers, but farmers of old established properties needed help.

At the time the original Act was introduced many farmers had inadequate finances or could not obtain finance from banks or lending institutions to establish a home. Their first requirement was to clear land and establish their pastures. The banks thought likewise, and so rated loans on such properties to be poor security and hence were not overly anxious to lend in this area.

The establishment of the Rural Housing Authority brought forward a Government guarantee which protected the lending institution's investment. It was originally envisaged that probably about 300 farmers would undertake this scheme. So far there have been approximately 200 farmers helped to own their own homes in the past three years, and there are more in the pipeline. With the new Government policy of land release we can expect many new farmers to avail themselves of the loan in the future.

Following the establishment of the Rural Housing Authority there has been a decided softening in the various banks' policies. The authority has acted like a two-edged sword. The overall result of the establishment of the authority has been most pleasing and a great number of people have been helped and are now well accommodated in modern homes. In all my canvassing around the country areas I find that most people are indeed very happy with the authority. I have met only one dissatisfied client.

The authority itself acts very well and with great credibility, due to its chairman who is very forward looking and dedicated to the continuation of the authority. He is continually searching for improvements in its operation. Initially it was a hard sell. However, once farmers realised it provided reasonable conditions, many of them availed themselves of the funds.

The amending Bill is very important and makes possible the provision of housing for farm employees. I do not envisage there will be a great

rush of applicants, chiefly for the reason that applications in the main will come from new land farmers. Farming is different from what was the case 20 or 30 years ago when a permanent work force was always on a farm. Today the farmers rely mainly on casual help or contractors, but there will be circumstances where a permanent work force is engaged and this Act will allow accommodation for these people.

MR TUBBY (Greenough) [4.57 p.m.]: I support this Bill as it is a very important and worthwhile move for the provision of housing in rural areas. This is a need that was seen during the inspections by the authority throughout the rural areas of the State in respect of catering for farm staff and members of the family resident and working on the particular property.

It is very interesting to go into the Rural Housing Authority and to see its activities in operation in the disbursement of funds to meet farming activities right throughout the State. Unfortunately, in the area I represent the activity has been rather light and this has been brought about by the adverse seasonal conditions over the last five years. Since the authority has been operating, farmers have been reluctant to commit themselves to anything further than their immediate needs to allow them to carry on the running of their property.

I am one who started off farming. This was one of the problems I ran into straight away as a new land farmer. The first home for my wife and family for two years was an ex-Army tent. At that stage I realised how difficult it was going to be to build a permanent home on the property. As a returned ex-serviceman I qualified for a defence service home loan, but this loan was not applicable to rural properties. People had to build in designated town site areas, which in my case was 20 miles away. The State Housing Commission was definitely not interested in my case, so my wife and family were destined to live in very primitive conditions in an old Army tent. However, we gradually progressed from there.

In those early stages after the war I realised that a scheme such as that which is being implemented now was a great necessity for the development of rural areas. When anyone starts off on an undeveloped property where no home has been provided, finances are limited, and he is forced to commit himself to the development of the property to generate income, such a scheme is needed.

Without this type of assistance farmers' families continue to live under primitive

conditions for a considerable number of years. Now that finance from the authority is available the standard of life of farmers and their families has been enhanced considerably; they are able to live under reasonable conditions while their properties are developed. This certainly is gratifying to see, and it is also gratifying to see that this assistance will be extended to farm workers.

I must commend the authority for the efficient and thorough way it assesses the needs of applicants. Mr Adrian Brown, one field officer of whom I am aware, performs excellent work in regard to assessments. His ability to assess situations on the spot because of his experience is tremendous. I believe all the officers with the authority do a commendable job in quickly assessing a situation and making sure, if a need exists and the property is viable, that an application for assistance is approved and the applicant's name is placed on the list until finance is available.

The type of employee now on farms requires decent accommodation. Although nowadays not as many people are employed in the agricultural area compared with the situation 20 or 30 years ago, the type of person employed wants a permanent position, and wants to raise his family under the most suitable environment of a farm. In fact, I believe there is not one type of atmosphere better than that of a farm.

I believe the Bill is worth while and will be appreciated by rural industries. I support the Bill.

MR LAURANCE (Gascoyne—Honorary Minister Assisting the Minister for Housing) [5.03 p.m.]: I thank members for their support of this measure, and for the complimentary remarks they made in regard to the Rural Housing Authority. It is fair to say that the formation of the authority in 1976 was a highly successful initiative of this Government. Over 200 farmers have been assisted and now occupy new homes on their properties. This has done much to stabilise rural industries in this State, and a remarkable increase in productivity on farms with new homes has been shown.

Like the member for Roe, others who contributed a great deal of painstaking effort in developing a system to assist rural people with some sort of housing assistance, can be more than satisfied with the record of their efforts. Many Government members can take satisfaction in that way.

Mr Blaikie: I think you could also mention the member for Vasse. I did not speak to the Bill, but

I had a great personal involvement with the setup of the authority.

Mr LAURANCE: I will refer to some of the points raised by the member for Balcatta. He indicated that although the Opposition supports the measure, it seeks an increase in the level of funding for the authority. Obviously with this sort of scheme we have many applicants, and that has been the case with the scheme. The authority has gone a long way to meeting substantially the requirements of the applicants. Last year an amount of \$500 000 was allocated from the home purchase assistance scheme funds available to the Government and the authority has had the ability to go to the open financial market to borrow further funds. Whilst the level of funding for housing in this State will not be known until the Federal Budget on Tuesday, 18 August, and the levels of funding for State projects will not be known until after the State Budget has been introduced, I have given an assurance to the authority that it will not receive less than it received last year from the home purchase assistance scheme funds.

Mr Blaikie: That is very commendable and shows understanding of country people.

Mr Pearce: Isn't that a 10 per cent cut taking into account inflation?

Mr LAURANCE: The authority has been able to borrow approximately \$900 000 on the open market. I recognise the point made by the member for Balcatta that the amount of such funds the authority can borrow depends on the interest rates prevailing at the time of borrowing. With higher interest rates the authority will find it difficult to utilise private funds for housing, and to overcome that problem I have arranged with the authority for it to provide an interest subsidy from its own revolving fund. Fortunately the authority has operated long enough to develop a small revolving fund. In fact, some funds have come back to the authority even though it has been operating for only three or four years. It will be able to subsidise some of its private borrowings and to mount a substantial programme of lending in the forthcoming financial year despite the high interest rates prevailing at this time.

The member for Balcatta was concerned that cases of need may not be met. The authority has two ways in which it can assist applicants. The first is by way of a direct advance. If an applicant's income is at such a level that he is eligible for a direct advance at concessional rates he will be assisted, but if the difficulty is purely one of security the authority can make assistance

available by way of an indemnified advance which would come through the normal financial channels, such as from a building society or bank, at commercial rates of interest in the normal way. The authority can assist by indemnifying the advance with a Government guarantee.

Each case is considered on its merits in regard to income and other matters. An applicant's needs will be met either by way of a direct advance or by an indemnified advance. From the assistance provided to farmers members will see how the two methods operate.

The member for Mt. Marshall referred to clause 3 of the Bill which will amend section 16 of the principal Act to give increased power to the Treasurer. The Treasurer will have the power to delegate to the Minister for Housing the authority, firstly, to approve advances to farmers by the Rural Housing Authority and, secondly, to indemnify a lending institution. Provision also is made for the Treasurer to revoke at any time the power delegated to the Minister for Housing.

The provision of that delegation of power—I think the member alluded to this during his remarks—is intended to streamline the present procedures. At present, upon approval of an application by the Rural Housing Authority the application is sent to the Minister for Housing and then to the Treasurer for his final approval. The application really goes in a circle, and each step means an extended period before the application is finally approved and the finance is made available. This amendment will streamline the present procedure.

The member for Roe indicated that he seeks a more rapid process of applications, and I am sure the amendment before the House will ensure that occurs. He also indicated an important point. Since the authority was formed it has acted as a lever on other financial institutions to provide more finance in rural areas. It can be seen from the authority's latest annual report that a considerable number of applicants for finance—in fact, 57—have been assisted by other financial institutions following their application to the authority. The important point is that the authority has made a breakthrough in regard to private sector finance for housing in rural areas. The authority has not only personally assisted a number of applicants, but also been responsible for a changed attitude by other financial institutions. Obviously that is a wonderful thing for rural industries.

The member for Greenough indicated the areas of activity in which the authority has been

involved to date. This has an impact which can be seen after studying a map showing the areas in which the authority has been of assistance. The particular map at the authority's office shows the areas in which applicants have been assisted, and shows the number of applicants and the pattern of the authority's programmes. Members will recall that one of the principal reasons for establishing the authority was that farmers in new land areas would be assisted, and a considerable number of them have been.

By the direct efforts of the member for Vasse, a number of applications have come from his area. It is remarkable to see the transformation in an area which once comprised group settlement homes built 50 or 60 years ago—the farmers are now in modern homes. Although the authority has helped, no similarity can be seen in these houses. The farmers have been involved personally and have selected the plans and the building materials. That is a credit to the farmers and the authority.

The member for Greenough indicated that in the northern wheat belt not many farmers have been assisted. That situation reflects the climatic conditions in the three or four years since the authority has been in operation. Now that we have had a break in the drought and conditions can be seen to be improving in the northern wheat-belt area—

Mr Tubby: It is flooding.

Mr LAURANCE: —the authority will be able to move into that area and provide more assistance than it has in the past.

Mr Blaikie: I hope you don't get a flood of applications.

Mr LAURANCE: The authority certainly will be looking to have a much greater impact in that area now that conditions have improved.

I can well understand the experience of the member for Greenough when he established himself in that area and had to live in a tent for some time. He knows what sort of effect a new home has on the viability of a property. On such properties production has increased dramatically and a general feeling of well-being has been felt by farmers and their families.

Now that we have established this successful authority it is important for the Government to move into a wider sphere and, in particular, help pastoralists and farm workers. In addition, flexibility is incorporated so that loans can be transferred from the farmer who initially borrowed the money to his son or a purchaser of the property.

I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr Clarko) in the Chair; Mr Laurance (Honorary Minister Assisting the Minister for Housing) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Section 16 amended—

Mr COWAN: This is a clause about which the National Party is most concerned. I am very disappointed with the reply the Minister gave to my colleague, the member for Mt. Marshall. It indicated quite clearly, that he lacks a total grasp of what this amendment does.

Members on both sides of the Chamber made some comment about the Rural Housing Authority. The amendment proposed by the Minister will emasculate totally the power of the authority. If we refer to the principal Act members will see that the authority may authorise an approved lending institution to make the advance to an approved farmer; so, in other words, the authority is able to approve a farmer and is able to authorise an approved lending institution to make the advance, which is then subject to the approval of the Treasurer.

Under the terms of the amendment the function of the authority will be subject to either the Treasurer or his delegated Minister who, I take it, will be the Honorary Minister for Housing. The authority can no longer determine what is an approved lending institution or an approved farmer.

That means all the authority can do is make the recommendation to the Minister that the approved lending authority should go ahead and make an advance to the farmer. That is what the amendment has done. Consequently, why have an authority? Why do we not just take an application to the Minister and have his departmental officials make the decision as to whether the farmer is approved and whether the lending institution can advance the money to an approved farmer?

This is what the Minister has done. He has totally emasculated the power of the Rural Housing Authority to make any decision and has made it totally subject to the Minister's approval.

Mr LAURANCE: I must say that the member who has just resumed his seat was something less

than charitable with his comments. I would like to reiterate what I said in the second reading stage: The only reason for including this clause is to streamline the procedure and to hurry up applications. At the moment all applications must be approved by the Treasurer. I will point out in a moment the clause under which that occurs.

Mr Cowan: Clause 12; I know what it does, but we are talking about the fact that they can still authorise.

Mr LAURANCE: No.

Mr Cowan: Yes, they can. They can make the authorisation and it can be subject to the Treasurer as to whether or not it goes ahead.

Mr LAURANCE: If the member will let me finish! That is the intention of this Bill: To streamline it so the approval can be delegated by the Treasurer to the Minister for Housing to make one less link in the chain of events that must occur before approval. It is designed purely to streamline the present arrangements.

As the member will understand, the Rural Housing Authority has the ability to give a Government guarantee; in other words, an indemnified advance. No person other than the Treasurer of this State is empowered to give authority for a Government guarantee, and this is spelt out in section 12 of the principal Act. I know the member is aware of this, but I would like to refer to it for the benefit of the Committee. Section 12(1) says—

Subject to the provisions of this section, authority is hereby conferred on the Treasurer to execute on behalf of the Crown in right of the State an instrument of guarantee by which the Treasurer in that behalf in that right guarantees to indemnify an approved lending institution against any loss incurred by it in respect of any advance made by it under and for the purposes of this Act to an approved farmer.

This is in fact what happens now. The Treasurer has that power and he has no right to delegate it. In fact the authority—even though under clause 16 it may approve a lending institution—is still subject to the Treasurer's approval and must send the matter to him for approval. That in fact happens. In respect of applications that now come before the authority, the authority is approved as a lending institution and the farmer is approved, then it goes to the Minister for Housing for his approval, because he administers the Act. Then it goes to the Treasurer for his approval and for a Government guarantee.

We are seeking to streamline that by having the Treasurer give the Minister for Housing a delegated power both to indemnify a lending institution and to approve a farmer; and so both those powers are being delegated by the Treasurer.

However, it does not emasculate the power of the authority in any way because at the moment the authority is subject under clause 12 to approval by the Treasurer. Applications still must be approved by the authority given to the Minister for Housing who will have a delegated power from the Treasurer which may be revoked at any time. The Treasurer still retains the principal responsibility for the issue of the Government guarantee.

Mr COWAN: I can accept that the Treasurer has the final responsibility, but to go back to what I said originally, at the moment the authority has the power to make authorisation in respect of approving the lending institution to advance the money, and also in respect of approving the farmer. The authority will now be subject to the Minister or the Treasurer's delegated authority. The authority can no longer make that authorisation without the Minister's approval. In other words, the authority may make an approval, name the institution, and name the farmer, and then it is the Treasurer's responsibility to decide whether the authority was right. Up to now the authority has had some autonomy in deciding whether or not it could authorise the lending institution to make an advance and whether that farmer would be approved. Now it has no autonomy; it cannot do that. It must seek the Minister's approval before it can even make a decision on those two points. That is why I say the Minister has totally emasculated the power of the authority by placing the amendment where he has placed it.

Mr LAURANCE: I deny completely the assertion by the member that we have emasculated the power of the authority; the reverse is the case. In fact, the Act says, "the authority may with the approval of the Treasurer. . ." It is clearly spelt out in the existing Act. The authority cannot give a guarantee. It can approve things subject to the final approval of the Treasurer. That will not be changed in any way. The authority will still authorise and approve a farmer and a lending institution, but instead of approval being given by the Treasurer, it will now be given by the Minister for Housing under a delegated power. The authority will have exactly the same rules and responsibilities it has now.

Clause put and passed.

Clauses 4 to 6 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mr Laurance (Honorary Minister Assisting the Minister for Housing), and transmitted to the Council.

TRADING STAMP BILL

Second Reading

Debate resumed from 6 August.

MR B. T. BURKE (Balcatta) [5.26 p.m.]: The Opposition wants to inform the House that it does not intend to oppose this amending Bill, but it does want to say one or two things to the Minister in an attempt to persuade him to clarify his position as outlined in his second reading speech.

Let me say at the outset that time appears to have caught up with the original intention of the legislation that was enacted in 1948, and was called the Trading Stamp Act of that year. It is true that the motive behind the introduction and passage of that legislation was the protection of industry in this State from competition, which may not have been, strictly speaking, unfair but was certainly fierce, from the other States and from bigger enterprises in those States. At the same time, as the Minister pointed out in his second reading speech, the cost to people in Western Australia was their inability to compete in schemes that promoted certain products for which they were paying in the price of the goods and services that they bought.

It seems to us—and we agree with the Minister—that if Western Australia is going to be asked to pay the cost of schemes that involve competitions dependent upon the purchase of goods and evidence of the purchase of goods, it should be entitled to take part in those schemes and competitions. At the same time, we agree with the decision to eliminate the possibility of third party trading coupons from business activity in this State. That is something which was envisaged in the original Act in 1948 and which we think can be profitably carried on as is

proposed under the legislation we are now considering.

The Opposition seeks some explanation from the Minister as to that part of his speech which refers to nationally operated promotions by, for example, car manufacturers granting concessions to purchasers of certain vehicles and the fact that the concessions, if ever given in this State, are illegal.

We do not understand what the Minister means when he refers to the illegality of these schemes, and we say to the House that his explanation was less than full when dealing with that particular aspect of what he complained was an unfair situation to Western Australians. We would like to stress to the House also that it is accepted by the Opposition that, to a large degree, the enforcement of the old Act had become very, very difficult and I am sure all members had become aware, particularly of recent years, that trading and promotions schemes have flouted the Act as it exists now, but which did not result in any prosecution being launched against the persons responsible for organising and operating the schemes.

The Opposition accepts that the passage of time has rendered somewhat irrelevant the strictures imposed by the existing Act and has made it almost impossible for scrupulous enforcement of the law as it now exists.

If that is the case—and it appears to be so—the Opposition maintains that there is no point in retaining a law that is incapable of enforcement or that the Government or society chooses not to enforce. That being so, the Opposition supports the Bill and seeks from the Minister only an explanation—and, to some extent, I suppose, chides the Minister for not providing this information when he first introduced the Bill—as to the specifics of the example he used when he referred to rebates offered nationally for the purchase of certain motor vehicles and in particular, the cash rebates which he said were illegal and could not be offered to Western Australians who intended to purchase such motor vehicles.

MR DAVIES (Victoria Park—Leader of the Opposition) [5.31 p.m.]: I support the remarks of the member for Balcatta. I do not think the position now is exactly the same as it was when the Trading Stamp Act was first enacted. When we read back through *Hansard* we find why it was not considered necessary to take action at that time. After all, the consumer is the person who pays in the long run. As has been pointed out

on many occasions before, there are no such things as free lunches. If a promotion scheme is launched, the person promoting it must get the wherewithal for the promotion from somewhere, and generally, the only place he can get it is from the consumer.

Like the member for Balcatta, I am unsure of the schemes we are trying to legalise. It is refreshing to find the Government has acknowledged the law is being broken and possibly that the law itself is a bad law and should be amended. I only wish the Government would take similar action in respect of a few other activities, such as gambling which, according to the weekend newspapers, appears to be fairly rife in this city and also in relation to other forms of illegal activity which we know go on, but about which the Government is not prepared to take positive action.

I am a little concerned as to what will now be legal. Apparently, any kind of promotion scheme other than schemes associated with collecting trading stamps will be legal; it does not matter what that scheme may be—and, there could be some very doubtful and nefarious schemes put forward. I do not know whether some of these schemes may clash with the Lotteries (Control) Act. It could well be that although some schemes may be legal under the provisions of the Trading Stamp Act, they may be illegal under the Lotteries (Control) Act. So, some problems may arise.

However, as always, we on this side are prepared to acknowledge changing times. We do not want to see Western Australians continue to be placed at a disadvantage.

The only person likely to be placed at a disadvantage under this type of legislation is the small businessman because he will not be able to promote the larger schemes available to some of the larger shopping centres and companies. For instance, he will not be able to "raffle" a trip to Singapore once a week or have a lucky number drawn from a barrel which will give some lucky person a yacht, a home, and a Mercedes Benz motorcar. I simply sound that note of warning, as the member for Balcatta did, pointing out that in our eagerness to bring ourselves up to date we should not create other problems which are not immediately apparent.

There are no free lunches, and somebody must pay for these promotions, whether they are small or grandiose; in this case, that somebody is likely to be the consumer.

The Minister could have provided us with a better explanation of instances where this legislation has worked to the disadvantage of Western Australians. I repeat that this legislation must be monitored very closely to ensure nobody will be put at a disadvantage by the repeal of most of the provisions of the existing Act.

MR O'CONNOR (Mt. Lawley—Minister for Labour and Industry) [5.35 p.m.]: I thank the member for Balcatta and the Leader of the Opposition for their general support of the Bill. As to the point raised by the member for Balcatta, and also mentioned by interjection by the Leader of the Opposition when I moved the second reading of the Bill last Thursday, my understanding from the department is that there are a number of nationally advertised campaigns which provide benefits to purchasers which cannot apply in Western Australia. These apply principally to the sale of new motor vehicles, where cash rebates are offered. I will be quite happy to obtain a list providing the details of the various promotions which are illegal in Western Australia.

I understand that particular motor vehicles are advertised nationally from time to time with the inducement of a cash rebate being offered to the purchaser. Obviously, this rebate is included in the price of the motor vehicle. However, the Western Australian consumer is the only person precluded from obtaining a rebate of say \$200, \$300, or \$500. I emphasise that the rebates are offered on certain vehicles at certain times; they do not apply throughout the year.

Mr Davies: I would not have thought that it was *ultra vires* the Trading Stamp Act for a person to offer a motor vehicle for sale at a certain price, and then agree to return, say, \$500 to the purchaser.

MR O'CONNOR: Such a scheme could not be advertised in this State, because it would be *ultra vires* the Act. It would seem the Act went further than it was anticipated when it was initially enacted; it was not meant to preclude these sorts of schemes. We were concerned mainly about the operations of trading stamp companies.

Once again, I thank members for their support of the Bill and, with the undertaking that I will provide the details mentioned, commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mr O'Connor (Minister for Labour and Industry), and transmitted to the Council.

QUESTIONS

Questions were taken at this stage.

**METROPOLITAN WATER SUPPLY,
SEWERAGE, AND DRAINAGE
AMENDMENT BILL**

Second Reading

Debate resumed from 6 August.

MR B. T. BURKE (Balcatta) [7.31 p.m.]: The financial irresponsibility and bungling incompetence of this Government is no better illustrated than in the legislation now being considered by this House. The Opposition asks members on the Government side of this Chamber how responsible, how efficient, or how proper it is for the Government to be asking this Chamber again to support its contention that valuation-based charges in respect of the water supply should not increase by more than 50 per cent.

Who can forget the words of the Minister for Water Resources on 13 August 1980—almost 12 months ago to the day—when he brought a similar piece of legislation before the House and pledged that it would not be repeated? Who can forget the Minister's assuring us, two days short of one year ago, that when water charges were again levied, those who were to pay them would know what they would have to pay and would be able to budget for that account? Who can forget the Minister's, not even 12 months ago, standing up in this Chamber and saying that legislation to limit to 50 per cent the increase in valuation-based charges would not be repeated because a committee was looking at the whole question and that question would be resolved to allow the removal of inequities prior to the 1981 accounts being despatched or received? Who can forget the Minister's doing and saying those things?

Mr Mensaros: I didn't say that. You invented it.

Mr B. T. BURKE: In a minute I will quote what the Minister, to his eternal shame, did say on that occasion. If this Minister wants to say his actions comprise or constitute the proper financial management of his department, then all he is doing is compounding his own incompetence by illustrating his lack of familiarity with efficiency. It is not just the Minister's financial mismanagement about which this Parliament has every right to be concerned; those of us who were here just a few short months ago will recall the way the Premier squirmed when we spoke about the public moneys investment scandal, when it was revealed that this Premier was responsible for placing millions of dollars of taxpayers' funds at risk.

Sir Charles Court: That is not true.

Mr Nanovich: Simply not true.

Mr O'Connor: Absolutely not true.

Mr B. T. BURKE: Who can forget the financial gymnastics of this Premier when he attempted to explain away the involvement of the R & I Bank in that particular episode—

Sir Charles Court: Well, what is wrong with that?

Mr B. T. BURKE: —when he lurched and grabbed at straw after straw with foolish excuses.

Sir Charles Court: Why were you so opposed to the R & I Bank when it was quite lawful to do that?

Mr B. T. BURKE: Here is another assertion that the Opposition, because it sees some mismanagement on the part of the Government with the State finances, somehow or other stands guilty of being opposed to the R & I Bank. What nonsense!

Sir Charles Court: The R & I Bank is an authorised place for the investment of Government funds.

Mr Davies: It wasn't, until you amended the Act, and you know it.

Mr B. T. BURKE: The truth about that investment scandal was that the Opposition was entirely accurate in its concern for the way in which this Government was handling the investment of public moneys. Despite the protestations of the Government, the Opposition was entirely right in suggesting repeatedly that amendments were necessary to that Act; and despite the denials of the Government—in the same way that this Minister for Water Resources assured us we would not this year have a repeat of last year's legislation, the Government was at pains to assure us that amendments to the Act

were not necessary—within a few short months it was sponsoring these amendments itself.

It is simply not good enough for the Minister for Water Resources to stand in his place and provide misleading assurances not only to this Parliament, but also to the public of this State. What excuse has the Minister to offer for the way in which he deceived the Parliament when he told us, less than one year ago, that there would not be a repeat of the legislation that we are called on to consider again tonight? The Minister, in his second reading speech, was remarkably silent on that aspect of his behaviour; and he remains remarkably silent now.

Mr Mensaros: Are you opposing the Bill?

Mr B. T. BURKE: Mr Acting Speaker (Mr Blaikie), for your information, and for the early advice of the Minister, we will be giving the Minister and his party the opportunity to make bigger men of themselves by suggesting to the Parliament and to the public that, in the absence of any justification for a 50 per cent ceiling on valuation-based charges, a limit of 20 per cent be made. We will then see which way this Minister squirms—the same Minister to whom the truth was an apparent stranger when this Parliament discussed the business of Mr Mullally at the State Energy Commission, when the Parliament discussed the matter of lithium in the State's water supplies, and when the truth was forced on the Minister, as it was less than one year ago tonight, and he assured the public and the Parliament that we would not have a repeat of this legislation.

The Minister cannot be trusted, and the Government is incapable of managing properly the finances, firstly, of the Metropolitan Water Board—as evidenced by tonight's legislation—and, secondly, of the State, as evidenced by the Premier's gyrations when we discussed the public moneys investment scandal.

Sir Charles Court: What is the scandal with the R & I Bank? Don't you know that is the original bank, and it comes under the Audit Act?

Mr Davies: Of course we do; we know all about that.

Sir Charles Court: Do you know the Audit Act?

Mr Davies: We do indeed.

Sir Charles Court: The authority appears in that Act. You don't need that legislation to invest in the R & I Bank. I tried to explain it to your people.

Mr Davies: Stick to the truth—don't try to bluff your way out again.

Mr B. T. BURKE: I gather from the Minister's behaviour on this occasion that tonight we have no greater assurance than we did 12 months ago, and that in 12 months from now we will not have a repeat of what we are experiencing tonight. Who is to say that the Minister, through his own incompetence, in 12 months' time will not be asking us to agree once again to let him off the hook? Who can guarantee to us that in 12 months' time we will not again have people charged in excess of 50 per cent more than they have been this year for their water? This Minister knew last year that tonight people would be placed in the situation from which he is now attempting to relieve them. The Minister cannot deny—and if he does he is stupid—that had he attended to his business 12 months ago it would have been obvious we would again have people this year facing increases of more than 50 per cent.

Mr Mensaros: You are enjoying yourself, are you?

Mr B. T. BURKE: Of course the Minister must have known that that would be the case. The amount of money which was put aside as a result of similar action last year would show itself in the accounts of the consumers this year. The Minister simply thought he could do it for one year and that the next year he could escape the criticism that had caused him to do it the first time.

Let us look at what the Minister had to say last year, and let us see how responsible he is. On 30 August last year, as recorded in *Hansard*, the Minister said—

Unexpected increases... have imposed financial hardship... It must also be realised that this concession will apply only in 1980-81 because of the suddenness—and, with some people, unexpectedness—of the increases.

What nonsense! Who can trust a Minister who will give that sort of assurance and then, within 12 months, hold his own word to be worth nothing? The Minister continues—

Each of the board's customers will be aware from the annual valuation of his property of the general level of rates that will be payable in the years ahead. With this knowledge allowance can be made in individual's budgets for future rates. No similar concession is proposed after 1980-81.

Now what information has the Minister tonight that he did not have when he was speaking during

the second reading debate on that Bill last year? Perhaps the Minister will tell us?

The Minister is silent, quite simply because the information at his command last year has not been added to in any way. What has happened is that the Minister has found to his chagrin that he has been unable to escape the criticism of some business people, crippled by massive increases in their water and sewerage charges. That is what happened, and the Minister miscalculated when he thought that it would be a one-off concession that he could avoid granting the next year.

Is it reasonable that any Parliament should tolerate a Minister who has such trouble with reality? Is it reasonable that any Parliament should tolerate a Minister who cannot identify the truth? Is it reasonable that any Parliament should tolerate a Minister who gives his word without the ability to maintain it? And is it reasonable for any Parliament to continue to support a Government that allows this sort of financial mismanagement to continue to repeat itself, and for the repetition to occur without any guarantee that it will not be endless? Is that a satisfactory situation at the behest of a Premier who boasts about his knowledge of State finances, and about his financial acumen? The Premier must be sorely embarrassed that tonight he is forced to sponsor legislation that says to the people of this State, for the second time in successive years, "We are sorry, but we miscalculated".

The first time it happened, it may have been understandable in the light of the revaluations carried out; but how is it understandable or acceptable the second time, in the face of information that was available when the first legislation was brought down 12 months ago to do exactly what this legislation is repeating tonight? Members should recall that when the Minister excused his action in limiting valuation-based charges to an increase of 50 per cent, he said that a high-powered committee was looking into the whole question; and in that committee's deliberations and recommendations lie the answer to the problem.

I have the committee's report. It has been available for I don't know how long. The Premier's reception of the report was, "We don't intend to make any drastic changes." His Minister for Water Resources scurried off to repeat last year's exercise, with one difference. This year we do not have that committee and its report to fall back on to excuse the actions of the Government.

Now we are going to have, in the Minister's own words, "a close examination which will be carried out into the valuation-based rating system as it applies to non-residential rates"; and he continued, "aims to reduce anomalies". Why should we believe the Minister when we have the experience of his word last time, when he had a report from a committee charged with the responsibility of considering the particular point that occasioned the first legislation? Yet this time we are only going to have a "close examination".

I ask the Minister whether tonight he will guarantee that, next year, we will not have a repeat dose of the same financial nonsense.

It is pertinent that the Minister is not able to say anything. The Minister is not in a position to guarantee any sort of financial responsibility in the matter of these charges.

Mr O'Connor: We will wait to hear him.

Mr B. T. BURKE: I am sure that no less a personage than the Deputy Premier would be perfectly happy to provide the assurance that the Minister is unable to provide. It is not a big assurance that we are seeking. We are simply asking that the financial irresponsibility that has twice been the province of this Government be not repeated next year.

Now, is the Deputy Premier prepared to say that next year we will have a system of charging that will relieve this Parliament and the public of the inefficiency of bringing in legislation to do repeatedly what we say is unnecessary at the outset?

Mr O'Connor: What I am saying is that Minister will discuss it in an appropriate way shortly.

Mr Mensaros: That is right. He will not allow me to reply then, because he will interject so I cannot be heard.

Mr B. T. BURKE: I am perfectly happy for the Minister to occupy my time while he grins smugly about what he is responsible for. It requires a simple "Yes" or "No" answer.

Does the Minister guarantee to the public of this State that, next year, at about this time, we will not be considering again legislation for this exercise? He is the Minister who is responsible for making sure that a fair and equitable charging system for the metropolitan water supply is followed.

In 1980, the Minister was unable to honour that guarantee. Tonight we see evidence that the challenge evaded him once more in 1981. What about 1982? Does not the public have the right to

know that we will not be subjected to the "Band-aids on broken legs" technique that this Minister is so fond of implementing?

This is a ludicrous situation, particularly when it can be laid so squarely at the feet of a Government and a Premier which pride themselves so thoroughly on their financial management. The Liberal Government's money management reputation is nothing but a myth. We saw that first in the scandal of the Public Moneys Investment Act; and we see it again tonight in the inefficiency that causes this Minister to bring before the House legislation that repeats something he did last year, something which he promised last year not to do again.

I will repeat the Minister's words so that members can hear where he stands. "No similar concession", he said last year, "is planned for 1980-81". What went wrong with the planning? We have already learned that there was no additional information gathered between last year's action and the one we are considering tonight. Why did not the Minister tell us, during his second reading speech, that because of factors that were not evident last year when he gave that undertaking, this year the exercise would have to be repeated?

The Minister is a bumbling incompetent—

Mr O'Connor: Come on!

Mr B. T. BURKE: It is quite clear—

Mr O'Connor: If you had half his ability, you would be further than you are now.

Mr B. T. BURKE: If the Minister is the man in the House with the mind, God help us when we look at some of the other Ministers because there has not been another Minister, with the exception, perhaps, of the Minister for Education, who has labelled himself with inefficiency as this Minister has.

Sir Charles Court: He would be the best brain in the whole of this State Parliament; and it ill becomes you to talk as you are.

Mr B. T. BURKE: With old age comes tetchiness. I would like to lay quite squarely on the Premier the proposition that it is not efficient, nor is it expected on the part of the public, that a Government should, in two successive years, have to introduce this stop-gap legislation to prevent this sort of thing happening to the public. How does the Premier explain that?

Sir Charles Court: Smarty-pants over there is a great know-all. You are a great hindsight man. There is nothing I despise as much as the

hindsight expert. You wait until you listen to the Minister.

Mr Davies: Once he starts to denigrate, you have got him on the go.

Mr B. T. BURKE: I would hate to be branded by this Premier as lacking hindsight. I would rather be persuaded—

Sir Charles Court: No-one could ever persuade you, because you have to have a certain amount of capacity to accept understanding.

Mr B. T. BURKE: Does the Premier countenance Ministers who give assurances which are without substance?

Sir Charles Court: You are just trying to be smart. You wait until you listen to the Minister, because the situation is perfectly logical and sensible, and the result of a practical situation which you, with all your smartness, could not have changed.

Mr Wilson: Tell the small shopkeepers that.

Mr B. T. BURKE: It is appropriate that I explain clearly once more for the Premier.

The question with which we are taking issue is the Minister's assurance that we would not have repeated this year the exercise that he sponsored last year. Now, why do we laud a Minister who will give an assurance and then break that assurance within 12 months?

Sir Charles Court: As I say, you listen to the Minister, and his explanation will be quite logical, I am certain.

Mr B. T. BURKE: I wish I was as certain as the Premier.

Sir Charles Court: I have every confidence in the Minister.

Mr Herzfeld: He explained it to you in the second reading speech.

Mr B. T. BURKE: The other thing I am intent on putting to the Premier, the Minister, and the member for wherever that other interjector comes from is that the information upon which the Government based its action on this issue last year was no less full than the information it has now. There has been no change in the information available which was not entirely predictable for the Government. This year, in some cases, consumers would have to pay over 50 per cent more than they did last year. That was predicted by the action that the Government took last year in limiting the increases.

It was as certain as night follows day that this year we would have the situation in which some consumers would have to pay increases of more

than 50 per cent. So why did the Minister not know at the time that to those consumers who this year are asked to pay more than 50 per cent the increases would be limited, and why cannot we have assurances from the Minister that, next year, if some consumers are to pay more than 50 per cent, they shall be limited also? Is the Government embarking on a policy of limiting these increases to 50 per cent? Will the Minister tell the House whether he will make the same limitation next year, and if he will not make the same limitation, why should next year's sufferers be any different from this year's? This situation is absolute nonsense, it is financial irresponsibility and it is ill-fitting the Minister in particular, and the Government in general.

The Opposition wants also to point out that the Minister in his second reading speech deliberately attempted to minimise the problem we are facing. Who can forget the Minister's words when he said that 4 000 consumers are involved, and that is less than 2 per cent? The figure he used was 1.5 per cent of the total number of consumers served by the Metropolitan Water Board. What the Minister deliberately keeps from the Parliament is that when we consider the percentage of the business consumers that these 4 000 comprise, we realise the problem is a major one.

It is a problem that has caused businessmen to doubt seriously their capacity to continue on in business. If the problem is as minor as this Minister said in his second reading speech, why are we here tonight considering ways in which we can allow the Government to come up smelling a little sweeter than it is now?

It is nonsense to say it is a minor problem. The 4 000 consumers who comprise 1.5 per cent of the total number of consumers, when we take into account domestic as well as commercial consumers, assume a proportion of more than 15 per cent when we consider commercial users.

The Minister was evasive and misleading when he attempted to persuade the Parliament that it was a problem affecting very few people. Anyone who listens to the radio or reads the papers knows it was a major problem, a major source of embarrassment, and something that should not have happened once, let alone twice, under the financial expertise of this particular Minister.

The Opposition asks the Minister and the Premier—the Treasurer of this State—to explain to it and to the public of this State whereabouts lies the magic in the figure of 50 per cent. How did the Government and the Minister arrive at a figure of a 50 per cent increase as a maximum?

Perhaps the Minister can be shaken from his lethargy to answer that simple question. Why not 60 per cent or 40 per cent? Whether it is because the Minister does not know, whether it is because he is unwilling to answer—

Mr Young: Or whether he is waiting to reply.

Mr B. T. BURKE: —or whether he would prefer to leave it to the Premier, we do not know; but I am sure the Premier, with his financial wizardry, will be able to explain why 50 per cent is an imperative part of the formula. Perhaps the Premier can explain the magical 50 per cent. The Premier is as mute as his Minister simply because there is no magic to be attached to the figure of 50 per cent. It is an arbitrary figure chosen by the Government as one which it believes can allow it to remove the worst political repercussions by this action.

There has been neither rhyme nor reason to anything the Government has done in this area of charging as it affects commercial consumers. Why could not the Minister in his second reading speech outline to us the financial exigencies of his department that dictate that it should be 50 per cent and not 40 per cent? I have no wonder that the Premier is sorely embarrassed by his Minister's need to come back to the Parliament with identical legislation to that which was the subject of so much scorn on a previous occasion.

The Opposition wants to point out to this Parliament in no uncertain terms the duplicity of the Government's policy in respect of the rating of commercial consumers. I wonder whether back-bench members on the Government side realise that commercial consumers who use their allowances are then charged for excess water at the same rate as domestic consumers are charged? What we are saying and what we will demonstrate is that this Government believes that if it is big business it can have excess water at 24c a kilolitre—this year it is 28c—but if it is a small business it can expect to pay the world for water it does not use. That is what this Government does while it trumpets about the way in which it is charging equitably for water. It is doing nothing of the sort. It is following a system that is biased and unfair. It is following a system that gives substance to the charge that if an industry is big business it is a bedmate of this Government, but if a concern is small business it has to look after itself.

Mr Sibson: Would you put it onto the pensioners?

Mr B. T. BURKE: If there are one or two open minds on the back benches on the Government's

side of the House I hope we might be able to persuade them, if not to vote for our amendment, at least to take up with their Minister the system their Government is following to have the unfairness removed from it. It is simply not good enough for fish to be made of one and fowl to be made of another where business is concerned.

If we take the water supply charging system and divide it as it presently is with domestic consumers on one side and commercial consumers on the other, why should the commercial consumers who rely for their business and its percentages on the availability of massive amounts of water be treated so much more leniently than a small businessman? That is what is happening.

The Opposition produces figures that we understand confirm the situation. If we take the water supply's major customer—Australian Iron and Steel—we find it has an allowance of 216 730 kilolitres. Its consumption—not during the present period, but during the past period—was 3 323 421 kilolitres. Its consumption beyond the allowance was 3 106 691 kilolitres and its cost per kilolitre for that amount of excess was 24c, which is the old rate charged to domestic consumers. Why should big business be able to jump from a commercial charging system to a domestic system? Why should big business pay as much for its excess water per kilolitre as do you, Mr Acting Speaker (Mr Blaikie), and I and our families? Why should big business pay so much less than do small businesses in the same situation? Is that fair?

If we take the case of BP, consumption beyond the allowance totalled 2 459 855 kilolitres and its payments were \$590 365. Lo and behold, the charge per kilolitre by simple mathematics is 24c once again which, incidentally, is the charge made on domestic consumers for their excess water last year prior to the latest increases.

What has the Premier to say about that? How does the Premier explain the fact that, "If you are big business, welcome into the domestic charging system when you use your allowance, but if you are small business, hang around the place while we are preparing shoddy legislation in the hope that your increase will be limited to 50 per cent"? That is the sort of legislation we are considering tonight.

The Swan Brewery had an allowance of over 600 000 kilolitres and it consumed more than one million kilolitres. The rate of payment for the Swan Brewery for the excess water used was 24c a kilolitre and it totalled approximately \$118 000.

That rate was the same as that charged for excess water used by domestic consumers at that time. Where is the fairness?

Mr Mensaros: Do you know of any other State or country where commercial and domestic water consumers are charged at different rates?

Mr B. T. BURKE: I am perfectly happy to accommodate the Minister by saying, "No, I do not."

Mr Mensaros: What are you talking about then?

Mr B. T. BURKE: Whether or not the Minister is missing the point deliberately I cannot say. What I am saying is that, within the commercial charging system, massive subsidies are being provided by some businesses to other businesses. I am not translating those subsidies between the domestic and commercial consumption areas. I am simply saying that, within the confines of the commercial charging system, fish is being made of one and fowl of another.

Why should big business be allowed excess water at the same rate as domestic consumers pay for their excess water when small businesses, because they do not use the water, are allowed minimal amounts at costs of sometimes several hundred dollars a kilolitre? Is that fair?

Mr Mensaros: That is not so. They are allowed exactly the same as the others.

Mr B. T. BURKE: The other issue I am sure you, Sir, will find interesting is this: Under the present system as it applies to big business, AIS uses more than three million kilolitres of water a year in excess of its allowance. There is no compulsion on anybody to save water, because the four millionth kilolitre of water consumed by AIS will be charged at the same rate as you, Sir, or I pay for our first kilolitre of excess water or AIS pays for its two millionth kilolitre of excess water. There is no encouragement to save water, a consideration this Government held out as one of its prime objectives.

However, the major thrust of the Opposition's proposition is this: Small business, by virtue of the system which allows big business to pay for its excess water at the same rate as domestic consumers are charged, is providing big business with major subsidies. It cannot be denied. It was true last year when legislation was introduced to limit valuation-based increases to 50 per cent; it is true this year when the same legislation is introduced; and no doubt it will be true next year, because the Minister cannot give us an assurance that the system will be changed to remove from

our shoulders the task of considering shoddy legislation such as this.

The Opposition makes it perfectly clear that it is absolutely disgraceful for this Government to be forced on two successive occasions to bring into this House legislation to ameliorate the effects of its charging system. The first time it happened, it was regrettable; the second time it occurred it was disgraceful; and for the Minister to be able to accompany the legislation with a second reading speech of the type he delivered was shameful. The Minister delivered that speech without one "Beg your pardon" for having broken his word; without one apology to the people who were left for weeks to wonder whether they would have to pay increases of 180 per cent or whether they could build up sufficient political force to make this Government do what it did last year and limit increases to 50 per cent; without any apology to the Opposition which pointed out last year that the system of charging which forced this slipshod legislation into the House to make up for the Government's mistakes was not good enough; without any apology to those people who accepted the Minister's assurance that he would not repeat the exercise; and without any sense of shame on the Minister's part.

I ask members to recall the previous occasions on which we have seen the Minister in this place wriggle when confronted with facts about what his department is doing without his knowledge; when we have seen the Minister deny matters which were self-evidently true; and when we have seen him sponsor legislation of this sort. It is simply not good enough.

To save the embarrassment, if that is what it is, of charges similar to those which were levelled at the Opposition in respect of the question of interest rates, let me now state briefly the Opposition's position on the Metropolitan Water Board and its charging system, on its inefficiencies, and on the sort of organisation which has resulted in the charges which have caused this legislation to come before the House.

Before doing so, however, let me point out to members that, since March 1974 when this Government was elected, the average water bill paid by consumers in this State has risen by 443 per cent; that is, the average water bill has risen almost 4½ times under the financial expertise of this Government. If members turn their attention to the average sewerage bill during the same period, they will see there has been an increase of 351 per cent and the average drainage bill has increased by 200 per cent during the same time whilst the rate of inflation has been 124 per cent.

If this Government is such a good financial manager, why does it have to increase the charges levied by its utilities in some cases by three times and in others four times the rate at which inflation has risen over the same period? Why do we have to tolerate increases of the types proposed by this Government, as levied by the Metropolitan Water Board, in particular, when last year, according to its own forward plan, the increase in rates would need to be only 24 per cent above the inflation rate? That is what the board told us last year and this year it makes a liar of itself with the increases it proposes and which have come about.

The Opposition makes it quite clear the time is long overdue that the cobwebs of the Metropolitan Water Board were swept aside at the hands of an independent inquiry into its financial management and charging system. The longer we postpone the day when new brooms sweep clean in the MWB, then the longer we will be here discussing legislation like this. The time has long gone when people will tolerate Governments levying such massive increases and then excusing themselves with legislation which limits the increase in the way this legislation does.

The Opposition does not intend to oppose the legislation; but it will test the bona fides of the Government—the "good Samaritan" which, after nine years in office, is still speaking in parables—by moving an amendment at the appropriate stage to limit the increase to 20 per cent. We cannot be blamed for that, because the Minister did not explain to us why it is necessary to adhere to the 50 per cent figure. What we are doing is giving the Government the opportunity to say to the public that the increase will be a maximum of 20 per cent, not 50 per cent.

Mr Nanovich: Why don't you make it 5 per cent? It is all right for you to be irresponsible.

Mr B. T. BURKE: I am perfectly prepared to accommodate the member for Whitford. I have generally found him to be a good-natured bloke.

Mr O'Connor: He is, like me.

Mr B. T. BURKE: I am perfectly happy to explain to him that we have chosen the figure of 20 per cent, because it is roughly double the inflation rate. As far as we are concerned, we know the Government is financially unable to maintain its increases at the rate of inflation, for whatever reason, as its past record proves. Therefore, we will not be unreasonable and say the increase should be 1 per cent or nothing. No, we are prepared to pander to the financial incompetence of the Government and say, "Adopt

the increase that is twice the rate of inflation. Make it what you will, and be numbered by where you stand when the vote is taken on the proposition that the increase should not be 50 per cent, but 20 per cent."

Mr Davies: The member for Whitford seems strangely quiet.

Mr B. T. BURKE: I think it is obvious the member for Whitford will be joining us.

Mr Coyne: Work on that figure you have back to 1975 in relation to the 20 per cent.

Mr B. T. BURKE: I cannot believe that we hear from the member for Murchison-Eyre fresh from his activities in regard to electoral boundaries and the Mining Act. We are led to believe he too will support our proposition.

The Government seems to be in trouble because it has failed to support its contention that the increase should be 50 per cent, no more or no less; and we have supported our contention that 20 per cent is appropriate, which would be slightly more than twice the rate of inflation. I ask: Why not?

With those signals of our intention, I say that the Opposition will support the Bill in its amended form so as to relieve any further burden to be placed on people in small businesses and other commercial enterprises by the massive increases in water rates they have been required to pay.

MR DAVIES (Victoria Park—Leader of the Opposition) [8.17 p.m.]: I will not say that much on this matter because the feelings of the Opposition have been put before the House adequately by the previous speaker. I must say, however, I was amazed by the gyrations of the Government in its living up to the myth that its members are great financial managers. If one refers to the record one will see that the Opposition has been closer to predicting actual rises than ever the Government has been. In particular, when it comes to water rates the record shows we have been almost spot on, despite the denials of the Government.

In 1979 when the Government acted fairly coyly about increases—I will give the House some figures in a moment—in water rates because it was a pre-election year, we forecast there would be substantial increases the following year. Needless to say, those increases came about, and as the member for Balcatta has said, we have seen all this before. There is a sense of *deja vu* about the whole matter, because only 51 weeks ago I stood in this place and told the Government what I thought of the Metropolitan Water Board, and what I thought of the Government and the way it

has handled the finances of this State. I asked for some positive action to be taken. We thought the Government would act on the suggestions we made, particularly in regard to shaking the Water Board from top to bottom, and, perhaps, consider the inclusion of the three authorities under one administration, thus saving money. Another proposition was that the Government consider the method of rating to enable a more positive approach to the whole situation.

Mr Mensaros: Which three authorities are you talking about?

Mr DAVIES: Did I say three?

Mr Mensaros: Yes.

Mr DAVIES: I am sorry, there are only two, the country and the metropolitan. The Government is not that good with inflation that it could have three authorities. It has not been able to manage three as yet.

If one considers the establishment of tribunals, committees, and the like, one realises that the Government has created since 1974 something like 46 organisations to establish ratings. It seems appropriate that a halt be called now to the formation of these committees, commissions, and tribunals, and the appointment of friends of the Government to those bodies. I am quite sure we will have something to say about that later in the session.

I emphasise how accurate our predictions in regard to water rates have been, and refer to our 1979 predictions. Of course, the House is well aware of what occurred in 1980; we said then there would be a need for further increases this year, and despite the fact that increases last year were much larger than they should have been, we know that as at 30 June 1980 the board was \$10.7 million in the red and had to retrieve that amount from somewhere.

The Government seems to have had no success or joy in dealing with the finances of the Water Board. Will it ever forget the circus that occurred in June and July 1980 when horrific increases were announced? Suddenly the Government ascertained it had by \$3 million overestimated required funds. Indeed, I believe that discrepancy was ascertained by the National Party—it led the way on that occasion. The Acting Premier at that time, now the Deputy Premier, said the Government was sorry it had made a mistake. But in the next day or two he said that it had not made a mistake. Subsequently we ascertained that the board was seeking more than it needed to balance its books. However, it eventually went down the drain to the tune of approximately \$2.2

million. Who was going to pay for that? Of course, it was the long-suffering public. The rating was reduced to some extent then, as it will be now, but apparently no impact was made on the accumulated deficit.

I am not aware of the amount the board will lose this year. As the House knows, I was out of the State when this present furore commenced. However, the Opposition earlier stated—in fact, the member who has just resumed his seat—that substantial increases in water rates would come about. What did the Minister say? In his Press release of 19 February 1981 he repeated what the member for Balcatta had said, but tried to dismiss the Opposition's statements as, "the usual annual speculation by the Opposition." At least he did the right thing and stuck by his guns when he agreed that some increases would occur.

When I said we would have some increases in the 1980-81 financial year the then Minister came into the argument and said, "That's right; some increases will occur." The next day he said he was taken out of context and that no increases would occur. It all adds to the confusion that has evolved regarding the handling of Metropolitan Water Board finances. This is despite the fact we have appointed a high-powered commissioner—I am not sure of his title—to put everything right. This time last year we asked for a shake up of the Water Board, but nothing happened. We asked for other action to be taken, but once again nothing happened.

The member for Balcatta forecast the current rises and the Minister said the forecast was nothing more than the "annual speculation by the Opposition". Once again the Opposition has been shown to be nearer the mark than the Government. The same situation prevailed in 1979 and it will prevail again as long as this Government belts the hip pocket of the public, although I do not believe that will be for very long.

The Bill has been described as "band-aid" legislation, which is the kindest thing that can be said about it.

I will comment on the intransience of the Government when it comes to increases in water rates in an election year. It can be quite coy about the whole situation. The Water Board is an autonomous body which, Mr Speaker, you will remember was made autonomous so that it would not be under the constraints of the Government and would be able to do its own thing. In May 1979 it recommended that the fixed charge for water be increased from \$36 to \$44, an average

increase of 22.2 per cent. It recommended that excess water per kilolitre be increased from 17c to 21c, an increase of 23.5 per cent. The Government was a little aghast at that—I again remind the House that 1979 was a pre-election year—and told the board that it must reconsider its recommendation. The Premier was reported as saying, "Cabinet wants more information about the board's past operation and proposed operations for the next two or three years". On 29 May 1979 it was announced that the Government had pruned severely the board's initial proposals. The Premier was quoted as saying, "This is no good for the public. Cut them in half". That was considered to be good, sound, financial judgment because the increases were not good for the public. "Cut them in half", he said.

Mr B. T. Burke: Off with their heads!

Mr DAVIES: We were in a pre-election year, which he did not bother to mention, and the average 23 per cent increase was cut to 11 per cent—the public breathed again. However, we had told them what the position would be.

The next year the fixed charge was increased from \$40 to \$60, an increase of 50 per cent. After saying that 22 per cent was no good to the public 12 months before, without a murmur—without a murmur—the Government increased the fixed charge by 50 per cent, having the previous year put it up 11 per cent. The cost per kilolitre for water went from 19c to 24c, an increase of 26 per cent. At that time sewerage charges went up 15 per cent and drainage, 9 per cent. We said at that time, because of the bungling that had gone on, that there would be increases this year. The member for Balcatta said that in February, but we were told it was the usual Opposition kiteflying. What happened? The increases have gone from \$60 for the fixed charge to \$68.50, an increase of 14.2 per cent and the water rate has gone from 24c a kilolitre to 28c, an increase of 16.7 per cent, almost spot-on what we said about this time last year the increase would be. Sewerage charges have gone up by 13.6 per cent and drainage by 5 per cent. I just want to tell members that this is on top of the charge which has been levied on most properties—that \$72 rate for discharging waste water into the sewerage system. In most cases this is nothing more nor less than something that has gone on for years and years and years, without previous change, but it seems now that once the rate has been struck it is almost impossible to get away from it.

I quote an instance of a butcher shop in Mt. Lawley that had paid this rate because of the nature of its business; and the shop is now used as

a frock shop and has been used as a frock shop for several years. The Water Board said, "You will still have to pay that \$72 rate because you just might discharge some waste water into the system just like that butcher did who had the shop several years before you". To the board's credit, we were able to convince it eventually that it was an unreasonable charge, but that is the kind of people with whom we have to deal—people who could not see for themselves that there was no waste water being discharged into the system. That \$72, of course, must have brought the board quite a considerable amount of revenue.

We said rates would increase regularly because the five-year report brought down in 1979 or 1980—I am not quite sure of the year—said that over and above inflation the board still had to increase its finances by 24 per cent a year and yet last year they were already two years ahead of the proposed increases and they are going to be further ahead now. Just where are we going? Are we going to be told "Bad luck. We have not got any money from Canberra. Bad luck. Things are going bad for us. We want to do a lot of work and we have not got the money for it. Bad luck. You will have to pay."? That is about the worst bad luck that the public can hear of. I still say it gets back to whether we want a full public inquiry into the Water Board. It is only fair and reasonable that the public should be afforded the opportunity to express themselves to an inquiry, as they expressed themselves to me and every member in this House on both sides—I am quite certain—as to what they think of the Water Board.

Mr B. T. Burke: They are paying exorbitantly for the right.

Mr DAVIES: They certainly are. As I said, I do not want to delay the debate because it has all been said before. What was said tonight was said very eloquently, very properly, very truly, and very accurately by the member for Balcatta. We just want the House to know that we cannot believe the Government would be as stupid as to act the way it has. Look at its action of 29 May 1979. The rises are no good for the public. "Cut them in half", said the Premier. Look at what he has put them up to since then. What did the member for Balcatta say? "Since this Government has been in office the price of water has increased by more than 400 per cent."

Mr B. T. Burke: By 443 per cent.

Mr DAVIES: I do not think that is a record. I think there are some charges that could beat that too. It is an absolutely disgusting figure, to say the very least, because when the Government

lowered them to 11 per cent in that pre-election year what did we find? It was increased by 50 per cent the following year and 14.2 per cent this year.

Mr B. T. Burke: Remember what they said about the Tonkin Government's modest increases.

Mr DAVIES: Indeed. We were able to keep electricity charges down for the three years we were in Government and there were modest increases in water rates. What did the now Premier, then the Leader of the Opposition, say? He said, "Charges have gone through the ceiling". "Gone through the ceiling", he said. "The public can no longer live with them. They can no longer cope with them." Let me tell him those words are very true as they apply to this Government today because, despite what he might say, later I will be challenging the figures that he gave us last week showing that the weekly income was very generous in this State. We can do anything with figures. I thought his misleading of the House in the way he did was pretty blatant because he could not tell us how the figures were made up. He did not know what they represented.

Mr B. T. Burke: That is because he made them up.

Mr DAVIES: That is more than true. As I said at the beginning, I am completely amazed at the gyrations of this Government in trying to live up to the myth that it is a great financial manager. It does not matter what the Government said and it does not matter how old the myth is. The people at large in the electorate have had enough. They have said that they just cannot cope with these charges and they want to know why they are constantly more than double the inflation rate. I think that is a very fair and reasonable question.

If the Government believes it has done a good job on inflation and, like everybody else, tells us that we have got to catch up and live within the inflation rate, then we will give it the opportunity tonight to make certain that no-one pays more than double—we are being very generous—the estimated inflation rate for the year.

We support the Bill. We know the Government is embarrassed about it. We do not feel sorry for the Government, but we will see how dinkum it is when we move our amendment.

MR PARKER (Fremantle) [8.33 p.m.]: I wish to contribute to this debate to support the views put forward by the member for Balcatta and the Leader of the Opposition in this matter. It seems to me that here is an issue where the Government cannot deny or dispute that it has attracted to itself the most immeasurable public odium over

the question of the increases in water charges both last year and this year. In the case of last year, I have never seen the Deputy Premier—at the time he was the Acting Premier—quite as embarrassed as he was when he was on a television programme—*Nationwide*, I believe—trying to explain to ordinary people the position the Government was in with regard to its water charges in that year and trying to explain the reasons the public were having to pay so much more.

At one particular time he even said that the Metropolitan Water Board had made a mistake in the submissions it had put to Cabinet and that Cabinet would send the submission back to the board in order that the board might correct that mistake. In fact, when the Minister came back on deck he said it was not a mistake at all. The board had need to increase the rates and it knew full well what it needed in the way of revenue and the sorts of increases involved. Apparently it came as no surprise to him whatever that the increases arose as they did last year.

I think it was last year by way of interjection during the debate—one has a sense of *déjà vu* in these matters—I asked the Minister: On what basis did the Government make the decision, and on what basis did the Government back down in the face of the huge public opposition and introduce a 50 per cent limit? The Minister answered reasonably frankly, one must concede, to the effect that there are such things as the realities of staying in office. One can hardly be surprised at the fact that the Government is very interested in staying in office. However, I think the combined effects of the increased water charges last year and this year will have a considerable bearing on the votes of many people to whom the Government looks for support, and these increases may well have a considerable impact on whether the Government stays in office after 1983. I am very confident the Government will be tossed out!

I am convinced that the Government is faced with an extraordinarily embarrassing situation because of the way in which the Metropolitan Water Board is operating, the way in which the charges have risen, and the way in which the public have reacted to the increased charges. Indeed, I recall the report of a lengthy interview with the Minister for Water Resources which appeared in the *Sunday Independent* shortly after his appointment to this portfolio. The Minister indicated that in his view the board needed a major overhaul. The writer of the article went on to speculate whether it was possible that the

Minister would leave the Metropolitan Water Board in the same state as he had left the State Energy Commission after relinquishing the Fuel and Energy portfolio. I might add that this statement was not made in a complimentary way to the Minister—indeed, my understanding is that the Minister left the State Energy Commission in a fairly bad situation after his term of office. Certainly most people would agree with this statement when they pay their electricity and gas account.

Since that article was printed we have not seen an overhaul of the Metropolitan Water Board. All we have seen is the provision of a new office building at vast expense to the taxpayers; the board has hydraulically-operated chairs for its public servants, also provided at considerable expense; it has appointed some expensive senior officers at very considerable public expense; and it has added to its staff of public relations officers at considerable public expense. So while the board may have made itself look a little sweeter to the public, it must be remembered that the people have to drink the water it is turning out, and they must pay a greatly increased price for that greatly decreased quality water.

So there is no doubt that the Minister has had some effect on the Metropolitan Water Board, although in my view the effect has not been that promised in the article. We have seen a deterioration in water quality, a huge increase in the prices charged by the board, and no apparent sign of any overhaul of the board itself in terms of the structure of its administrative efficiency, its existing operations, or anything else. All we have seen is that the public servants who work there have a better building to work in and more comfortable chairs to sit upon. I am all in favour of providing decent working conditions for people, but it seems to me the Minister's first priority ought to be to ensure that the board provides a decent service to the people of Western Australia—a service they can afford. This is not something about which people have a choice. People are not able to economise on the water they use. Businesses cannot decide to economise on the water they use, because it does not matter if a business uses no water at all; as long as it has some facility for water, it is charged the full levy for the water based on the property valuation.

Many members will have read in the Press that some Fremantle businesses have no more than one basin on their premises. However, these people are forced to pay huge amounts of money. This has a great effect on businesses which are operating marginally; for instance, suburban

clothing stores or newsagencies. How many newspapers would a businessman have to sell to pay his water bill? It would probably take approximately his whole return on the sale of newspapers for three months to obtain the amount of money necessary for his water bill. It amazes me that so many small businessmen choose to stay in business.

Last year the Government appointed new Honorary Ministers. One such Minister's responsibility was supposed to be the implementation of the Labor Party policy on small businesses. Any activities in which he has engaged and which may be of assistance to small businesses are being completely undermined by what is happening in departments under the control of other Ministers, and particularly I refer to the Metropolitan Water Board, the State Energy Commission, and various other instrumentalities.

It seems to me that if the Government is supposed to be encouraging and aiding small businesses, and creating new boards and committees to advise them on the system, greater assistance would accrue to the small businesses if the Government and the Minister for Water Resources were changed. Without doubt one of the main problems which concerns small businesses is the level of their water charges. Some businesses which use virtually no water have to pay \$1 200 a year in water rates. As the member for Balcatta pointed out, some large businesses pay for their excess water supply at the same rate as domestic consumers. I notice that when the member for Balcatta mentioned that fact during his speech, the Minister made no attempt to deny it. Obviously that indicates the statement made by the member for Balcatta was true. It seems also extraordinary that the Minister has offered no justification for that state of affairs.

It would be very interesting to calculate the amount per kilolitre of water used by the small businessman in comparison with the price per kilolitre of water used by, say, the Swan Brewery Co. Ltd., or Broken Hill Proprietary Co. Ltd. I would be inclined to think that the small businessman would be paying many times the amount per kilolitre that is being paid by the large companies, and yet the large companies can pass on their costs to the consumers and the public generally.

In regard to large businesses, such costs represent a miniscule proportion of their overall expenditure, whereas for the small businesses, water charges can represent a very large amount

of the income they attract. If one were to analyse the income that many small businessmen receive from their businesses on an hours-worked basis, one would find that they are on the verge of bankruptcy. It is small wonder that bankruptcy is at its highest level ever in Western Australia, and that Western Australia has the highest level of bankruptcy in the Commonwealth.

The problem inherent in the present Government's system of charging for water is that revaluations occur in an *ad hoc* way. The revaluations do not take into account the profitability of businesses or any special circumstances surrounding those businesses.

In Fremantle, for instance, many businesses were revalued on the basis that they are in a central business area. In some cases the businesses have held leases for 70 to 90 years. They remain in this situation because they hold long-term leases, or they are there for various historical reasons. It may be that the general level of charges for leases around them has increased, but the charge for their lease has not; yet they are still charged for their water as though they were paying the overall level of lease. In fact, they are not; but if they were, many of them would have gone out of business. They will certainly go out of business if the increases in water charges we have seen in the last few years continue.

In the case of domestic consumers in the suburbs, again, there is an extraordinary position, especially in suburbs where for one reason or another, property values are increasing dramatically. I can imagine the same thing would apply in suburbs such as Subiaco; however, in East Fremantle, which is a traditional working class suburb where older people have lived for many years and are still living in houses they purchased for a small sum of money years ago we find that property prices have gone up dramatically. People in these old houses find that the house next door is sold for a huge sum due to the pressure of new people wishing to move into the district. I attended a couple of property auctions recently where sums of the order of \$250 000 were being offered for properties with river views in East Fremantle. Next door to these properties live retired waterside workers, pensioners, or other working class people who have lived there for 50 or 60 years.

Mr MacKinnon: Their properties would be worth a lot of money.

Mr PARKER: Perhaps, but they must live there until the time they decide for one reason or another that they must move out of the area, or

until they die. They do not want to be forced to sell because the ratable value of their property has increased so dramatically that they cannot afford to pay the rates. It is true they have a lot of capital value, but that is tied up in their properties.

It is of no earthly use to the pensioner to know that when he dies his estate will benefit by the sale of his property at \$200 000. He is the person who must meet the bills and balance his budget today. He is the person who is suffering because of the way in which this Government is increasing its water charges and, for that matter, other rates as well.

The Government is not giving sufficiently serious attention to this matter. As the member for Balcatta said, the Government has rejected most of the recommendations of the McCusker committee. I am not saying I would necessarily adopt or support all those recommendations. However, it seems to me this is an area which the Government must consider more carefully.

The Government's solution to these types of problems is always to appoint a committee. It plucks out people either because of past services to the Liberal Party, or for some other reason, and sets them up in committees of inquiry, and this Parliament is ignored in the making of determinations. It would seem to me one of the ways in which the Government could begin to attack this problem is by establishing a Select Committee of this House—

Mr MacKinnon: You should join the National Party.

Mr PARKER: —to look into the manner in which rates and taxes are levied in Western Australia.

This is an issue of fundamental concern not just to the people paying water rates, but also to the State Government as a whole in terms of its budgetary policy. All of these things lead us to say the Government should be considering such things as land-based valuations much more carefully. However, the Government does not believe in leaving that sort of thing to this House.

The member for Murdoch suggests I join the National Party. I do not shy away from the fact that this House should be used more to determine these matters. It is not only the National Party which puts that point of view; for many years, the Opposition also has urged the Government to make proper use of the parliamentary process by establishing Select Committees of this House. The Wran Government in New South Wales has established a number of Select Committees either

of its own motion or alternatively, on the motion of the Opposition, to inquire into specific things. Those committees have inquired into those matters and reported back to the House very adequately and successfully.

The experience has been that such committees examine the various items responsibly. It is far better to have people sitting around a table discussing and considering these items than have them endeavouring to score political points off each other. The object of such committees is to try to work out a solution to a problem and, largely, it has been proved to be an effective means of arriving at such solutions. On the very rare occasions we have established Select Committees in Western Australia, that also has been found to be the case, as it has in the Senate and the House of Representatives in Canberra, where a large number of committees operate. A great deal of unanimity is found to exist. Only rarely are decisions made on a party-political basis.

However, this Government chooses to ignore that process. It is not interested in good government in Western Australia. It is interested only in staying in office, and anything which can be done to advance that proposition is done, and anything which may be seen to be admitting some contribution can be made by the Opposition or by other members of this House, or by the Parliament as a whole, is ignored.

I believe the Government has seriously miscalculated in respect of the whole water rate situation. There can be no question that the people most upset by the charges are the Government's own supporters. For example, a large number of members of the retail section of the Fremantle Chamber of Commerce discussed this matter on two occasions and I can assure the Government that the members of that organisation were far from enamoured with the Government's position with regard to water charges. In addition, we have all read in the Press statements attributed to business proprietors in the Premier's own electorate; meetings were held in the Claremont area at which shopkeepers indicated they were unimpressed with the Government's stand on this matter.

The Government claims it is looking at a fairer system for the future. Obviously, increases in excess of 50 per cent are grossly unfair. However, I suggest that even to limit the increases to 50 per cent is quite unfair. The most appropriate course for the Government to follow would be to limit the increases on this occasion and simultaneously establish a committee of inquiry to investigate

and arrive at a method of charging whereby people would pay on a more equitable basis. Certainly, they are not paying on an equitable basis at the moment.

The Government and the Minister also should initiate an immediate inquiry into the Metropolitan Water Board; again, the Opposition has been pressing for that for some time. Perhaps one way of handling this matter could be to direct the Public Accounts Committee to examine the internal operations of the board. One of the functions of that committee is to ensure that the public are receiving value for their money. It is quite apparent that whatever else is happening with the Metropolitan Water Board, the public are not getting value for money. Water quality is deteriorating, and prices are increasing.

The quality of our water is deteriorating to such an extent that the marketers of various implements designed to improve the quality of water coming from our taps are finding a huge, new, booming business. I imagine the marketers of rain water tanks are also experiencing increased demand. Perhaps those are the few people who are benefiting from this Government's policy with respect to the Metropolitan Water Board.

However, the vast majority of ordinary consumers, particularly those affected by this piece of legislation—the industrial consumers and the small business consumers—are finding themselves paying huge amounts of money for water which they would not use even if it were of best quality and which they are certainly not using at the moment.

The Government has little or nothing to be proud of with respect to its policy in this matter. It is something the community realises can be sheeted home directly to the Government. The Government will find that if it does not take drastic action in this area—and this Bill does not attempt to take such action—it will become a major issue on which it will be tossed out at the next election.

MR BERTRAM (Mt. Hawthorn) [8.53 p.m.]: It is an unmitigated disgrace that in two consecutive years the Government should try to work a racket against the ratepayers of this State. The Court Government came into power when the Tonkin Government lost office in 1974. As we well remember, one of the first things it did was to rig the electoral laws so effectively that it converted ballot boxes into boxes with holes in them.

Shortly thereafter, for the first time in the history of this State, the Court Government applied a tax—called a “levy” by the Government—on the net profits, as defined in a certain manner, of the Rural and Industries Bank. In addition, it imposed a levy—I prefer to call it a tax—upon the gross takings for State electricity charges. That was not on the net takings; it was not on the profit; it was on the gross charges.

The Government also applied a 3 per cent levy, which is just another name for a tax, on the gross rates collected for water, on the gross rates collected for sewerage, and on the gross rates collected for drainage. Note the distinction. When you and I, Mr Speaker, pay our income tax, or when businesses pay income tax, ordinarily the payment is made upon a net figure—a profit figure. That is not the case here. This is a tax in the case of this particular department—the Metropolitan Water Supply, Sewerage, and Drainage Board of Western Australia—on the gross collections of rates for water, for sewerage, and for drainage.

For the year ended 30 June 1980, for water alone that levy, that tax of 3 per cent, gave to this Government very close to \$1 million. For sewerage, it brought close to \$1 million also; and for drainage it exceeded \$100 000. Members will see that there is a very real incentive for this Government to keep the rates as high as possible—the higher the better. The Government need not worry about the 3 per cent levy, because inflation is doing the job for it.

I estimate that for the year just completed the tax on the water rates paid by each ratepayer would have exceeded \$1 million; and in the case of sewerage, I should say it probably exceeded \$1 million. Perhaps the Minister can confirm that for me.

Mr Mensaros: What, for one year?

Mr BERTRAM: Yes.

Mr Mensaros: More than \$1 million for this 3 per cent.

Mr BERTRAM: Well, my estimate was not very far out.

The latest figures touching on this question which the members of this Parliament have are contained in the Metropolitan Water Board annual report for the year ended 30 June 1980, which was tabled on 4 November 1980. We do not have one skerrick of information since then to know, to decide, how to deal with this measure.

The Minister went to great lengths, to great pains, in roughly one page of speech, to tell this

Parliament nothing as to what was really relevant. He said that this Bill means that the Water Board will suffer a reduction in total rates for water of something like \$700 000. That may be true; I do not know. My estimate is that it will involve a figure greater than \$700 000. In effect the board, by this Bill—a very simple measure of about one page of type—will lose, cold-bloodedly, nearly \$1 million in revenue. The Opposition is asked to support the measure, yet the Government gave us no more information than that.

We do not know. We have not been told. Our latest figures are the ones for the period ended 30 June 1980. We do not know whether the Bill should be agreed to. For all we know, it may put the MWB into bankruptcy or equivalent. It may leave the MWB with a huge surplus. We do not know. The Minister has not deemed it necessary to tell us. How on earth can anybody handling finances make decisions concerning finances if they are not told the total picture?

This is not an uncommon position, of course, for this Government. It is in power. It knows that it can do what it likes; and that is what it does. I explain to the people in my electorate, "You can do what you like when you don't have to be worried about the ballot box, when it no longer has any power." That is the position the Government believes it is in currently. It may well be that the Government is right in that particular argument.

The Opposition is not prepared to support a measure when it simply does not have the necessary facts before it to make anything faintly resembling a responsible decision. The only figure the Minister has mentioned is the \$700 000 estimate. I notice he does say that next year the Government will do what it should have done already. Next year, apparently applicable for the year ending 30 June 1983, the Government will do something about water rates. That date is on the run up to the election; and the Government proposes to do something about it then.

For now the Government thought it could possibly have got away with it. It thought, "We'll have yet another go this year to rip off the water ratepayers." It sat back and hoped it would get away with it, only to find that once again the ratepayers have protested, and protested vehemently. What a wonderful attitude for a Government to take! It knows that it does not need the money, as is now evident by the fact that it is writing it off. Nonetheless, it was charging excessively in the hope that it would manage to carry it off. How about that for responsible, trustworthy government?

Quite obviously the Government never needed the \$700 000. I would say it is more than \$700 000. Quite obviously it did not need that money in the first place. As I have explained, the higher the total rate goes, so the levy goes higher. The levy comes from the ratepayers; and unfortunately most of them are not aware of that. They believe they are paying water rates, when in fact they are paying a mixture of water rates and taxes.

Once the money is collected, it is siphoned off, in this case from the Water Board to the Consolidated Revenue Fund. The higher the rates are, the higher is the levy. There is no need for the Government to alter the 3 per cent. Inflation does the job for it.

I remember very clearly the Premier telling this Parliament, "That is what the Whitlam Government used to do—push up the incomes of people, and then, by that process, enable it to keep its income tax rates down because the inflation was doing the job." He regarded that as a scurrilous type of procedure. He is doing precisely the same with the levy, by imposing the levy on the water rates of the community.

If the Government had achieved success with this manoeuvre and if the ratepayers had not mounted any protest, the Premier would have doubled, in effect, the levy collections as he has already admitted to us, since \$1 million of the "water rates" that he receives, by way of the levy, goes to the Consolidated Revenue Fund; and he virtually would have doubled that figure had he not brought in this Bill.

I notice that the Minister says something about the need to apply rates at the one general rate. Now, why that is necessary I do not know. Maybe there is something in the Act which says that, but this Act is the same as any other and is capable of being amended. Indeed, that is what the Minister is going to do in the next year which will be the lead-up to the next general election. He is going to have a look at the position and tamper with the rates. In his second reading speech the Minister said—

This could not have been avoided by the board, which has to strike one general set rate in the dollar value, and cannot apply different rates.

Perhaps the Minister can explain why that is the case. I believe that the Government should do that and that it should have been done already.

Mr Mensaros: In which way would you apply different rates?

Mr BERTRAM: I do not know. Perhaps the Government could act on it at this precise time. The Government maybe has intimated that is the sort of avenue it will be looking at in the lead-up to the next State general election. I forecast this Government's activities reasonably well and we will see how close I am on this prognostication.

A total lack of evidence has been given by the Minister to justify this Bill, which is an insult not only to the Opposition, but also to the Parliament, because it is denying the people any facts upon which to make an assessment as to whether the Bill is right or wrong. The Opposition has given consideration to what the adjustment should be.

The member for Balcatta has already pointed out that the figure which has been struck is grossly in excess of this 50 per cent, which is neither fair nor equitable. The member is entitled to say that. There is not one skerrick of evidence to justify 50 per cent, so the member did not have much of an obstacle to overcome.

Having regard for inflation we are saying that the increase should be in the vicinity of 20 per cent. There is at least some basis for our figure and we are giving the Government the benefit of the calculation. If the Minister wishes to hold out for his 50 per cent then it is incumbent upon him to give us figures. As it is now, I have little confidence that we will get any figures. That is what the Minister should do if this is to be something like a reasonable debate; and if he is to act in even a faintly responsible way, he should supply us with figures and tell us why he has set the figure at 50 per cent, and not 48 per cent or 38 per cent, or whatever figure it may be.

If he is not able to do that then at least the Opposition is acting responsibly. It has not got the figures for the year ended 30 June 1981. The Opposition has no idea of the present figures; the latest figures I have are those in the report for the year ended 30 June 1980. In that situation the Opposition pleads complete ignorance of the financial position in which the board finds itself, at this moment, and says that a fair and reasonable increase should not be 50 per cent but 30 per cent.

As a member of the Opposition I commend that proposition to the House.

MR MENSAROS (Floreat—Minister for Water Resources) [9.09 p.m.]: It is interesting to note, as was expected, that the main comment by the Opposition in response to the Bill was to scold the Government for something it has done when indeed it would have scolded the Government had it not taken action.

I do not make any exception for this approach. In fact I welcome it to some extent because it shows there is still no trace of responsibility by the Opposition which only can attack anything which has been done or anything which has not been done without the slightest trace not of only trying to demonstrate that it understands the issue but also without the slightest trace of any alternative suggestion. The only alternative suggestion in this case was more of the same—to do something for which the Opposition has already criticised the Government. The main speaker for the Opposition suggested a cut in the increases in those particular cases to 20 per cent, while the member for Mt. Hawthorn—before he sat down—said he heartily supports a 30 per cent increase. He could not even remember what was said a few hours before.

Mr B. T. Burke: Don't be silly. It was a slip of the tongue. Just answer the arguments.

Mr MENSAROS: After his lengthy discussion concerning the figures he suggested 30 per cent. It was flattering to me—that even in my humble portfolio as Minister for Water Resources—some competition was kindled in the Opposition, not by every usual participant because the member for Ascot was not here, but by the member for Fremantle, the member for Mt. Hawthorn, and the member for Balcatta competing with each other.

I would like to speak more about the business and utility aspects of the problems which were entirely ignored by the Opposition. The fact is that the system of value-based rating in the case of a utility like the Metropolitan Water Board may not be seen and never has been seen as being an entirely equitable system. Yet it applies in other States of Australia also, with the single exception of Canberra where there is a very heavy Government subsidy.

It applies in most countries known to me and the Opposition has not brought up any examples to the contrary. The system has applied wherever water was supplied to the public on the presumption that those who can afford to pay more should do so. Higher property values whether rental, unimproved or the market values are presumed to mean that the proprietors or the occupiers of those properties are capable of paying pay more.

The system of valuation in Australia, and the United States, the United Kingdom and other countries is based on this principle yet its inequities are thrown up by the Opposition against the Government as being its fault and the

result of its ineptitude or its financial shortcomings.

The comparatively few cases of gross excesses in this system are based on the valuation. I repeat for those who are interested and might not have understood, in light of the accusations being made of the problem by the Opposition, that it is not a problem of sudden, high, general increases in charges because the increases in charges and/or rates were only in the vicinity of 13 per cent, 14 per cent or 15 per cent, but it is a fact that the value of some properties becomes, from time to time higher than other properties. If there were no good reason for this occupiers or owners could appeal against the valuation and win the appeal.

The gross rental values of these properties are higher, and because the system in other than domestic water hinges on value-based rating, some of the increases of accounts—albeit the aggregate general increase, were only 13.6 per cent in sewerage—could have become very high indeed. That happened last year. As a result of this, probably about 10 000 ratepayers incurred an increase of more than 50 per cent, and probably an equal number incurred a decrease in rates because of the same cent rate in the dollar value which the board had to strike. For the benefit of the member for Mt. Hawthorn, as he guessed, this was done because it is in the Statute, just as it is in most of the Statutes governing water utilities around the world.

Further, because the property value for some people did not increase more than the average, which last year was about 140 per cent, they paid a smaller rate than the year before, while those whose values increased more than 140 per cent, and in some cases by as much as 500 per cent and higher incurred a much higher rate increase; hence the Government's intervention last year to limit the increase on 50 per cent of the previous year. So the undertaking referred to by the member for Balcatta—not to repeat this provision of a 50 per cent cut—was not so much an undertaking as a warning.

The reason that the most common accusation—which was that the increase struck the non-domestic ratepayers unexpectedly—contained an element of truth was that the valuations on which it had to strike its rates were given to the board shortly before the rates were struck. Therefore we had to say this would not be an unexpected element the year after—this current year—and we are not planning to repeat it.

As it happened the Government decided to repeat it and the Opposition is criticising the Government for it yet it is offering more of the same medicine. I would be surprised if anyone could find the logic in this. Let me further elaborate the situation. Had I received some alternative suggestion from the Opposition on how this question could be solved, I would have been interested.

There is no doubt we can devise, theoretically, many alternative systems to the rating system, albeit this happens to be the system accepted everywhere. It happens to be the system accepted during the terms of the Tonkin and Hawke Labor Governments.

Mr B. T. Burke: It never resulted in as inequitable a situation as the last two.

Mr MENSAROS: It resulted in much less inequitable situations at times when there was not the high rate of inflation between two given valuations. That is a fact of life. It is not the fault of any Government. It is a fact of life that if we have a high rate of inflation and we have different value increases in properties in different districts, some extreme cases will result. With a buoyant economy in the central business district there were very high increases resulting in manifold increases in rates. Everywhere there was an increase as a result of inflation, but the increases in Mosman Park, Peppermint Grove, and parts of Dalkeith were enormously high.

Mr B. T. Burke: Why cannot the increases in valuations be phased in over three-year periods between valuations?

Mr MENSAROS: This happened with land tax. There is little logic in the criticism, albeit I am respectful of the member's oratory. But there is very little logic in the criticism that the same 50 per cent cut has happened again when in the same mouthful the member says it should have been phased in over three years. If that had been done the result could easily have been three times the 50 per cent only increase in some cases.

That happens in the country water undertakings. It is unnoticed perhaps because few Opposition members have anything to do with country areas. I can see only two of them and they have not applied themselves to the problem. It does happen with water bills in the country because they have this 50 per cent limit in yearly increases. There is no need for legislation because the relevant Act gives power to the Minister in charge of the department to do this. Nevertheless, there is a department in the country handling this and the Minister has exercised this power, since

1975, to apply the 50 per cent maximum increase. This has happened since 1975 without much uproar or publicity and without many people noticing it.

Perhaps less oratorical and more to the point was the challenge by the Leader of the Opposition to the board and indirectly to the Government asking why was it that the increases—and we are not talking about non-domestic increases which are based on valuation, but the general aggregate increases—will be more than the rate of inflation. Yes, they will be more. They have been announced and they have been provided for in the five-year plan of the board as a result of an independent inquiry, something which was thrown into the debate as it always is as if it is some sort of magic stick. Members opposite always claim there should be an independent inquiry, as if it would solve everything. It was as a result of a thorough and independent examination by the consultants Binnie and Partners that we have this five-year plan.

The reason for this can be explained in a fairly simple way. We have to supply the public in the metropolitan area with reasonable quantities of good quality water. As the demand grows we also have a need for security of supply. We have just experienced our five driest seasons. We have to develop new sources of water, and there are plenty of sources. We are not desperate. We will not be short of water as some people have suggested, saying that Perth cannot expand for this reason. If we consider the water storage of reservoirs in the hills and underground supplies, we realise there will be water for a long time to come. But these sources will have to be exploited. Dams have to be built for collecting surface water, and bores and treatment plants have to be constructed for using underground water. The more water we need the more expensive it is to tap and exploit these new sources. That is logical. It is more expensive in real terms and not in inflationary terms. In the case of surface water we have to go longer distances to build dams. If we are to bring water over much longer distances we will need more pipes and pumps.

The development of further underground water resources is a much more expensive proposition, and it is sensible initially to carry out development of a less expensive nature. Every business would follow the same policy.

It is the responsibility of the board and the Government to set out these matters in the five-year plan and to point out that, in real terms, higher charges will be required, because as the metropolitan area grows and the demand for

water increases, the board wants to be able to maintain the same quality and quantity of water.

Increased charges are necessary for other reasons also. It is clear that interest rates have risen in the last few years, particularly in recent months, and this has had a tremendous impact on the situation. It can be seen from an examination of the board's accounting system that more than a third of its expenditure is on servicing borrowed capital. This could be regarded as a huge proportion of total outgoings for any undertaking.

Obviously the board or the State Government cannot direct the level of interest rates. However, the board can attempt to borrow less and finance new undertakings on its own behalf. By that means, the depreciation will have to increase year by year in order to enable the board to self-finance to a greater extent and gradually achieve a lower expenditure on interest rates in the future. This sort of foresight on the part of the board indicates responsible action which has been guided by the Government.

One should approach the problem of increased charges in a businesslike manner and not adopt a political stance. By divorcing politics from the situation, one can see many reasons that the expenses of the board—as manifested in increased rates and charges—are increasing in real terms at a rate greater than the increase in inflation.

We must examine the problem in a businesslike fashion and not look at it politically as does the Opposition and, in particular, the member for Balcatta. During the course of his speech, he indicated the main problem in this area, and the amount of concern felt about it was demonstrated by the fact that the issue of water charges was discussed frequently on radio and television. The member for Balcatta looks at the matter only as a politically interesting question, rather than as a business proposition. Of course the matter was discussed regularly on radio and television.

Mr B. T. Burke: How did you arrive at the figure of 50 per cent?

Mr MENSAROS: I would never deny the figure of 50 per cent is an arbitrary one and no-one has contradicted that. However, last year there were approximately 10 000 cases in which, as a result of revaluations, increases of more than 50 per cent were experienced as compared with a figure of 4 000 this year. Those whose accounts increased by more than 50 per cent this year would have received discounted bills last year after the 50 per cent allowance had been made and approximately only 1 200 people would have paid an account which had increased by 100 per

cent. It is clear that fewer people will be in this position next year.

Mr B. T. Burke: If you accuse me of being political, let me say to you—

Mr MENSAROS: I am not accusing; I am stating the case.

Mr B. T. Burke: Last year, on your own admission just now, you must have known several thousand people would be paying an increase of more than 50 per cent the following year.

Mr MENSAROS: Yes.

Mr B. T. Burke: However, last year you chose to say the action of limiting the increase would not be repeated.

Mr MENSAROS: I said it was not planned to be repeated.

Mr B. T. Burke: Why are you repeating it?

Mr MENSAROS: I shall reiterate what I said previously: The situation which arose last year occurred rather suddenly and ratepayers were not prepared for it. However, the ratepayers have now had a full year to budget to meet the position; but, as mentioned by the member for Balcatta, it was the media which brought up the question on this occasion.

Mr B. T. Burke: But you are looking at the problem in a political context.

Mr MENSAROS: We could have solved the problem by looking at it in a very humane manner, but that sort of proposition was not accepted. In various interviews I mentioned that, instead of arriving at a figure of 50 per cent increase we could look at individual cases of hardship; but it was considered this was not the proper way in which to deal with charges levied by a utility.

If we go a step further, we see the Opposition stated that small businesses were subsidising larger businesses. During the course of the speech made by the member for Balcatta, I interjected very little, but when he referred to the fact that the larger businesses pay the same price for water as domestic consumers or anyone else, I indicated that was the case. However, I pointed out also that the same situation applies wherever water charges are levied, and the base rate is established according to the valuation of the property. The Swan Brewery pays a certain rate, because the rent of the property is valued at a certain sum. As far as excess water is concerned, the base rate is divided by the price of water, and this year this is 28c a kilolitre. The result of this division gives the number of kilolitres which can be used free of charge and water used in excess of that amount

must be paid for. That is the system in other States.

Mr B. T. Burke: You keep saying that is the system in other places and all we are saying to you is it is self-evidently unfair, when you take into account that these big businesses are the ones most able to pass on cost increases and when they are the ones most able to pay for the water they are actually using.

Mr MENSAROS: I would not even say it was unfair. When the principle of the user-pays system was introduced in the domestic field, I believe it was mutually agreed to. In fact the Opposition made statements to that effect.

Mr B. T. Burke: That is right.

Mr MENSAROS: What I am referring to now is nothing more than the user-pays system. I do not blame the member for Balcatta for saying that there are big, bad people who are successful and they should pay more, because that is traditional, socialist philosophy.

Mr B. T. Burke: If a user-pays system is relevant in the domestic charging area and is not applied in the commercial charging area—

Mr MENSAROS: Except for excess water.

Mr B. T. Burke: —for water other than excess water, it is illogical for you to take our argument about the user-pays system in the domestic field and apply it in the commercial area.

Mr MENSAROS: We know the user-pays system is applied throughout the domestic scene which itself has inequities, because if we examine it from the point of view of the member for Balcatta, we can see that a residence with a high valuation situated on the waterfront would be levied at exactly the same base rate for water as a much cheaper house in, say, East Victoria Park. However, that is the way in which the user-pays system works and the owners of such residences pay the same rate for excess water also. If members wanted to transfer this principle equally to all users—

Mr B. T. Burke: No-one has ever suggested that.

Mr MENSAROS: I am aware of that; but if this were to occur, according to my calculations—they are not computer calculations, but simply my own figures—the domestic ratepayers, who comprise the vast majority of all ratepayers, would pay approximately two and one-quarter times as much as they do now and the amount paid by businesses would be reduced.

Mr B. T. Burke: What about a user-pays system restricted entirely to the commercial area?

Mr MENSAROS: This would retain the same proportion of aggregate income in the commercial area as has occurred to date.

As a result of cross-Chamber conversation I realise that the Opposition agrees with some of the Government's suggestions.

Mr B. T. Burke: We have been making suggestions like that in Press statements and other sorts of releases for the last year and a half.

Mr MENSAROS: The member's proposition is completely opposite to that which he suggested earlier, that one side subsidises the other.

I am simply saying that a number of choices will be examined. We will determine whether we can be more clever than other Australian States or other countries. I do not know whether we will succeed. We have not promised that we will succeed, we have merely undertaken to endeavour to introduce a scheme that will be more equitable than any other. No doubt some people will feel they are disadvantaged, and nothing would be easier for the Opposition than to say on behalf of the people disadvantaged that a new system should not operate.

Not one new system can operate whereby not one person is disadvantaged compared with the present system—we have no way of achieving that. Therefore the Opposition will be able to say things on behalf of those disadvantaged. That does not mean to say we have not tried, are not trying and will not try to arrive at an equitable solution.

Those people to whom the Opposition refers as small business people, cannot be defined properly as such. I cannot define such people and I would be happy to hear a correct definition if one exists.

Mr B. T. Burke: Your department will tell you if you bother to ring it.

Mr MENSAROS: The Department of Industrial Development and Commerce has its point of view. The McCusker report indicates that the people involved on that committee could not define the term "small business". On which basis does one determine that a business is small? I have been in a business with a quite large turnover, but the profit margin was small. Other businesses have a small turnover but a profit margin of 300 per cent. How could the board at a reasonable expense assess the net profit of a business? I simply say we will endeavour to establish a system which appears to be the most equitable.

Everything has a positive and a negative side. The question is: Can we arrive at a system that has the least number of inequities, and less than

the number the present system has, taking into consideration that present circumstances will not continue for ever? In that light, one must consider inflation. Young members like the member for Balcatta are accustomed to high inflation. During their time in Parliament and, perhaps, a little before, we have had nothing but inflation. However, members who came into the Parliament at approximately the time I entered it, like the Deputy Leader of the Opposition, remember that we did not always have inflation; we had a depression when circumstances were the other way around. Everything cannot be maintained in its present form and we must take that into consideration as another variable.

Mr B. T. Burke: When you talk about a user-pays system on the commercial side of charging, and refer to the big consumers paying 28c per kilolitre, in theory you have an argument, but in practice your system is not appropriate. The user-pays system is the most ideal.

Mr MENSAROS: We can attempt to substitute various systems. One could say every business should pay the same base rate irrespective of the value of its property. In that case we would find many people complaining and saying that the system is not right. Perhaps we could have a mixture of the two systems. We could have the city centre business district in one category and businesses within a radius of two miles of the city within another category.

Mr B. T. Burke: The first thing I would do is stop telling people they will pay less or have a real reduction in water rates. You have said tonight in bringing in this system that some people will pay less than they previously paid.

Mr MENSAROS: That is correct. What the member has suggested has not escaped our attention.

If there is a trace of responsibility to be shown by the Opposition, it must accept that the charges of a utility such as the Metropolitan Water Board are established on the same basis as those for local government. Most members understand the workings of local government because they have been involved with it. The budget for a utility or a local authority is determined on the basis of the amount to be spent for the year, and once that figure is established a rate is fixed which covers that amount.

Mr B. T. Burke: You cannot escape your responsibility as a business. The business reality is that twice in successive years the Government has been forced to depart from the budget it established.

Mr MENSAROS: That is correct, we have been forced to depart to some extent from the budget established because of the—

Mr B. T. Burke: Political realities.

Mr MENSAROS: —human aspect. Nevertheless, individuals suffered as a result of a system with harsh value increases, and as a result of inflation. That is the reason for our not promising that next year we will have a better system. However, we undertake to do the best we can. We have asked for the support of concerned ratepayers. I have requested that any ratepayer suggest anything he can and make submissions to the working party I have formed. Those submissions may lead to a less inequitable system.

If we are able to determine a system which can be applied without more administration, without more assessment involved and, necessarily, more cost involved, we will try to implement that system. I cannot undertake that we will find the correct system because we will have many choices before us.

The member for Mt. Hawthorn referred critically to the 3 per cent levy. He should accept that if his party becomes the Government—

Mr Bertram: When do you think that will be?

Mr MENSAROS: —it must abolish the system because it has said it is inequitable.

Mr Bertram: Like the Premier, I don't ask hypothetical questions.

Mr MENSAROS: The Opposition received publicity from taking the view it has, but it must be responsible in the political situation and accept that it would need to abolish the 3 per cent levy if it became the Government.

The Government is attempting to do almost the impossible when trying to arrive at a fully equitable system that is not theoretical, but pragmatic, taking into consideration the capacity of people to pay and other matters. At the same time the board must maintain the proper quantity and quality of water and other services which it must provide.

I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Mr Crane) in the Chair; Mr Mensaros (Minister for Water Resources) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Section 94 amended—

Mr B. T. BURKE: As indicated by the Opposition, it is our intention to move to amend that part of this Bill which sets the limit at 50 per cent on the increase in the valuation-based charges that people will be required to pay. To that end, I move an amendment—

Line 8—Delete the passage "one-half" with a view to inserting other words.

Briefly, in support of the amendment proposed by the Opposition, let me touch upon one or two areas the Minister traversed during his reply to the second reading debate. The Minister, despite his pains, was unable to explain to the Chamber why it was that in the commercial area of the board's charging system where it is acknowledged that the user-pays principle does not exist, that principle should come into operation once the allowance provided to individual commercial consumers was passed. In effect, the Minister, when talking about commercial consumers, wants to change the premise of his argument to suit the particular end that he seeks. He says quite clearly that above the allowance that is provided to commercial consumers the consumption is on a user-pays principle; that is, payment is for every kilolitre that is consumed. An amount of 24c last year was paid by commercial consumers for every kilolitre of excess water. This year it will be 28c. Up to that limit there is no user-pays principle in operation. An allowance is provided to each commercial consumer according to the valuation that is accorded to the property and the rate that is struck by the board.

What we in the Opposition said throughout the second reading debate and what we repeat in reference to this amendment is that the practice by which big consumers are able to pay the same rate per kilolitre as domestic consumers for excess water is unfair. What we also say is that in respect of commercial consumers who never reach the stage of consuming excess water it is true that they are providing a subsidy—because they do not reach that stage—to commercial consumers who consume in excess of the allowance they are provided with and who in respect of that excess consumption pay 28c a kilolitre. It is no coincidence that the incidence of the burden falls more heavily on businesses least able to pay because those which by definition do not reach their consumption allowance are the ones least able to pass on to consumers the cost of increased water consumption or the cost of rises in water charges.

The Minister admitted during the second reading debate and his reply today that the 50 per cent figure was an arbitrary figure. If the 50 per

cent figure is an arbitrary figure, why is it to be preferred above 20 per cent?

Mr Bertram: "Arbitrary" means "a guess".

Mr B. T. BURKE: At least the figure of 20 per cent bears some relationship to what the board predicted in its own yearly reports about its own needs and reflects to some extent the inflation rate with a reasonable allowance for costs in excess of the inflation rate. And if the decision to limit the increase to 50 per cent will cost the board \$700 000 then the decision to limit the same increase to 20 per cent is not going to send the board broke. There is no sense to the 50 per cent. There is marginally more sense to the 20 per cent increase.

Why should not that be adopted because that is a fair increase for people to be asked to pay? The Minister failed to advance one sound reason to support his contention that the 50 per cent limit was of itself something good. In fact, he appeared to be apologising and saying that the 50 per cent limit would not have been applied except for all the newspaper and radio publicity that accompanied the decision, or news, or information that charges were to increase as they did in the latest accounts that were despatched by the board.

Mr Mensaros: That is your calculation. I never said that, but nevertheless—

Mr B. T. BURKE: The Minister did, to my hearing.

Mr Mensaros: To your implication, not to your hearing.

Mr B. T. BURKE: Other members were here too, and I thought I heard the Minister say that 50 per cent increase was adopted, at least to a large part—

Mr Mensaros: No. I said it was a human consideration. That is what I said.

Mr Bertram: You talked about the media in your speech.

Mr Mensaros: Yes, I did talk about it, but I did not correct the remark—

Mr B. T. BURKE: The Opposition would be excused for wondering why the Minister who is so intent on preserving his budgetary reputation and his financial management pose is now able suddenly to excuse financial aberration on the basis of human considerations, because that is what the Minister is doing.

Mr Mensaros: I am not.

Mr B. T. BURKE: It is quite clear that the Minister never intended what is happening to

come about because last year he said, "Suddenness—unexpectedness in some cases—means that there is a basis for limiting the increases." The suddenness and the unexpectedness is missing on this occasion. What is not missing is the public outcry and the miscalculation of the Minister about the political realities of the situation.

The other thing that the Opposition wants to say in supporting its amendment to limit increases to 20 per cent is that it is high time the Government, its Ministers, and members gain some realisation of the hardship that people in this community are facing. People on average wages of something less than \$250 gross per week are having terrible trouble making ends meet. If the Minister fails to realise that, then more fool him! If the Minister cannot take the time to try to put himself into the position of those breadwinners who bring home to their families something around \$190 a week, then he is doing the consumers of the metropolitan water supply and the public generally a grave disservice.

Mr Mensaros: How many of them are subject to the 50 per cent? Tell me one.

Mr B. T. BURKE: The Minister by his interjection pleads ignorance of the fact that small businessmen in this community are among the hardest hit by the economic decline, or recession, or contraction or restriction—however one wants to put it—that we are experiencing. If he talks to small business people he will know that there are many many small businessmen and women who will say that they would much prefer to be working on wages where they have got certainty about their holiday and sick pay, superannuation, holidays and a minimum wage they will take home.

Small businessmen and women will be the first to say that in the present circumstances many of them are lucky to be taking home the average wage. If that is the case then they are subject, at least in theory, to the financial gymnastics that we are undertaking tonight. To assume that these people who are affected by this legislation are all wealthy is completely wrong. It is a denial of all the principles that people on that side are so fond of smugly espousing. The question is quite clearly one that the Minister should address himself to in the context of small business people who are in many cases among the disadvantaged sections of the community. That is what the Liberal Party consciously fails to recognise. When it talks about private enterprise it is talking about Ansett, the Bank of New South Wales, Bell Bros., AIS, and BHP. It is not talking about the small

businessman who earns a living wage through his own efforts and is in fact a wage earner in a different context from that of his fellow worker.

That is what we are complaining about tonight—that lack of observance by the Minister and this Government of the particular problems which families are facing. No good argument has been advanced for the proposition that the increase should be limited to 50 per cent. If one problem about which the Minister talks is a serious human problem let us help with that problem by making the concession worth while. Let us have a concession that limits the increases to 20 per cent, not 50 per cent.

Mr DAVIES: I do not think this should cause the Government any worry at all. The increase has been 14.2 per cent in the charge for domestic supplies, and 16.7 per cent in the charge per kilolitre. I am quite certain there have not been any revaluations to domestic consumers' properties to effect a total increase of over 50 per cent to last year's bill. When one considers that such a large proportion comes from domestic consumers, I believe that is the first area we should look at.

When introducing the Bill the Minister said that approximately 4 000 people would be affected. In an earlier statement he said 11 100 people would pay an increase of less than 50 per cent; 3 800 people would pay an increase of more than 50 per cent; and 1 200 people would pay an increase of more than 100 per cent.

Mr Mensaros: That is the 4 000.

Mr DAVIES: I am trying to be more precise with the figures. The sum of 3 800 and 1 200 is 5 000. This was an earlier figure the Minister gave.

Mr Mensaros: Roughly speaking, 4 000 people will pay more than a 50 per cent increase, and of this number 1 200 will pay more than 100 per cent.

Mr DAVIES: I was quoting some earlier figures which were prepared for me, and really I was defeating my own argument by using them. It would appear that the position has been brought about because some businesses, in addition to the increase in rating, have had their properties revalued. Some of the valuations have risen considerably.

I do not intend to enter into a discussion about the definition of "small businessman". It is very true indeed, as the member for Balcatta pointed out, that generally it is the small businessman who has been affected the most. I would like to refer to certain instances.

One coffee shop owner in Fremantle who paid \$900 in Metropolitan Water Board rates last year received a water bill for \$2 240 this year. A Wanneroo newsagent said that two years ago his bill was \$614. Last year it was \$912, and this year it is \$1 936. That does not really indicate that the increase is through revaluations only.

Mr Mensaros: Yes it does, because the \$900-odd was after the 50 per cent cut. You add the 50 per cent to the \$600 and it comes to \$900. So last year, although he paid \$900-odd, he was assessed for more.

Mr DAVIES: This justifies the point we made during last year's debate that the measure then was merely putting off the evil day. A lot of people apparently did not realise that fact.

The owner of the Broadway Liquor Store in Nedlands received a bill for \$3 500—an increase of \$2 400 on the year before. The Director of the Retail Traders Association (Mr Dawson) said it was impossible for businesses to budget for such rises.

Possibly our comments in the Chamber tonight do not represent original thoughts. These comments have been made with some vehemence outside this place, and certainly they have been made in some quarters where one does not expect traditional support for the Labor Party.

A Claremont music shop owner was hit with a 500 per cent increase in his water rates. The Confederation of Western Australian Industry expressed concern about this matter, and the President of the Perth Chamber of Commerce and the President of the Federated Chambers of Commerce both called for an open inquiry into the Metropolitan Water Board because they are unhappy about it.

I will not bore the Chamber with all the details I have here. However, it is certainly true that some people have been particularly badly hit by these increases. They were not expecting them because of the undertakings given by the Government last year. Certainly they have not been able to budget for the amounts concerned.

At the time of the first complaints last year, the then Valuer General said that the board had sufficient information to forecast accurately the amount of money it would receive from the proposed increases. If the board had this information then, I am sure it could obtain it now. The board must know precisely the amount of money it wants and how it will go about getting it.

The assessment of water rates should not be a hit-and-miss business, and yet the Government

apparently has merely endorsed the board's request for increases without looking at the overall situation. When a furore resulted, the Government decided it must come in again with this kind of legislation. It is just not good enough. We believe businesses generally must make provision for inflation, although it must be difficult to forecast the actual rate. Certainly we hope inflation does not hit 20 per cent this year, and we believe that if we make allowance for a 20 per cent inflation rate probably we are being over-generous. Nothing could be fairer than that. It is on that basis that I am happy to support the amendment moved by the member for Balcatta.

Mr MENSAROS: I will be very brief in responding to the comments, Mr Deputy Chairman (Mr Crane), because I believe it was only as a result of your immense patience that you allowed a response to the second reading speech.

As I said the 50 per cent figure was an arbitrary one, but that was really explained by the second reading speech of the member for Mt. Hawthorn who said it was an affront by the Government to ask this Chamber to let slip through the hands of the Metropolitan Water Board an estimated revenue of \$700 000.

Even the member for Mt. Hawthorn will realise that if the increase was to be limited to 20 per cent rather than 50 per cent, a great deal more revenue would be lost.

Mr B. T. Burke: About \$2.5 million.

Mr MENSAROS: Although it would take a little programming, the figure could be worked out easily with a computer. However, it would be about three times the \$700 000 figure. The Leader of the Opposition has referred to the inflation rate and he suggested that the increase should be kept to 20 per cent or less.

To digress for a moment, I am sorry the manifold activities of the Leader of the Opposition did not allow him to be present when I replied to his query about the water rate increasing at greater than the inflation rate.

Mr Davies: I was at another meeting.

Mr MENSAROS: At the same time as considering the humane aspect of the matter, the Government wished to consider also the interests of the other customers of the board, because they would be indirectly disadvantaged if the figure was set not at 50 per cent but at 20 per cent of the increase. Hence, the Government opposes the amendment.

Mr BERTRAM: I was staggered to hear a little while ago the member for Balcatta saying the Minister had struck the 50 per cent figure arbitrarily; in other words, he guessed at it. That seems to me to be an extraordinary way for a responsible Minister of the Crown to tackle matters of a fiscal nature. Surely he has sufficient records in the board to enable him to make an accurate assessment of the figure.

All the Opposition is asking the Minister to do is waive about \$200 000, according to the Minister's own figures. Remember that in the year just passed, the total water rate collections probably exceeded \$30 million. All we are talking about is \$200 000. Perhaps the Minister can tell us the surplus in the operations of the Metropolitan Water Board for the year ended 30 June 1981.

Mr Mensaros: I could not give you the figure off the top of my head, but there was a surplus; it will come out in the printed annual report of the department. If you place a question on notice it will be answered. There was a surplus for the year, as planned, to reduce the accumulated loss about which the Leader of the Opposition and the member for Balcatta spoke.

Mr BERTRAM: As the Minister was aware, there was a surplus of \$178 340 for the year ended 30 June 1980; we have now learnt the board had a surplus for the year ended 30 June 1981. There is no need at this stage for the board to be running at a profit on water rates.

I support the amendment. Quite apart from that, could the Minister inform me whether it is a fact that currently, the owner of a property worth about \$60 000 is required to pay something like \$930 per annum by way of water rates?

Mr Mensaros: It could well be; I could not tell you the precise answer. Valuations are not according to property values but according to gross rental values.

Amendment put and a division taken with the following result—

Ayes 19

Mr Barnett	Mr Hodge
Mr Bertram	Mr T. H. Jones
Mr Bridge	Mr Parker
Mr B. T. Burke	Mr Skidmore
Mr T. J. Burke	Mr A. D. Taylor
Mr Carr	Mr I. F. Taylor
Mr Davies	Mr Tonkin
Mr Evans	Mr Wilson
Mr Grill	Mr Bateman
Mr Harman	

(Teller)

Noes 25

Mr Blaikie
Sir Charles Court
Mr Cowan
Mr Coyne
Mrs Craig
Mr Grayden
Mr Grewar
Mr Hassell
Mr Herzfeld
Mr Laurance
Mr MacKinnon
Mr McPharlin
Mr Mensaros

Mr Nanovich
Mr O'Connor
Mr Old
Mr Rushton
Mr Sibson
Mr Spriggs
Mr Trethowan
Mr Tubby
Mr Watt
Mr Williams
Mr Young
Mr Shalders

Pairs

Noes

Ayes
Mr McIver
Mr Jamieson
Mr Bryce
Mr Pearce

Mr Clarko
Dr Dadour
Mr P. V. Jones
Mr Sodeman

Amendment thus negatived.

Clause put and passed.

Clause 3 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

(Teller)

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mr Mensaros (Minister for Water Resources), and transmitted to the Council.

House adjourned at 10.16 p.m.

QUESTIONS ON NOTICE

FOREIGN INVESTMENT

Western Australia

1333. Mr BRYCE, to the Treasurer:

- (1) What was the estimated inflow of foreign investment capital into Western Australia during each of the last five financial years?
- (2) In respect of the figures for 1979-80, what were the amounts invested in —
 - (a) the manufacturing industry;
 - (b) resource projects;
 - (c) pastoral and agricultural land;
 - (d) other avenues?

Sir CHARLES COURT replied:

- (1) Information is only published for 1978-79 and 1979-80 in respect of foreign investment proposals approved by the Foreign Investment Review Board. The relevant foreign investment figures for Western Australia were \$806 million in 1978-79 and \$1 386 million in 1979-80.

- (2) (a) to (d) The Specific allocations under each of these headings is not known except that Foreign Investment Review Board statistics show the following figures under item (2)(c)—

Calender 1979—\$8.5 million

Calender 1980—\$18.7 million.

- (3) In the light of growing concern in the community about the extent of foreign control of the economy, will his Government approach the Fraser Government with a request for the re-establishment of the foreign participation section of the Australian Bureau of Statistics?

Sir CHARLES COURT replied:

- (1) No. There could be other methods available to the Commonwealth Government.
- (2) See answer to (1).
- (3) No. How the position is monitored at the national level is one for the Commonwealth to determine. However, as the member may be aware, the issue of foreign investment was discussed at the June Premiers' Conference in response to an initiative by the Western Australian Government. Subsequently, the Australian Agricultural Council, which consists of Federal and State Ministers for Agriculture, agreed to a co-ordinated Commonwealth-State approach in monitoring foreign ownership of rural land.

The Western Australian Government has also taken action to establish a register of the acquisition of real estate by non-residents based on transactions handled by the Office of Titles. This will assist the amount of foreign ownership of real estate in Western Australia to be measured. The results will be kept under review by the Government.

TRANSPORT

Fares: Concessions

1355. Mr WILSON, to the Treasurer:

In view of increases in public transport costs which mean that from outlying suburbs even one bus journey from home and back again can cost \$1.40 per day—

1336. Mr BRYCE, to the Treasurer:

- (1) Is he aware that the Commonwealth Public Service based system of monitoring the growing economic control of Australia by overseas companies was terminated in 1978 when the Fraser Government abolished the foreign participation section of the Australian Bureau of Statistics?

- (2) (a) Did the Western Australian Government oppose this move by the Fraser Government in 1978;
- (b) if not, will he explain why?

- (1) Has the Government given any further consideration to the possibility of granting travel concessions to unemployment beneficiaries similar to those available to pensioners?

- (2) What consideration, if any, has been given to granting travel concessions to young apprentices on low wages?

Sir CHARLES COURT replied:

- (1) Currently the Federal Government's fares assistance scheme provides free travel on public transport to persons receiving unemployment benefits travelling to and from job interviews arranged by the Commonwealth Employment Service with prospective employers. Accordingly, and in view of the limited availability of funds and the administration problems associated with providing concessions to a changing pool of unemployed persons, it is not considered feasible to extend additional travel concessions to this group.
- (2) It is considered that the level of wages of young apprentices is adequate to meet the reasonable needs of persons of their age, including any travelling expenses. In the circumstances, it is believed that further subsidy by taxpayers of their public transport costs is not warranted. In addition, some assistance with travel costs is available through the Education Department to apprentices who are required to travel long distances to technical colleges in respect of certain training related travel requirements.

- (2) How much did the launch cost to purchase?
- (3) What is the annual maintenance cost for the launch and what is the annual running cost of the launch?
- (4) What has been the average weekly hours of utilisation of the launch over the last six months?
- (5) Can the launch be utilised for pilot work at Carnarvon and how often has it been so utilised during the last 12 months?

Mr O'CONNOR replied:

- (1) Yes.
- (2) \$84 000.
- (3) (a) Annual maintenance cost \$12 000.
(b) Estimated annual running costs: \$23 000.
- (4) 31 hours.
- (5) The vessel and crew are on call continuously for response situations as well as for programmed patrol work, both within Shark Bay and in remote north coastal areas. It has not been utilised for pilot duties during the past 12 months and it is regarded not practical to arrange such a commitment.

1363. *This question was postponed.*

FISHERIES

Shark Bay Fishermen's Co-operative

1364. Mr GRILL, to the Minister for Works:

- (1) How much money has the State invested in the Shark Bay Fisherman's Co-operative at Carnarvon?
- (2) What was the money used for?

Mr MENSAROS replied:

- (1) \$105 736.
 - (2) Construction processing factory \$104 656
Hire of freezer facilities \$1 080
-
- \$105 736

FISHERIES: DEPARTMENT OF FISHERIES AND WILDLIFE

Carnarvon

1365. Mr GRILL, to the Minister representing the Minister for Fisheries and Wildlife:

- (1) Does the Minister's department maintain a fisheries launch at Carnarvon?

FISHERIES

Snapper

1366. Mr GRILL, to the Minister representing the Minister for Fisheries and Wildlife:

- (1) Are fish trap licences for catching snapper and other fish in Western Australia issued by the State or Commonwealth?
- (2) How many such licences have been issued and are presently current?
- (3) How many of such licences are there in the Shark Bay area?
- (4) Is it the Government's intention to issue any further licences?
- (5) Does the department intend or will it investigate allegations of bruising and spoiling of fish caught in such traps?

Mr O'CONNOR replied:

- (1) Endorsements to use fish traps are issued by the State.
- (2) 17 fishing boat licences have such an endorsement for 1981.
- (3) 17.

- (4) Endorsements are granted on an annual basis upon application and on the individual merits of the application.
- (5) Yes, in conjunction with the Department of Health.

EDUCATION: DEPARTMENT

Cost-cutting Measures

1367. Mr PEARCE, to the Minister for Education:

Will he detail cost-cutting measures currently being implemented in the Education Department and the approximate amount of each cut?

Mr GRAYDEN replied:

The only significant cost-cutting measures which have been implemented to this date are the non-replacement of staff vacancies in over-formula schools and the re-deployment of some head office and regionally-based teachers.

The savings from the changes implemented to date should amount to about \$1.8 million for the 1981-82 financial year.

EDUCATION: NON-GOVERNMENT SCHOOLS

Funding

1368. Mr PEARCE, to the Treasurer:

- (1) How much from State funds has been spent on private schools in the last financial year?
- (2) Which cuts in staffing and services have been made in private schools as part of the current "pruning"?
- (3) What is the extent of cuts in State Government expenditure on private schools that are being planned?

Sir CHARLES COURT replied:

- (1) Total State Government assistance to private schools amounted to \$17.3 million in 1980-81 including the estimated value of free books and school stocks supplied to private school pupils.

- (2) and (3) Government assistance to private schools is primarily based on a fixed percentage of State expenditure on primary and secondary education. Any changes in the level of funding Government schools is therefore automatically reflected in the level of assistance to private schools. As it is reasonable to assume that expenditure on Government schools will increase in dollar terms in 1981-82, the *per capita* subsidy to private schools will increase accordingly.

EDUCATION: SCHOOL BUSES

Fares

1369. Mr PEARCE, to the Minister for Transport:

What assistance is available to families on unemployment benefit whose children catch school buses to metropolitan high schools, at a cost of up to \$7.50 per week for a family with three children?

Mr RUSHTON replied:

Special transport assistance is provided for all school children catching buses to metropolitan schools and the concession rate is 25c per student per journey, irrespective of the distance travelled.

The State Government's subsidisation of the travel scheme is expected to cost more than \$1.25 million for the 12 months to June 1982.

LOCAL GOVERNMENT: RATES

Urban Farm Land

1370. Mr HERZFELD, to the Minister for Local Government:

- (1) Is she aware of action being taken by a number of councils to invoke section 548(3b) of the Local Government Act against ratepayers who previously qualified for the urban farm land rate, who continue to own the subject land and continue to farm it, but fail on the income qualification?
- (2) Was retrospective repayment of the urban farm rate concession intended when the legislation was enacted under the circumstances described above?

- (3) If "No", would she legislate to clarify the Act?
 (4) If "Yes" would she give consideration to reviewing the matter?

Mrs CRAIG replied:

- (1) A council wrote to me recently about the back-rating requirements of section 548(3b), but placed no emphasis on the particular circumstances referred to in this question.
 (2) Records do not indicate whether it was specifically intended that retrospectivity should apply in these cases.
 (3) and (4) The whole question of urban farm land rating is under review and this particular aspect will be examined as part of that review.

HOSPITALS

Beds

1371. Mr STEPHENS, to the Minister for Health:

- (1) What is the bed capacity of the Mt. Barker Hospital?
 (2) What is the average bed occupancy rate for 1979-80 and 1980-81?
 (3) Outside the metropolitan area, how many hospitals are there of similar bed capacity and where are they situated?
 (4) What is the average bed occupancy rate respectively for each hospital referred to in (3), for 1979-80 and 1980-81?
 (5) Is there in the department a report or working paper suggesting or recommending the closure of the Mt. Barker Hospital and/or any other hospital outside the metropolitan area?
 (6) If "Yes", where are they situated?
 (7) Will he give an assurance that there is no intention of closing the Mt. Barker Hospital?

Mr YOUNG replied:

- (1) 41 beds.
 (2) 1979-80—70.7 per cent
 1980-81—68.8 per cent
 (3) and (4)

Hospital	Bed capacity	Average bed occupancy 1979-80 %	Average bed occupancy 1980-81 %
Leonora	35	30.6	37.7
Kellerberrin	36	43.3	39.2
Pingelly	37	77.0	62.7
Merredin	38	59.5	55.0
Wagin	38	45.0	41.3
Wyndham	38	61.8	60.5
Dampier	39	40.3	48.5
Mullewa	40	61.3	53.5
Bridgetown	45	71.1	60.7

- (5) In line with the requirements of the Government's Cabinet Expenditure Review Committee, the department has recently completed an examination of all areas of its activity and their associated expenditures. This encompassed a review of the operations of all hospitals in the State. No decision has been made on any hospital closures.

(6) and (7) Answered by (5).

STATE FINANCE: CONSOLIDATED REVENUE FUND

Salaries and Wages: Wage Indexation

1372. Mr DAVIES, to the Treasurer:

How is it proposed to assess the Government's wages bill for 1981-82 now that wage indexation has ended?

Sir CHARLES COURT replied:

It will obviously be much more difficult to estimate the likely cost to the Budget of wage increases during the year if wage indexation is not the principal determinant of wage increases. With discussions continuing between the parties concerned—and including discussions planned for Canberra this week—it may well be that a solution will emerge that will give a clearer lead as to how wage and salary adjustments will take place in future. Failing that the Treasury will make an estimate of the possible cost of future wage and salary increases. Following this, the Government will make a decision on the Budget figure taking such treasury advice into account.

HAMPTON GOLD MINING AREAS LTD.

Land: Tabling of Documents

1373. Mr HARMAN, to the Minister representing the Minister for Lands:

Will she table all documents associated with the grant of land and any agreements in respect of the land now owned by Hampton Gold Mining Areas Ltd. and Hampton Trust Ltd.?

Mrs CRAIG replied:

It is assumed the member is referring to a number of east locations held by Hampton Gold Mining Areas Limited. A search of archival records has revealed that these lands were held under pastoral lease by The Hampton Lands and Railway Syndicate Limited. In exercising its right under section 68 of the Land Regulations 1882, the company entered into an agreement, dated 18 June 1890, to purchase 216 000 acres.

A copy of the original agreement, with a typed copy for the convenience of the member is submitted for tabling. The agreement should be read in conjunction with section 56 and the schedule to the Act to permit mining on private property No. XXIX.

The Crown grants for these locations issued between 1895 and 1899 and the titles were eventually transferred to the current proprietors.

There is no record of land currently being held by the Hampton Trust Ltd. Further research into archival records in an endeavour to locate any other documentation is to be carried out.

The paper was tabled (see paper No. 332).

CULTURAL AFFAIRS: GERALDTON CULTURAL TRUST

Branch of Museum of Western Australia

1374. Mr CARR, to the Minister for Cultural Affairs and Recreation:

- (1) On what date did the State Government complete negotiations with the Geraldton Cultural Trust to take over the former railway station building in Marine Terrace, Geraldton?
- (2) On what date were renovations of the building completed?
- (3) What was the total cost of the renovations?
- (4) On what date was the building made part of the Geraldton Branch of the WA Museum?
- (5) Why has the WA Museum not yet established a permanent display in the building?
- (6) When does the WA Museum intend to establish a permanent display in the building?

Mr GRAYDEN replied:

- (1) Negotiations were not held with the cultural trust, but with the Town of Geraldton, which agreed in April 1977 to the building and grounds being transferred to the State.
- (2) March 1979.
- (3) \$57 462.64.
- (4) 1 December 1980.
- (5) For financial reasons.
- (6) When finance becomes available.

HOUSING: TOWN AND COUNTRY PERMANENT BUILDING SOCIETY

Friendly Societies Pharmacies

1375. Dr DADOUR, to the Honorary Minister Assisting the Minister for Housing:

Is it a fact that the Town and Country Permanent Building Society has lent the Friendly Societies Pharmacies \$1.4 million at a preferred rate to the ordinary home loan rates?

Mr LAURANCE replied:

As the Registrar of Building Societies does not need to have full details regarding individual loans to carry out his regulatory duties, I am unable to confirm the matters asked.

The Town and Country Permanent Building Society, as do other lending institutions, regard the details of loans to be confidential between their clients and themselves.

PORT: ALBANY

Harbour Facilities

1376. Mr EVANS, to the Minister for Works:

- (1) Is it intended to construct a harbour facility for fishing boats at Albany?
- (2) If "Yes"—
 - (a) when is it expected that the construction of such a facility will be commenced, and when is it expected to be completed;
 - (b) what cost will be involved in such a project?
- (3) If "No" to (1), and in view of the restricted use of the existing town jetty allowed to commercial fishermen and the excessive congestion which exists at Emu Point, why is the construction of such a facility not proceeding?

Mr MENSAROS replied:

- (1) Yes.
- (2) (a) Commencement will depend on the availability of funds from the 1981-82 capital works programme; if funds are available the preliminary stage would be completed before the 1982 winter;
- (b) the preliminary stage will cost \$100 000; the details or costs of subsequent stages are not yet fully determined, but will involve several million dollars by the time it becomes a fully sheltered independent harbour.
- (3) Not applicable.

LAND

Manjimup Shire Council

1377. Mr EVANS, to the Minister representing the Minister for Lands:

- (1) Does the Government propose to accede to the request of the Manjimup Shire Council for powers to lease blocks to owners of existing cottages built on land which was vested in the council on 21 April 1978?
- (2) If "Yes", when is it expected such powers will be granted to the Manjimup Shire Council?
- (3) If "No" to (1), why not?

Mrs CRAIG replied:

- (1) to (3) It is presumed that the member is referring to Reserve No. 19787 at Broke Inlet. My department has been informed that a report by the working group appointed under EPA recommendation 2.14 is nearing completion and that its findings may be submitted to the EPA in the near future.

RECREATION: OFF-ROAD VEHICLES

Warren Beach Access Track

1378. Mr EVANS, to the Minister representing the Minister for Conservation and the Environment:

- (1) Does legislation exist to control the use of off-road vehicles including motor cycles on the Warren Beach access track?

- (2) Is the Minister aware of the considerable damage which is done at periodic intervals by the indiscriminate use of such vehicles in this area?
- (3) As the great majority of fishermen who use the Warren Beach track are responsible and careful and are concerned about the actions of a few, is there any control of off-road vehicles which are used indiscriminately in this area and to what extent has this control been exercised, or will be in the future?

Mr O'CONNOR replied:

- (1) Yes, National Parks Authority regulations provide controls on the type of vehicles using tracks in national parks. In regard to the Warren Beach track, it passes through a pastoral lease and two portions of the D'Entrecasteaux National Park, which was gazetted in November 1980.
- (2) It is known that on occasions damage has been done in this area by the indiscriminate use of off-road vehicles. Officers of the National Parks Authority have recently explored the park and management options are being considered.
- (3) The Minister is aware that the majority of fishermen are responsible and careful, and it is the irresponsible few that cause the problems. The Warren Beach track is patrolled occasionally by the Ranger-in-Charge Pemberton National Park. More frequent patrols are being considered.

LAND

Camballin

1379. Mr EVANS, to the Minister representing the Minister for Lands:

- (1) Has the Government received any application for the freeholding of land at Camballin currently held under an agreement between the occupiers and the State Government?
- (2) If "Yes", what area of land is involved?
- (3) Does the Government intend to grant the freeholding of such land?

Mrs CRAIG replied:

- (1) to (3) Land at present held at Camballin by Northern Developments Pty. Limited and AE Four Incorporated comprises Fitzroy Location 30—2661.6428 ha; and Location 39—1899.3700 ha. The Crown grants issued on 3 October 1963 and 7 April 1981 respectively, in accordance with the terms of the Northern Developments Pty. Limited Agreement Act 1969-78. Ratification of a variation agreement is anticipated in the current parliamentary session.

LAND

Foreign Ownership

1380. Mr EVANS, to the Minister representing the Attorney General:

- (1) Has the noting or registering of land purchases, freehold or leasehold, in Western Australia by foreign interests been proceeding, and if so, from what date?
- (2) If "Yes"—
- what number of purchases of land by foreign interests in Western Australia have been made;
 - in what districts have these purchases occurred;
 - what area of land has been purchased in each area?

Mr O'CONNOR replied:

- (1) Such noting or registering of freehold land as is possible has been undertaken since 1 January 1981. The difficulties in assessing the data were referred to in answer to question 142—parts (1) to (3)—on 31 March 1981. The policy with regard to leasehold land was given in answer to question 142—part (4)—on 31 March 1981.
- (2) (a) 349;
(b) and (c)

District	Approximate Area
Metropolitan	Aggregate is not readily available.
Avon	902 hectares
Armadale	26 hectares
Elgin	6 hectares
Esperance	1 353 hectares
Henley Brook (Swan)	501 hectares
Jandakot	49 hectares
Mt. Barker	1 192 hectares
Nelson	710 hectares
York	4 hectares
Victoria	736 hectares

PUBLIC WORKS DEPARTMENT: MERREDIN

Refurnishing

1381. Mr COWAN, to the Minister for Works:

- (1) Have any items of office furniture been provided or replaced in the Merredin regional office of the Public Works Department within the last six months?
- (2) If "Yes", what was the cost of refurnishing the office?

Mr MENSAROS replied:

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

WATER RESOURCES: UNDERGROUND

Cockburn City Council

1382. Mr PARKER, to the Minister for Water Resources:

- (1) Has he received a request from the Cockburn City Council to reconstitute the voluntary underground water liaison panel?
- (2) Will he reconstitute that panel and, if so, when?

Mr MENSAROS replied:

- (1) Yes.
- (2) The matter is under consideration.

HEALTH

Air Monitoring Study: Kwinana

1383. Mr PARKER, to the Minister representing the Minister for Conservation and the Environment:

- (1) What is the purpose of the Kwinana air monitoring study and who is carrying out that study?
- (2) At what stage is the study?
- (3) When can a report be expected?

Mr O'CONNOR replied:

- (1) The Kwinana air modelling study (KAMS) is designed to provide an understanding of the dispersion of

pollutants from industry in the Kwinana area. Mathematical models developed through the study will allow predictions of air pollution levels to be made and thus provide a valuable input for future land use planning in the Kwinana-Rockingham area.

KAMS is being carried out by officers from the State Departments of Conservation and Environment, Medical and Health Services, the State Energy Commission, the Commonwealth Bureau of Meteorology, and staff from Murdoch University and the Western Australian Institute of Technology.

- (2) The study is nearly finalised.
- (3) A final draft report will be available to the Government towards the end of the year.

TOWN PLANNING: MRPA

Wattleup

1384. Mr PARKER, to the Minister for Urban Development and Town Planning:

For what reasons has the Metropolitan Region Planning Authority refused to permit further residential development in the Wattleup area?

Mrs CRAIG replied:

The advice to the Authority in a report entitled "Kwinana Air Modelling Study—Interim Report—Evaluation and Supplementary Data", recommends that, because air pollution at certain times exceeds some short-term standards, further residential development not be allowed closer to existing industry at Kwinana than at present until KAMS is completed and further recommendations are made. The final report is expected at the end of 1981.

HEALTH: MENTAL

Greenplace Hostel

1385. Mr DAVIES, to the Minister for Works:

- (1) What was the real estate agent's commission for sale of the site of Greenplace Hostel?

- (2) Why was the auction not conducted by a Government auctioneer?

Mr MENSAROS replied:

- (1) The real estate agent's commission for sale of the site at Greenplace Hostel was \$112 325.
- (2) The auction was not conducted by the Government auctioneer because it was considered that—
 - (i) the employment of a private auctioneer who has the contacts, expertise, and experience in marketing this type of property was essential to obtain the best result and the result obtained fully justifies the decision;
 - (ii) the Government auctioneer would have required considerable back-up staff for preparation of advertising and brochures, attendance at the property on specific days and times, and support at the auction itself.

CHARITABLE ORGANISATIONS

Street Collections

1386. Mr DAVIES, to the Chief Secretary:

In view of the change in shopping patterns, due to late night shopping on Thursdays, would he give consideration to allowing charitable street appeal collections to be made either on Thursday evenings and/or Fridays?

Mr HASSELL replied:

If an approach is received from a charitable organisation the matter will be considered.

QUESTIONS WITHOUT NOTICE

EDUCATION: PRIMARY SCHOOL

Edgewater

321. Mr CRANE, to the Minister for Education:

- (1) Is there any substance in the rumour that the building of the Edgewater Primary School scheduled for completion for the 1982 school year has been deferred?

(2) If "Yes"—

(a) why;

(b) will the Minister receive a deputation from the residents of Edgewater to discuss this matter and the need to cater in 1982 for classrooms at Edgewater for classes 1, 2, and 3?

Mr GRAYDEN replied:

I thank the member for Moore for some notice of the question, the answer to which is as follows—

(1) Yes.

(2) (a) and (b) Changes to the announced building programme for new schools have been forced on the Government because funds available are at a lower level than expected. In order to meet the changed circumstances the Government has decided not to cancel any of the new schools, but to spread the programme over a longer funding period. This means that for two of the projects planning will continue, but tendering will be delayed so that costs will be met from the 1982-83 budget.

Under these circumstances, and for the reasons I have explained, opening of the Edgewater Primary School has been deferred until 1983. However, the Government gives an unequivocal assurance that the school will be ready for the 1983 school year. As children are able to use bus transport to attend the Wanneroo schools they have continuity of education available to them at their present schools.

Whilst parents will be disappointed, Edgewater will receive a benefit in that a new design for primary schools is being proposed, and this will be adapted for the Edgewater site. As soon as possible, officers of the Education Department will show the plan to parents and explain proposals for their new school.

PUBLIC SERVANTS

Liberal Party

322. Mr HODGE, to the Premier:

(1) Is the Premier aware that Mr Bill Rolston, Assistant Under Treasurer,

recently attended a Liberal Party policy committee meeting held at the Liberal Party head office in West Perth? The committee, comprising Liberal members of Parliament and prominent lay members of the party, was briefed on economic matters by the Treasury officer.

(2) Is the Premier aware that the Liberal Party is using public servants in this fashion, and if so, is it done with his approval?

Sir CHARLES COURT replied:

(1) and (2) I have no knowledge of Mr Rolston's attending such a meeting. However, if it causes the member for Melville any distress I will make some inquiries. However I point out it is not unusual for public servants to attend such meetings; after all, they do have a private life.

Mr Hodge: It was during working hours.

Sir CHARLES COURT: Regardless of their political affiliations they do attend to answer questions on technical matters. I do not know exactly what happened so I will not conjecture on the matter. However, if the member feels the matter should be questioned, I will certainly question it. I cannot see anything serious in this case, unless the member for Melville has information to the contrary.

PUBLIC SERVANTS

Education Cutbacks: Explanation

323. Mr PEARCE, to the Minister for Education:

On a similar matter, is it a fact that the use made of the Director General of Education (Dr Mossenson) in having him address meetings of Liberal backbenchers and inform them how to explain away the education cuts, and of senior staff members of the Education Department in having them travel around the metropolitan area to explain the education cuts to public meetings, is a misuse of those senior departmental officers and an abrogation of his ministerial responsibility to ensure the Public Service remains impartial?

Mr GRAYDEN replied:

May I assure the member for Gosnells that when departmental officers attend meetings of that kind they remain apolitical in every sense.

Mr Pearce: Rubbish! I have been to more meetings than you have.

Mr GRAYDEN: They attend at the request of the people concerned and in order to refute some of the falsehoods which unfortunately are being disseminated by members opposite.

PUBLIC SERVANTS

Government Policy: Explanations

324. Mr DAVIES, to the Premier:

In view of the content matter of the previous two questions, the answers given, and the Premier's acknowledgment that he will make some further inquiries into this matter, may I ask the Premier whether he will review his policy of refusing to allow senior civil servants to talk to members of the Opposition on matters of vital policy which are likely to come before this Parliament for discussion?

Sir CHARLES COURT replied:

I have no intention of changing the policy which prevails currently. I thought I had answered in the right way the question asked by the member for Melville. The member implied somebody had acted improperly and I do not believe anyone would have done so.

Mr Hodge: It is quite clear the Liberal Party has.

Sir CHARLES COURT: The member should not prejudge the matter, because he is talking about a very competent, conscientious person. He should be fair. The member has raised a question and I will ascertain the answer. I cannot for the life of me imagine that any serious problems have been experienced in regard to the answers to technical as distinct from political questions. However, as far as the question asked by the Leader of the Opposition is

concerned in which he referred to policy—I believe he used the expression “major policy”—the answer is no different from that which I have given on previous occasions.

PUBLIC SERVANTS

Government Policy: Explanations

325. Mr DAVIES, to the Premier:

It is of great importance whether or not the implications in the earlier questions are correct because it appears considerable bias could have been shown by the Government. Will the Premier therefore give a report to the House, hopefully tomorrow, on the result of his investigations?

Sir CHARLES COURT replied:

I will not be able to give an answer tomorrow, because I will not be here for reasons the Leader of the Opposition understands. I will have a look at the matter and decide as to what further public comment should be made.

Mr Davies: You are showing further bias. You are cornered already and you are red-faced.

Sir CHARLES COURT: At least I am healthy—not like some of the members over there.

STATE FINANCE

Borrowings Programme: Infrastructure

326. Mr HARMAN, to the Treasurer:

(1) With reference to SEC infrastructure borrowings and my question 1326 of 5 August 1981, will he advise why he omitted to inform Parliament of another loan of \$38.6 million negotiated by the SEC with the Long Term Credit Bank of Japan?

(2) Can he now provide the details?

Sir CHARLES COURT replied:

- (1) The borrowing in question was a trade credit facility arranged to finance the purchase of generating equipment for delivery in later years and no funds were drawn in 1980-81. In this respect, I should explain that trade credit arrangements to finance purchase of equipment overseas need to be put in place at the time generating or other equipment is ordered even though delivery may not be scheduled for a year or more.

The member's earlier question related to infrastructure loans borrowed in 1980-81 and, as I said in my earlier reply, the total amount approved for the SEC by Loan Council for that year was \$30.2 million all of which was raised during the year.

- (2) Details of the trade credit facility with the Long Term Credit Bank of Japan and Mitsui and Co. (Australia) Ltd. are—

Amount: \$US45 million converted to \$A38.6 million at the time of signing. However, the actual Australian dollar amount will vary with exchange rate movements.

Term: 18 years.

Interest Rate: LIBOR plus a 1/8 per cent margin.

WORLD COUNCIL OF CHURCHES: DELEGATION

Premier's View

327. Mr BRYCE, to the Premier:

This question concerns the Government's response to the delegation from the World Council of Churches when it was in Western Australia and is as follows—

- (1) Is it a fact that some of the Premier's more responsible Ministers advised him to meet the WCC delegation, but he succumbed to the urgings of Mr W. W. Mitchell—that well-known extremist—to snub the delegation?
- (2) Does the Premier realise the only two State Governments in Australia which snubbed the delegation were the two Governments which have been found guilty of deliberate racism?

- (3) Is the Premier aware the policies of his Government and his decision to deliberately snub the delegation have impaired Western Australia's standing abroad?

Sir CHARLES COURT replied:

- (1) to (3) The report which has been released by the World Council of Churches has only confirmed the good sense shown by the Government in deciding that it would not receive the delegation from the WCC.

Mr Bryce: Some of your Ministers wanted you to though didn't they?

Sir CHARLES COURT: The member seems to be having some aberrations or dreams about it.

Mr Bryce: There are no aberrations in that one.

Sir CHARLES COURT: I would be surprised if the member could name a single Minister who would have recommended I meet the WCC delegation.

Mr Davies: Who dared to recommend!

Sir CHARLES COURT: Before the delegation came to Australia it issued statements declaring it was coming here on a propaganda mission. It had no intention of looking at the matter objectively; it had but one intention and that was to embarrass Australia—

Mr Bryce: Fraser did not agree with you.

Sir CHARLES COURT: —and, more particularly, certain people within Australia rather than the whole of Australia.

Mr Pearce: That would be you.

Sir CHARLES COURT: The so-called "snub" of the delegation—I assume by that the member means when I said I would not meet the delegation—was taken after proper consideration. I believe it was the right decision, knowing the backgrounds of the people who were coming, and knowing also their purpose in coming. I remind the member of a comment made by the leader of the delegation when he came here. He said the delegation had not come here on a neutral basis to find out the facts. That was not a comment I made, but a statement by the leader of the delegation when he came here.

Mr Bryce: When did he say that?

Sir CHARLES COURT: When he came here.

Mr Young: It was on the front page of *The West Australian*.

Mr Bryce: That is a wilful and deliberate distortion of the truth.

The SPEAKER: Order!

Sir CHARLES COURT: We take exception to the comment made by the member for Ascot when he referred to the Government as being racist, because this Government is not racist.

Mr Bryce: Start with your Electoral Act.

Sir CHARLES COURT: If the member reads the report of the World Council of Churches he will find the people who wrote it are themselves guilty of being racist, because they attempted to set aside the Aborigines as being quite separate from the rest of the community and that is the very basis of racism.

Mr Bryce: Have a look at your racist Electoral Act.

Sir CHARLES COURT: As far as I am concerned, I believe we did the right thing in refusing to see the delegation and the report has confirmed that. I regard the report of the World Council of Churches as a travesty and the more I read it, the more I am amazed that people were prepared to put their names to it.

Mr B. T. Burke: Have you read it yet?

Sir CHARLES COURT: I reject the report completely and I am surprised the member wants to be associated with it.

ALUMINIUM SMELTERS

Project Viability

328. Mr EVANS, to the Premier:

- (1) Has he seen a report in *The Australian Financial Review* of 6 August 1981, which states that there is little likelihood that an aluminium smelter will soon be built in WA, on the grounds that soaring power costs have discouraged the last serious contender for the smelter—a consortium consisting of CSR, Reynolds, and Shell?

- (2) Does he still believe that there is likely to be an aluminium smelter in WA by 1984 or 1985?

- (3) Has the consortium or officials of individual companies of the consortium indicated to the Government that there may be doubts about the viability of the project?

- (4) Can he indicate at what price the Government estimates it will sell power for a smelter?

Sir CHARLES COURT replied:

- (1) to (4) I have not seen the article to which the member referred, so I cannot comment on its contents. The sort of comments which he says appear in the article in *The Australian Financial Review* are consistent with the attitude that journal takes in respect of Western Australia.

Mr Davies: Never mind! They will not print all your Press releases, so they are nasty.

Sir CHARLES COURT: In the course of answering the question, I am just making an observation about that publication. I am not prepared to comment as to the state of negotiations in respect of the aluminium smelter, because, if the member has any sense of responsibility, he will realise negotiations in regard to projects of this nature are very complex and some very delicate situations arise.

Mr Davies: Here we go again!

Sir CHARLES COURT: I would like to feel the Deputy Leader of the Opposition wants the smelter established in the south-west. Therefore, it would not be a bad idea if he let the world know whether or not he wants it there. We intend to pursue every avenue which will enable the establishment of at least one aluminium smelter in this State during the present decade and hopefully two will be commissioned.

Mr B. T. Burke: I think we should have six—six would be nice.

Sir CHARLES COURT: I want to remind the Deputy Leader of the Opposition that a smelter would use Collie coal as that would be the fuel for power generation. I would have thought members opposite, particularly the Deputy Leader of the Opposition, coming as he does from the south-west,

would want to encourage the Government to pursue every possible avenue in this regard. If the member was alluding to the fact that the Commonwealth Government has not yet approved the infrastructure borrowing for a major power station which would be substantially committed to providing the power for a smelter, I should like to tell him something I have said publicly and which the Minister for Resources Development has said publicly also; namely, that we are endeavouring to ascertain whether we can have such a power station financed by private enterprise. I would not be so irresponsible as to name a figure at which power would be supplied, beyond saying what we have said so often before, that there will be no subsidisation of the power. The supply of power which is negotiated for a smelter or any other similar project will be on the basis that it is not a cost to the SEC and will not have to be subsidised by other purchasers. That is the only basis on which we can negotiate, it is the only basis on which we want to negotiate, and it is the only information the member can expect at the moment.

EDUCATION FUNDING: CUTBACKS

Budget

329. Mr B. T. BURKE, to the Minister for Education:

Is it true the Minister has told at least one group of parents that present changes to the education system which have occasioned such outcry are being implemented entirely at the behest of the department and that it may well be further and much more far-reaching changes will result from restrictions on finances that become evident when the State Budget is brought down?

Mr GRAYDEN replied:

That is exactly the position. Any economies which have been put into effect at the present time would, in a full year, account for a mere \$1.8 million. That is the full extent of the economies which are being effected at the moment. Therefore, the member for Balcatta

would realise they are marginal economies only. The State is confronted with a huge shortfall in excess of \$80 million. Quite obviously, as the Education Department spends approximately one-quarter of the Consolidated Revenue Budget, it has to shoulder its share of the shortfall.

The department put forward proposals to effect savings to the extent of \$26 million. It drew a line at that figure simply because to go beyond it would mean a retrenchment of staff which the department is most anxious to avoid.

The economies proposed by the department as yet have not been considered by the Government; however, it is quite obvious that economies must be effected, and in order to minimise future problems the department commenced economising in this marginal way.

EDUCATION FUNDING: CUTBACKS

Further Reductions

330. Mr B. T. BURKE, to the Minister for Education:

If the changes now being effected are minimal and have occasioned such public outcry as that which we have witnessed, is the Minister able to tell us what major changes might be necessary as a result of further and more drastic reductions in expenditure similar to those to which he just referred?

Mr GRAYDEN replied:

Other proposals put forward by the department have not yet been considered by the Government. Therefore I am not prepared at this stage to make them known.

Mr B. T. Burke: Would they include retrenching teachers?

Mr GRAYDEN: I emphasise this: As a consequence of the recent meeting between the Teachers' Union and the Government, the Premier has undertaken to approach the Treasury in an effort to have it come up with a rough idea within, say, three weeks if possible—there is no firm timetable—of approximately what the department can expect in the 1981-82 financial year in terms of funding. If we can obtain a

figure at that time the department will be in a position to plan for the remainder of the financial year.

HOUSING: STATE HOUSING COMMISSION

Aboriginal Housing Board

331. Mr BRIDGE, to the Honorary Minister Assisting the Minister for Housing:

I refer the Honorary Minister to the fact that Mr Grant Nelson retired from the position of Chairman of the Aboriginal Housing Board of the State Housing Commission on 30 April 1981, and ask—

- (1) In view of the length of time which has elapsed since applications for the position closed and the board has been without a chairman, why has no appointment been made?
- (2) When does the Honorary Minister intend making the necessary appointment to fill the vacant position?

Mr LAURANCE replied:

- (1) and (2) Since the resignation of Mr Grant Nelson a number of applicants for the position of chairman have been interviewed, and a decision will be announced within the next few days.

EDUCATION FUNDING

Schools Commission

332. Mr EVANS, to the Minister for Education:

Last week I gave some notice of the following question to the Minister—

- (1) What amount of funding was received by the Western Australian Government from the Schools Commission in 1980-81?
- (2) For what specific purpose were these funds granted, and how much was allocated for each purpose in each of the two years referred to?
- (3) Does the commission operate on a calendar year and, if so, would any cut in funding from that source not take effect until 1982?

Mr GRAYDEN replied:

- (1) to (3) I regret to inform the member that I had the answer to his question with me each day last week, but because it was not asked I assumed it would be placed on the notice paper. At present I do not have all the information with me, but I will provide it to him tomorrow.

STATE FINANCE

Borrowings Programme: Infrastructure

333. Mr HARMAN, to the Treasurer:

I refer again to overseas loans and ask—

- (1) Has the Treasurer seen the latest edition of *Prospect: Western Australia* which is put out by the Western Australian Government? At page 8 under the heading "Power Loans", it is stated—

The Western Australian State Energy Commission has negotiated loans in Japan valued at \$70 million. The private placement of \$30.2 million worth of securities was conducted by Nikko Securities and is to be utilised in the conversion of the Kwinana power station...

The second loan of \$38.6 million was raised through the Long Term Credit Bank of Japan...

This borrowing is part of a more than \$1.25 billion overseas loan programme planned for Western Australia up to 1986...

- (2) Because of the Treasurer's desire to ensure that the Parliament and the public of Western Australia are always informed correctly of what his Government is doing, will he take steps to ensure when this publication is again presented to the public of Western Australia that it is at least factual?

Sir CHARLES COURT replied:

- (1) and (2) I have not had the opportunity to refer to the publication from which the member quoted, but I will. However, I feel that probably he was playing with words.

Mr Harman: No I wasn't.

Sir CHARLES COURT: Wait a minute.

Mr Harman: I wasn't.

Sir CHARLES COURT: He used colloquialisms which are used in the market place in respect of certain things. As he should observe from the answer I gave to a question without notice today, it is easy for people to jump to false assumptions.

Mr Harman: That is right!

Sir CHARLES COURT: I hope my answer satisfied him, because it was factual. I will have his complaint investigated. I would not like to see the public of Western Australia confused by these colloquial terms.

EDUCATION FUNDING: CUTBACKS

Minister for Education: Public Debate

334. Mr PEARCE, to the Minister for Education:

- (1) Has the Minister decided upon a venue and date for the public debate on education cuts that he twice promised the Parliament and me that he would do?
- (2) He stipulated that he must choose the venue and the date, and I am happy with that situation. If he has not chosen the venue or the date, will he tell us now when it will be and at what place?

Mr Harman: He is waiting for show week.

Mr GRAYDEN replied:

- (1) and (2) On the two occasions I have discussed the education cuts before a relatively large audience, the member for Gosnells has muscled in. Out of the goodness of my heart I permitted him to speak in order that the audience could listen to his point of view. I was dismayed by the completely untrue remarks he made, but I was then able to correct his statements. I look forward to the third occasion.

Mr B. T. Burke: When will it be? Come clean.

Mr GRAYDEN: Just now we have in conjunction with the Teachers' Union a moratorium on this matter. I do not want to put myself in a situation in this House or anywhere else whereby I will say things that could in any way infringe the moratorium.

Mr B. T. Burke: You are slipping out underneath the door, Bill.

Mr GRAYDEN: I do not think there would be much point—the moratorium is for only three weeks—in my attending before parent action groups or meetings where I would have to say things that would only exacerbate the position. The moratorium has been agreed upon, and the Government will honour that agreement as will the Teachers' Union, as it has indicated. At the end of the three-week period we will put certain facts before the Teachers' Union, and after we have done that most thoroughly we will ask the union if it can suggest ways in which we should effect the economies which at this stage appear to be inevitable. In the provision of those factual details I hope the Premier requests the Under Treasurer to assist. At this stage we should let the dust settle.

Mr B. T. Burke: That is the bull-dust, you mean.

Mr GRAYDEN: If we let the dust settle we will have the happy sequence of events to which I referred.

The Teachers' Union will be convinced that economies are needed. At that stage nothing would give me greater pleasure than to appear before the largest possible audience I can arrange—

Opposition members interjected.

Mr GRAYDEN: —to indicate how the wheel had turned completely and that all the Opposition's fears had been allayed. Opposition members would then be in the position of asking themselves: "What were we concerned about?"

Mr Davies: You get 10 out of 10 for that answer—100 per cent.

Opposition members interjected.

The SPEAKER: Order! That seems an appropriate time for me to leave the Chair until 7.30 p.m.

Sitting suspended from 6.13 to 7.30 p.m.