

Legislative Assembly

Tuesday, 26 September 1989

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

PETITION - TRAFFIC ACCIDENTS

Youth Death Rate Concern - Blood Alcohol Content, Act Amendment

MR P.J. SMITH (Bunbury) [2.18 pm]: I present the following petition -

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

We, the Upper School students of Newton Moore S.H.S. are concerned with the high road traffic accident death rate of youth in the 17-24 year age group.

We request that Section 64(1) of Road Traffic Act 1974 be amended to lower the percentage of alcohol in blood from 0.08 to 0.05 per centum.

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

The petition bears 85 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 48.]

PETITION - ROADS

Port Gregory Residents - Bitumen Request

MR CARR (Geraldton - Minister for Mines) [2.19 pm]: I have a petition in the following terms -

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

We the undersigned, call upon the Minister for Transport and Roads to take steps to ensure that a bitumen road is provided in the short term future for the residents of Port Gregory in the Shire of Northampton.

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

The petition bears 1 167 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 49.]

STATE GOVERNMENT INSURANCE COMMISSION - NOTICE OF MOTION

Financial Dealings Disclosure - Extraordinary Report Tabling

MR TRENORDEN (Avon) [2.26 pm]: I give notice that at the next sitting of the House I will move the following motion -

That this House -

- (1) requires the Treasurer to table within three sitting days an extraordinary report of the State Government Insurance Commission providing details and full disclosure of all the commission's investments and other commercial transactions including, in particular, its dealings in relation to the Spedleys Group; and
- (2) calls on the Premier, upon the tabling of that extraordinary report of the State Government Insurance Commission, to establish an independent inquiry into the financial management of the State

Government Insurance Commission and the State Government Insurance Corporation and that the report of that inquiry be tabled in both Houses of Parliament no later than 1 November 1989.

Speaker's Ruling

The SPEAKER: In respect of that motion the member for Avon should understand that there is some difficulty in my accepting it under our Standing Orders as they are at the moment. I think the member needs to make a choice. Following the tabling of papers I was about to read the member for Avon's letter in respect of a matter of public importance. I now have to choose whether to accept the member's notice of motion now, and therefore ignore the MPI, or reject the member's notice of motion and take the MPI. Perhaps the member would like to choose.

Mr TRENORDEN: I think there is a distinction between the two, but if I have to choose I will take the matter of public importance.

The SPEAKER: The member could give the notice of motion tomorrow after this, and there will be no problem, but he cannot do the two together.

Point of Order

Mr COWAN: If notice of the motion is not given now, clearly the House will be deprived of the opportunity to deal with this on private members' day as a motion in itself. Mr Speaker, you have quite rightly ruled that it is your choice, but I think if you examine the notice which has just been given with the matter related to the MPI, you will find that while it addresses the subject of the State Government Insurance Commission, it addresses separate issues. One calls for the tabling of a report and an inquiry, while the other deals with the commission's need to comply with the Acts under which it operates. Mr Speaker, I think you would find there is a significant difference between the two and that they could perhaps be permissible. While the National Party would certainly accept that the MPI is the more important of the two, I would draw your attention, Sir, to the fact that there is a substantial difference between the direction in which the proposed MPI and the actual notice of motion travel. I ask you, Mr Speaker, to acknowledge that and give us the opportunity to give notice now so that we can debate this issue tomorrow, if that is the wish of the House.

The SPEAKER: I know I do not normally accept canvassing of my rulings, but let me give one anyway. If the House is unhappy with it, perhaps I might accept some canvassing today. In view of what the Leader of the National Party has said, I am prepared to accept the giving of the notice of motion, but I ask members who are considering entering the debate to be very careful not to enter into the debate which we will be talking about when a notice of motion comes up, and only to discuss the matter of public importance.

FINANCIAL ADMINISTRATION AND AUDIT ACT

Report Tabling - Extension of Time

THE SPEAKER: I have been informed of the following ministerial approval for an extension of time for the presentation of annual reports in accordance with the Financial Administration and Audit Act 1985 -

The Minister for Economic Development and Trade and Tourism -

Western Australian Coastal Shipping Commission - Annual Report, 1988-89.

I table the relevant correspondence.

[See paper No 437.]

MATTER OF PUBLIC IMPORTANCE - TREASURER

State Government Insurance Commission, Non-Accountability - Censure Motion

THE SPEAKER: Honourable members, I advise that today I received a letter from the member for Avon seeking to debate as a matter of public importance the censure of the Treasurer as a result of the non-accountability of the State Government Insurance Commission.

[Five members rose in their places.]

The SPEAKER: In accordance with the Sessional Order, half an hour will be allocated to each side of the House for the purpose of this debate.

MR TRENORDEN (Avon) [2.31 pm]: I move -

That this House censures the Treasurer for failing to inform the Parliament -

- (a) that the State Government Insurance Corporation has not complied with the requirements of the State Government Insurance Commission Act 1986;
- (b) that the State Government Insurance Corporation is in breach of the solvency margin required under the Insurance Act 1973;
- (c) that there has been no independent valuation of the State Government Insurance Commission's assets and liabilities as required under the Insurance Act 1973;
- (d) of the means by which the State Government is going to honour its guarantee of the State Government Insurance Commission's \$175 million investment in Western Australian Government Holdings Limited which has become payable as a consequence of the winding up of Petrochemical Industries Limited; and
- (e) that he has made no effort to require the State Government Insurance Commission to be accountable in accordance with the recommendations of the Burt Commission on Accountability.

I wish to carry forward a few points which I made last week regarding this matter. In relation to paragraph (a) of my motion, section 33 of the State Government Insurance Commission Act details the requirements. Without question, the SGIC has not been complying with the Act, and more to the point, the corporation has not done so. We have been told that the corporation would be an arm of the commission and would compete in the general insurance field. That was outlined in the Minister's second reading speech; however these powers appear to have been taken away from the corporation by the commission.

These arguments were canvassed thoroughly by me last Thursday; I do not intend to go into further detail today. I have not heard any arguments contrary to the points I made last week. However, I must say I received a number of telephone calls from within the industry and from within the commission confirming that my advice to the House last week was absolutely spot on.

Regarding the appointment of Mr Wyvern Rees as head of the commission, I ask the Treasurer: What qualifications does Mr Rees have? Why was not such an important appointment - as head of the commission and another position at the corporation, and Mr Rees occupies both - carried out in the usual way? I ask again: What qualifications does Mr Rees hold? Certainly the performances of the corporation and the commission have been abysmal.

Turning to paragraph (b) of my motion I advise I have received telephone calls regarding the breach of the solvency margin under the Act - once again confirming that the points I made in this respect were also precisely right. If the SGIC was a private insurer it would not be able to obtain a licence, and would lose all credibility. When the commissioner cancels the licence of an insurer, the credibility of the premium base goes and it is all over. The Insurance Act details the powers of the insurance commissioner, and I am surprised that the Press and other commentators have not noted the role of the insurance commissioner and the importance of the details contained in the Act regarding the prudential requirements of the general insurance industry. After all, this is not the real estate or life insurance industry; it is the general insurance industry in which one very important requirement is liquidity.

The SGIO has assets of \$1 billion which it is unable to realise; it is absolutely strapped for cash. I have also received telephone calls informing me that the organisation needs a cash injection. Officers of the SGIC have been running around attempting to negotiate a loan to carry out normal operations even though the organisation has assets of \$1 billion - valued by itself - which cannot be realised. I outlined the assets of the commission last week. What assets could the SGIC sell today? Very few indeed, and this is causing a great deal of heartburn.

Paragraph (c) of the motion refers to the lack of independent valuation of the SGIC's assets and liabilities. This is a very prudent matter. Last week I referred to both the commission's and the corporation's enormous liabilities in the 1988 annual report - the corporation by some \$13 million, and the commission by \$48 million. The statement made was that those figures are actuarially sound. I have no doubt that they are because all an actuary does is work out the mathematics of certain equations. He does not come up with the equations; they are provided by management. The parameters are outlined by management also. The mathematics are worked out and signed by the actuary as being correct; he has nothing to do with the parameters within which he is to work. The actuary gives several results, depending on the circumstances within the equation, and it is up to management to decide on the end result. Therefore, the SGIC has been able to reduce its commitment by \$61.5 million, as shown in the annual report, without proof of the credibility of the figures. If members were to query the situation with the Auditor General, the answer would not be satisfactory because the matter is outside the parameters of the Financial Administration and Audit Act; it is covered by the Insurance Act 1973.

Under the 1973 Act the commissioner has no right to look at the activity of the State Government insurance offices. Therefore, absolutely nobody checks the liability figures that SGIC holds up as real without any accountability whatsoever. Looking at an example of the valuation of assets, the value of the Bell Group shares was \$2.70 on the strength of the indemnity from Bond Corporation; that indemnity had no bank backing, and without question the insurance commissioner should not accept that indemnity, even if that indemnity is backed by the State Government. That raises the interesting question of whether the system has done that, because if the indemnity of \$2.70 a share is given by Bond Corporation, and the SGIC states that it requires the indemnity for security to borrow the \$175 million for WA Government Holdings Ltd, did SGIC say to the Government that it is not sure about Bond Corporation's figure, so could the Government guarantee it? Did it ask for a guarantee in case Bond Corporation could not meet the commitment? That is an interesting question, Mr Treasurer. I have had some indication from people who rang me that that may have occurred. I do not have that information, but the Treasurer certainly has - or should have. If there is no backing from the State Government, that indemnity does not value those shares at \$2.70; in fact, the commission purchased those shares for \$2.50 each while the market was selling them for 95¢ less on that day. There must be a large question over the real value of those shares. The value of the bonds was no more than \$50 million - if they are saleable - and they are listed in the SGIC annual report this year at \$108 million; that is a very pertinent point.

There is no argument from the Government that a guarantee has been given on the \$175 million on-lent to the SGIC, to WAGH, and into the petrochemical plant.

Mr Peter Dowding: WAGH has not been wound up.

Mr TRENORDEN: No, but PICL has. The \$175 million ended up in the petrochemical plant and that has been wound up in the Supreme Court. The purpose of the wind up, Mr Premier, is to pay off all creditors and finalise all costs.

Mr Parker: The SGIC is not a creditor.

Mr TRENORDEN: No, but WAGH is. When will the \$175 million come back to SGIC, as it needs it very badly? Surely the Treasurer is not saying that the dealings of WAGH - and other dealings - are over, and that the system has been wound down and that no profit will be forthcoming from that. That deal has been wound up in the Supreme Court and we all know that the ledger has to be squared. It is not possible to talk about an ongoing petrochemical project because that is a new and separate deal. The SGIC invested in a deal which is now finalised.

Mr Parker: The SGIC has no relationship with that at all.

Mr TRENORDEN: It gets back to the guarantee as a guarantee, Mr Treasurer. Where is the \$175 million that was on-lent to the SGIC and WAGH, and when will they get it back? It is not in this year's Budget, so will it be in next year's Budget? This year's Budget only contains the \$24 million of interest on the \$175 million; that is all that will be received from the system. That is a very important point. We have not been told by this Government when the SGIC will get its money back, but we are told in an article in *The West Australian* on

2 September that Wyvern Rees has a personal feeling that on 1 October Bell shares and the Bell bonds will be placed onto the market and that will bring on the indemnity with Bond Corporation. A number of scenarios are possible from that, and not too many of them are good for the SGIC because if it drops the \$24 million in shares onto the share market, what will happen to the price of the Bell Group bonds? It certainly will not go up, and will certainly not be maintained; it has to go down. If the bonds are dropped into the market en masse, who will pick them up? Has a deal already been done for somebody to pick them up? According to other Press releases, including the famous statement by Bond Corporation on the indemnity, if that indemnity does not stand up - I cannot tell whether it will, but the chances seem 50:50 - where will the SGIC be? It will be some \$140 million out, less whatever it receives for its Bell Group shares and whatever it receives from its bonds. That is a substantial amount of money, and that alone will raise questions of the SGIC's solvency margin on the figures produced by itself. Therefore, the SGIC is in serious bother. We have no reason to doubt Mr Rees when he states that that will occur on 1 October; that will be an interesting day in the history of Western Australia because, if this occurs a number of scenarios will be possible, none of which will lead to any success for the citizens of Western Australia.

Reading the Burt Commission on Accountability report, a couple of questions have to be raised about the corporation and its commissioners. They were not given written directions on their investments from the Treasurer because we have not seen them - I accept that no written direction was given. But the Burt commission recommends that written directions be given in the future. If the commissioners were concerned about the quality of the investments - and the commissioners are the people responsible - in which a billion dollars were invested, none of which is realisable right now, why did they not ask for those directions to be put on paper? If they did accept the fact that they could take verbal directions, the very least they should have done under the charter of the commission and the corporation - they are the same - was to advise the Minister in writing that they were unhappy with the directions given regarding the investments. Without doubt the SGIC has the lousiest portfolio of any insurance company in the history of Australia. These commissioners cannot be fools and must have known that these investments by the commission and the corporation were outside the reasonable rules. Why did they not do either of the two things I have suggested; to ask the Minister to give his directions in writing, or write to the Minister and state they were unhappy with the results of those directions?

They have done neither, and if they were in private enterprise they would be in serious trouble now. Because they are covered by a safety net - and that is going to be the subject of another Bill in another House in the future - they can sweat up there. As far as the public of Western Australia and I are concerned, when this debate is finished they will have no credibility.

Mr Peter Dowding: Who do you represent in Parliament, the private insurance industry which is in competition with the SGIC?

Mr TRENORDEN: If the Premier were a director of a private insurance company and allowed those sorts of investments to go ahead he would be in serious trouble. The commissioners are not in trouble because there is a safety net for them. It is a very serious matter that the SGIC does not have the operational cash required of a large corporation, a public body, a trustee of insurance premiums as well as public moneys. It is a very serious matter that investments of such a poor nature cannot readily be turned into cash. It is a very serious matter that we are debating this in Parliament at all. A great deal more will be heard about this particular matter over the next few days. I can tell the Government that I am receiving a great deal of information from the SGIC and other related people. It is leaking like a sieve and there will be a lot more information coming forward.

MR PARKER (Fremantle - Treasurer) [2.53 pm]: The information that the member for Avon has provided to the House is very interesting. However, it all revolves around whether or not the commission and the corporation are abiding by section 33 of their Act. That is the fundamental premise of most of the things that the member for Avon has said. He said it not only here this afternoon and last week, as he pointed out himself, but also in the media. Although I can understand his not wanting to bore members by reading a section of an Act, it is a pity he did not read it himself before he made those allegations because the whole underpinning of his argument rests on the fact that the corporation and the commission are

not abiding by section 33 of the Act. I do not intend to read the whole of the Act but I intend to refer to appropriate parts of it in order to establish what it relates to. I draw members' attention to page 16 of the Act in its currently printed form which, under part III has the heading "State Government Insurance Corporation". Section 33 of the Act does not apply to the State Government Insurance Commission; it applies to the State Government Insurance Corporation.

For the uninitiated, and I accept that these matters are somewhat complex, the difference, if you like, is that the State Government Insurance Commission is the holding organisation and the State Government Insurance Corporation is the trading body which trades as the SGIO. It is very clear from the Act that the points which the member for Avon has made concerning the obligations on the body he is referring to - complying with the insurance commissioner's requirements and the various requirements set out within section 33 on pages 19 and 20 of the printed copy currently available to us - apply only to the operational activities of the SGIO which is a wholly owned subsidiary of the State Government Insurance Corporation, not to the holding company.

Perhaps the nearest thing to that in the private sector - just to clarify it for people, because I realise it is pretty difficult to understand - is the arrangement with the MLC Group, where the Lend Lease company, or one of those companies that is part of the Lend Lease group, as the shareholder in a holding company, is engaged in all sorts of activities - investment and others. One of its assets is the MLC Assurance Company. The MLC Assurance Company must comply with the various Commonwealth Statutes concerned with insurance, but Lend Lease corporation does not, nor would anyone expect it to. This is in relation to Commonwealth legislation and all sorts of things could be done to change that. However, this Parliament as recently as 1986, made it clear that only the insurance arm of the SGIC, the actual insurance trading operation of the SGIO and its company, the corporation, had to comply with all the requirements.

Mr Trenorden: The intention being that the corporation be the trading arm.

Mr PARKER: The corporation is the trading arm which trades as the SGIO and which does comply, as I will reveal shortly, with section 33 of the Act. The information that has been provided to me reveals very clearly that the State Government Insurance Commission, that is the overall body, does comply with all the requirements under its charter. As I have said before, section 33 of the State Government Insurance Commission Act only refers to the State Government Insurance Corporation trading as the SGIO. That corporation, as the member for Avon said so correctly, was intended to be, and in fact is, the trading arm of the organisation and does comply with section 33 of the Act. That seems to me to completely undermine the whole basis of his argument.

The State Government Insurance Commission and the State Government Insurance Corporation are both audited by the Auditor General. I will come back to that in a moment. The Auditor General has not only used his own officers, but has contracted a private chartered accounting firm to conduct the audit for him on both organisations. A check on investment valuation was included in that audit; in other words, the member for Avon is also wrong when he says that valuations which are placed on the various investments within the SGIC, the commission or the corporation or the SGIO, are only valued by themselves. It is not true because, firstly, in their internal process of coming up with a valuation, they obtained independent valuations. Secondly, the Auditor General in his check on the organisation, himself checks to make sure that the investment valuations are correct. As I have said, that is after independent real estate valuers have valued those assets which are of a real estate nature.

The member for Avon is also wrong when he says that the Commonwealth Insurance Act of 1978 requires insurance companies to have 20 per cent of investments liquid. That is not correct. The Act requires that a minimum of 20 per cent solvency is necessary for insurance companies.

Mr Trenorden interjected.

Mr PARKER: Well, that is solvency. The member said a company has to have 20 per cent of its assets liquid - in cash presumably - under the Commonwealth Insurance Act. That is not true, according to my information. I am told that the State Government Insurance

Corporation does in fact comply with the 20 per cent solvency requirement and has always complied with it.

Section 33 of the Act also requires the corporation to table annual accounts and statements as required by the insurance commission along with a certificate stating that the commission has so complied. That has been done according to the provisions applying in section 33(4) of the Act. The certificate was tabled in Parliament for 1987 and 1987-1988. All information is provided in the form that comparable information is customarily published in the annual report of the insurance commission. I will come back to the assets and investments of the SGIC later on. However, firstly, contrary to all the comments made by the member for Avon, the SGIC is in a very sound financial position with assets exceeding liabilities by \$208 million, unaudited as at 30 June 1989, with a surplus for that year of \$48.3 million. We will come back to that because there is an interesting comment on that as far as the Auditor General is concerned. During that time the SGIC has taken a conservative attitude to debt, contrary to the scurrilous comments just made by the member for Avon about its rushing around looking for debt. Of course, from time to time it will refinance its debt as will any other sound financial institution. However, the SGIC in the last 12 months has reduced its borrowing on its short term bank credit facility by \$180 million.

In other words, it is \$180 million less in debt this year than it was last year. It currently has an external debt of \$70 million. If the Opposition wanted an argument about how successful or otherwise the SGIC was, it might argue that a debt:equity ratio of a debt of \$70 million against total assets employed of about \$1.2 billion was inefficient, in that it was a very low level of debt and maybe did not enable a proper deployment of assets. However, it cannot say that the SGIC is in some sort of debt-ridden position.

The insurance operations conducted within the corporation show an underwriting surplus of \$10.4 million after making provision for \$15 million to meet asbestos related claims. Again, that is a very prudent measure undertaken by the SGIC this year in order to ensure that it has the resources necessary to meet the claims that will be made in relation to the asbestos industry and to the great tragedy that took place at Wittenoom so many years ago. The third party personal injury insurance operations, after many years of operating in deficit - certainly in the years that I have been in this House, I can remember debates about third party insurance operations which always operated at a substantial deficit on an actuarial basis - are now operating in surplus; indeed, so much so, that there have been no increases in premiums for third party insurance since 1986 and we have announced already that there will be no increase in premiums this financial year. In the two or three years since its inception, the SGIC has contributed more than \$58 million to the Western Australia community through dividends, taxes and charges, corporate tax equivalents and sponsorship activities.

I return to the detail of compliance with section 33 of the State Government Insurance Commission Act because that is fundamental to the point raised by the member for Avon. That section requires the board of directors to supply the Minister with annual accounts and statements as would be required under section 44 of the Insurance Act 1973 and divisions 4, 5 and 6 of part III of the Life Insurance Act 1945 and to observe all solvency and minimum valuation basis requirements imposed on insurers. It requires the commission to supply a certificate to the Minister stating whether the corporation has complied. Under section 33(4), the tabling of accounts and statements shall be deemed to be complied with if they are tabled in Parliament within the specified time and to the extent and in the form that comparable information is customarily published in the annual reports of the insurance commissioner. The annual report of the SGIC provides information to the extent and in a comparable form to the information customarily published by the insurance commissioner in his annual report. He does not publish detailed information about an individual company's class of insurance business, but rather aggregate statistics on the company or the industry.

Under section 33, the only information that has not been provided to the Minister is this detailed information which is collected by the insurance commissioner for statistical purposes rather than for regulatory purposes. The only information that is not provided under the Life Insurance Act applies to division 6, the number of policies written, discontinued and currently in force. Again, that information is provided for statistical rather than for regulatory purposes.

The State Government Insurance Commission has also been the subject of review, both by

the Auditor General and by the Burt Commission on Accountability. The Auditor General, in his report on the SGIC, makes the point that the audit was carried out on his behalf by a very reputable firm of public chartered accountants, McLaren and Stewart. He specifically asked the accountants to review advances made to Rothwells and to examine the management of the commission's policies. He asked the accountants also to review the investment with WA Government Holdings.

Mr MacKinnon: When was that report?

Mr PARKER: It is the report from the Auditor General that was tabled in January of this year. In that report, he said -

The SGIC involvement in the funding of this project is in accordance with normal commercial principles.

Mr Trenorden: Of the insurance industry or by normal commercial debentures?

Mr PARKER: The Auditor General is talking about the SGIC. The member for Avon still fails to differentiate between the commission and the corporation. The commission invested in the debentures. The Auditor General said -

The funding is secured by way of debentures, guaranteed by the Treasurer pursuant to section 5(1) of the Northern Mining Acquisition Act, the legality of which has been confirmed by the Solicitor General.

It was suggested in this House last week or two weeks before that the Government had somehow hidden the fact that it had the Solicitor General's advice on whether the Treasurer could underwrite the issue of debentures by WA Government Holdings. Not only did we not hide and not refer to it at the time, but it was actually reported on by the Auditor General in January of this year, before the election.

Those comments were made not only by the Auditor General but also by the Burt Commission on Accountability. Interestingly, the Burt Commission on Accountability referred not only to its own views - I heard the member for Avon cast some doubt upon the way in which the Burt commission expressed itself - but also to the views of a Standing Committee of another place. On page 102 of its report, the Burt commission said -

As a result, the SGIC largely conforms to the accountability criteria outlined earlier in this report, a point which was reinforced in the interim Twenty First Report of the Legislative Council's Standing Committee on Government Agencies on the financial management and accountability of the State Government Insurance Commission and corporation.

Further, under "Accountability" it states -

4.4 With one exception, both the Commission and the Corporation meet the Committee's guidelines in relation to the accountability of statutory authorities and in some cases exceed those guidelines.

In paragraph 4.5, the Legislative Council's Standing Committee states -

The exception to the Committee's comments on accountability relate to the giving of directions. The Treasurer (as the responsible Minister) is empowered -

And it goes on. Essentially it is saying that the direction should be in writing. Of course, the Acts Amendment (Accountability) Act which was passed by this Parliament in April provides for the correction of that one exception to which the Legislative Council referred and which was endorsed by the Burt Commission on Accountability.

The Burt Commission on Accountability referred also to comments which were made by the Auditor General about the way in which the investment committee and the investment operations of the SGIC operated. In that regard, the Burt commission states -

Subsequently, Australian Index Money Managers were appointed in June 1988 directly by the SGIC and the Board of Commissioners adopted the overall recommendations made for implementation purposes. A series of investment portfolio objectives have now been accepted and an investment strategy adopted.

I will deal with the audited versus the unaudited reports about which I received an interjection from the Opposition. It is interesting to note that the Burt Commission on

Accountability made reference also to the difference between what the audit revealed last year. It indicated that the SGIC had been conservative, that it had understated its profit. On page 108 of the report, the Burt commission states -

... it is interesting to note that, ... in his view, the operating surplus for the SGIC was understated by \$6.4 million in 1987/88 because of an unnecessary provision for a deferred liability,

The Auditor General said everything was done properly and the controls exercised were sufficient.

The Burt Commission on Accountability also said that it noted advice from the SGIC that it was moving in the direction suggested by the Auditor General and was formalising its investment policy with the necessary controls and other administrative functions currently authorising financial delegations and powers on expenditure controls. That is what the Burt commission and the Auditor General said in January of this year.

Having dealt with that, I will deal with the investments of the SGIO. My first point is that the actuarial survey of the claims against the SGIO and the various trading operations of the SGIC referred to by the member for Avon were not valuations conducted by its internal actuary. Most insurance companies have such a person in their operations. However, in the case of the SGIO and the SGIC, the Act and the board require that the actuarial valuations be checked by an independent actuary, not an internal actuary.

Again that is something which was done by the former Government when it was in power, and by this Government. The Government actuary when the conservative Government was in power was Dennis Barton. He is no longer the Government actuary because he moved into private practice, but he is the same person who reports on the matters which are addressed by the claims statistics. It is he who takes a look at both the nature - not just in a mathematical way as suggested by the member for Avon - and the underlying basis of the claims and he makes his reports on that basis.

The other point made by the member for Avon concerned investments of the State Government Insurance Commission in WA Government Holdings Ltd debentures. Again it is important to understand that no legal or financial relationship is implied by the debentures which the SGIC holds, which have been issued by WAGH, not Petrochemical Industries Ltd. Certainly it was clear, and no one has hidden from the fact, that the reason WAGH issued debentures, with a Treasurer's guarantee, was in order to allow it to purchase shares in PIL. That has never been in doubt and it was announced when it occurred. It is also clear that this does not provide any exposure whatever by SGIC to PIL, because SGIC purchased debentures, which were to mature on 3 October 1997, issued by WAGH, essentially a semi-Government authority, and guaranteed by the then Treasurer and by successive Treasurers of Western Australia. The \$175 million is not payable until the maturity date. The details of those debentures were made public at the time.

I refer now to two or three other matters raised by the member for Avon. The first concerns the qualifications of Mr Rees. It is not normal for a person appointed as a chairman of a statutory authority to be selected on the basis of some arbitrary set of qualifications. In any case, anyone who wants to appoint a chairman will appoint someone who is perceived to possess the necessary qualifications. Certainly, applications are not called for the position. There is a Managing Director of SGIC, a Mr Michell, and there are people like Mr Cottrell and Mr King who are involved in the SGIC's and State Government Insurance Office's investment activities. They have been employed by the process of application or head hunting or whatever. Mr Rees is a man of considerable character and is highly regarded in the business community. He has held senior positions of a financial nature in a number of companies, and before he became Chairman of SGIC he held a senior position with Robe River Iron Associates. I am surprised that the member for Avon questioned Mr Rees's qualifications, because he has performed his task creditably. Although I do not have the details in front of me I understand his fundamental qualifications are in the accountancy and financial management area.

The member for Avon asked whether there was some State Government backing for the indemnity which Bond Corporation has to SGIC. It is the first time it has been suggested to me that that may be the case. It is not; there is no State Government backing. The basis for

the member for Avon's presumption is that if Bond Corporation were to become insolvent the indemnity would not be worth its face value. No legal action is outstanding in respect of the indemnity. We did issue a Press statement, to which the member referred, but there is no outstanding legal action and everyone to whom I have spoken is unanimously of the view that the indemnity is cast iron and binding -

Mr Trenorden interjected.

Mr PARKER: I will be interested to read them, but that is the Government's and the SGIC's position. The indemnity is not operative at the moment and will not become operative until certain events are triggered, and the SGIC intends to take appropriate action to trigger that at the right time. There is no doubt that the indemnity will be payable.

In relation to the question of written directions in this matter it was a defect that was addressed by the Burt Commission on Accountability, the Auditor General and a Legislative Council Standing Order. However they were absolutely addressed through the Acts Amendment (Accountability) Act which amended the State Government Insurance Commission Act in Parliament in April this year.

Amendment to Motion

I disagree so strongly with the view expressed by the member for Avon that I wish to move an amendment to his motion. I move -

To delete all words after "House" with a view to substituting the following -

- (a) notes the report of the Treasurer, on advice from the SGIC, that the Commission, the Corporation and the SGIO, are all meeting the requirements of legislation which pertains to them;
- (b) notes that, contrary to allegations, the SGIC and its various arms are fundamentally solvent and compliments the Board and staff of the SGIC on their achievements;
- (c) also notes that its Public Accounts and Expenditure Review Committee has statutory obligations in these matters and refers to that Committee the allegations listed by the Member for Avon and the response from the Treasurer on behalf of the SGIC for early consideration and future report to the House.

MR COWAN (Merredin - Leader of the National Party) [3.17 pm]: I do not think it needs to be said that the National Party strongly opposes this amendment. I am sure I am also speaking on behalf of my colleagues in the Liberal Party when I say that. I would prefer to deal with the motion, but I am required to deal with the amendment. Paragraph (a) of the amendment reads as follows -

- (a) notes the report of the Treasurer, on advice from the SGIC, that the Commission, the Corporation and the SGIO, are all meeting the requirements of legislation which pertains to them;

It does not matter how much the Government runs away from this issue, the truth is that the State Government Insurance Commission and the corporation, as two separate entities, have been operating in a manner which clearly allows the trading arm - in other words, the State Government Insurance Corporation - to move away from its trading responsibilities and give those responsibilities to the commission. The commission and the corporation are not supposed to do that. The charter of the commission as a holding body or authority is to deal with the Motor Vehicle Insurance Trust, Government insurance business and its statutory insurance obligations. No one will convince us that the commission has such an additional responsibility.

Mr Parker: Read the Act.

Mr COWAN: It is merely excluded from the provisions of the State Government Insurance Commission Act. What I am saying is that the commission was, in the main, to be a trading arm. The investments being made by the commission should be the responsibility of the trading arm - the corporation - and if they were, they would be subject to that Act and the State Government Insurance Corporation would be operating outside that Act. There is no question that that is a fact.

Mr Parker: It is not. That is simply untrue. A trading arm is a trading arm.

Mr COWAN: The trading arm is the corporation, but the commission is trading; or it is investing money? That is not part of the commission's responsibility; the commission's responsibility was to deal with the Motor Vehicle Insurance Trust, Government insurance, and statutory insurance obligations. It was not meant to be a trading arm, yet it is dealing in investments. I query the validity of those investments and the security that is given. The Treasurer commented that the commission reported it had assets over and above its liabilities to the tune of \$208 million. That valuation is the SGIC's own valuation.

Mr Parker: No, it is based on its independent valuation that is subject to audit.

Mr COWAN: Will the Treasurer tell me what valuation SGIC placed on its Bell shares and convertible bonds?

Mr Parker: The convertible bonds valuation based on independent values is \$108 million.

Mr Trenorden: That is a joke.

Mr Parker: Remember that many other people, such as AMP and MLC hold those bonds.

Mr COWAN: The SGIC has used its own valuation of the investments to arrive at a figure, which has no merit at all.

Mr Parker: They were separate valuations.

Mr COWAN: They were not separate, but, if they were, perhaps the Treasurer will inform the House of the name of the independent valuer. If the Treasurer wants to give that statement some authenticity, he should name the valuer.

Mr Parker: If we did, Max Evans would be down arguing with him.

Mr COWAN: There is no question that the valuation would be more authentic if the Treasurer named the valuer. Until that time, the National Party will not accept that the worth of the assets held by SGIC is as claimed in the valuation. As a consequence, there is no doubt that SGIC is not acting in accordance with the provisions of the Insurance Act. The provisions of part III relating to the Public Accounts and Expenditure Review Committee's position were given by the previous Premier as a throwaway line. The National Party does not accept that the Public Accounts and Expenditure Review Committee should have this ongoing responsibility to investigate the SGIC; the SGIC should be complying with the legislation.

MR SHAVE (Melville) [3.24 pm]: I am very concerned about the comments made by the Treasurer with regard to reports he has on the value of the SGIC assets. The value of an asset is the price it can be sold for, not the price paid for it. There is no credibility in the Treasurer's saying that the SGIC has a surplus worth of \$208 million, which is based on a valuation carried out in January this year by an unnamed valuer, when one of those assets is an amount of \$160 million in dispute that is currently worth on the share market between \$25 million and \$30 million. The Treasurer is trying to snow this House and the people listening into believing that the SGIC is in a reasonably sound position, when it is not. The member for Avon has continually said during his speeches that on current valuations the SGIC has lost an enormous amount of money, and it is in difficulty. A large group of people in the electorate, including business people, support the view of the member for Avon.

It is disturbing to note that this is just a rerun of the Rothwells situation. The Government pumped hundreds of millions of dollars into an empty hole in the ground in Kwinana, and now the same scenario is being replayed. The Government is failing to realise that a lot of money is in jeopardy, and a large Government corporation is under threat. I would like the Treasurer to adopt a more responsible attitude and to start telling people exactly what the situation is.

MR PETER DOWDING (Maylands - Premier) [3.26 pm]: It is a very disturbing occasion for the House when the member for Avon makes allegations about the SGIC which are clearly based on a misinterpretation of the Act itself. I cannot pass over lightly his failure to recognise that his argument is based on a complete misreading of the section of the Act to which he referred to support his assertion. It does not lie easily on the shoulders of members of Parliament to make irresponsible assertions about the financial health of a major Government instrumentality without some foundation for so doing. It is not good enough to

say that the Treasurer has not supported the valuations of the SGIC's assets to which he has referred by some recently obtained and identified valuation. It is enough to say that the processes of Government are such that the auditing role of the Auditor General, the accountability role of the guidelines, and the responsibility of the board of the SGIC are sufficient to give us an understanding that what is being said about the SGIC is correct. It is beyond me to know what the member for Avon and other members want to do in denigrating the organisation. The member for Avon seems to want to represent the private insurance industry; he wants to represent in this House not the interests of the people of Avon, but the private insurance industry with which he has been associated, and which has long attacked the State's role and participation in insurance.

Several members interjected.

The SPEAKER: Order! There comes a time in the House when those sorts of interjections may well be acceptable. However, I remind members that so far this debate has been heard in relative silence by members on both sides of the House, no matter what has been said. In all fairness that situation should apply until the end of this debate.

Mr PETER DOWDING: For many years the Liberal Party and the National Party have endeavoured to keep the SGIC out of many areas of operation which would be of benefit to the people of Western Australia. Eventually the legislation was passed which put the SGIC on a sound commercial footing. Most importantly, it also put the old Motor Vehicle Insurance Trust on a sound commercial footing, and the commission and the corporation have operated, much to the chagrin of people such as the member for Avon, on that sound commercial basis. It should be remembered that the State Government Insurance Commission has made very significant and positive contributions to the taxpayer since its formation. It has returned to the community an amount of \$58.5 million made up as follows: the State Government's dividend of \$28 million; State taxes and charges \$22.7 million; SGIO corporate tax equivalent of \$5 million; SGIC sponsorship of \$0.8 million; and SGIO sponsorship of \$2 million. In the present financial year the SGIO will pay a corporate tax equivalent of \$4.7 million. So let us not hear any nonsense from the Opposition that the SGIC has not produced benefits for the State, and let us not hear unfounded, unsubstantiated and mistaken assertions that the SGIC has the sorts of problems the member for Avon has sought to reflect in this motion. I urge Opposition members, in their enjoyment of denigrating the Government and State instrumentalities, not to harm the people of Western Australia. It is simply not justified.

MR MacKINNON (Jandakot - Leader of the Opposition) [3.31 pm]: The Opposition supports the motion moved by the member for Avon, and opposes vigorously the amendment moved by the Treasurer. The amendment virtually says it all: "Notes the report of the Treasurer, on advice from the SGIC". The Treasurer is hedging his bets because he knows, as the member for Avon indicated to us, that people within the SGIC, who are committed to that organisation, are telephoning the National Party and the Liberal Party - something which is unprecedented during our six years in Opposition - to voice their concerns about the proper management of the corporation, and that it is in trouble and not on the sound commercial footing which the Premier claimed.

The Treasurer's amendment went on to note that contrary to allegations, the SGIC and its various arms were fundamentally solvent. It is either solvent or it is not. The Treasurer qualifies his statement because he knows as well as we do that there are real problems; and as the Leader of the National Party said, the SGIO operates under the umbrella of the SGIC, and invests its funds in the commission, and the SGIC has been subject to direction from the Premier and the Treasurer. Is it the Treasurer or the SGIC who is negotiating with Robert Holmes a Court at the moment in respect of the SGIC? It is the Premier and his deputy who are negotiating; the decision will have nothing to do with the people in the SGIO or the SGIC, who are supposed to have independence. Who invested in Spedleys?

Mr Parker: I was not the Minister responsible at the time.

Mr MacKINNON: No; the Premier was. Who was it who invested in the shares to which I referred today in question on notice 1081; who was it who invested through the SGIC when the whole of Perth knew that the SGIC was assisting to ramp Paragon shares, which have now lost the taxpayers of this State \$4 million?

Withdrawal of Remark

The SPEAKER: Order! I cannot see how the motion that we are now debating allows you to make that very serious assertion. I have indicated to members previously my concern about their use of the privileges and immunity of speech offered to them in this House. An opportunity is afforded to members under Standing Orders to say anything that they like in this place, whether it is true or not, but this is not the time for statements such as the one just made by the Leader of the Opposition. If it is necessary to be said, it needs to be said by way of a substantive motion relevant to that point; under the circumstances, I believe the Leader of the Opposition should withdraw his statement in respect of ramping.

Mr MacKINNON: Mr Speaker, I withdraw, but I suggest it is totally in line with paragraph (e) of the motion, which talks about the recommendations of the Burt commission.

The SPEAKER: No; it is my view that it is improper of you to allege illegal activities in that way, and withdrawals should be made in an unqualified way.

Mr MacKINNON: I withdraw.

Debate Resumed

Mr MacKINNON: Let me say without any shadow of doubt that the Premier and the Treasurer cannot stand in this place and claim there are absolutely no problems with the SGIC when everybody in Western Australia knows what is going on, when the rumours that were floating around in relation to the Paragon shares, and the factual information relating thereto, are clear for all to see. We oppose vigorously the trumped up, crazy amendment of the Treasurer, and support the motion moved by the member for Avon.

Opposition members: Hear, hear!

Amendment (deletion of words) put and a division taken with the following result -

Ayes (28)			
Dr Alexander	Dr Gallop	Mr Marlborough	Mr Taylor
Mrs Beggs	Mr Graham	Mr Parker	Mr Thomas
Mr Carr	Mr Grill	Mr Pearce	Mr Troy
Mr Catania	Mrs Henderson	Mr Read	Mrs Watkins
Mr Cunningham	Mr Kobelke	Mr Ripper	Dr Watson
Mr Donovan	Dr Lawrence	Mr D.L. Smith	Mr Wilson
Mr Peter Dowding	Mr Leahy	Mr P.J. Smith	Mrs Buchanan (Teller)
Noes (22)			
Mr Clarko	Mr House	Mr Minson	Mr Trenorden
Mr Court	Mr Kierath	Mr Nicholls	Mr Fred Tubby
Mr Cowan	Mr Lewis	Mr Omodei	Mr Wiese
Mrs Edwards	Mr MacKinnon	Mr Shave	Mr Blaikie (Teller)
Mr Grayden	Mr McNee	Mr Strickland	
Mr Hassell	Mr Mensaros	Mr Thompson	
Pairs			
Ayes		Noes	
Mr Gordon Hill		Mr Bradshaw	
Mr Bridge		Mr Watt	

Amendment thus passed.

Amendment (substitution of words) put and a division taken with the following result -

Ayes (28)			
Dr Alexander	Dr Gallop	Mr Marlborough	Mr Taylor
Mrs Beggs	Mr Graham	Mr Parker	Mr Thomas
Mr Carr	Mr Grill	Mr Pearce	Mr Troy
Mr Catania	Mrs Henderson	Mr Read	Mrs Watkins
Mr Cunningham	Mr Kobelke	Mr Ripper	Dr Watson
Mr Donovan	Dr Lawrence	Mr D.L. Smith	Mr Wilson
Mr Peter Dowding	Mr Leahy	Mr P.J. Smith	Mrs Buchanan (Teller)

Noes (22)

Mr Clarko
Mr Court
Mr Cowan
Mrs Edwardes
Mr Grayden
Mr Hassell

Mr House
Mr Kierath
Mr Lewis
Mr MacKinnon
Mr McNee
Mr Mensaros

Mr Minson
Mr Nicholls
Mr Omodei
Mr Shave
Mr Strickland
Mr Thompson

Mr Trenorden
Mr Fred Tubby
Mr Wiese
Mr Blaikie (*Teller*)

Pairs

Ayes

Mr Gordon Hill
Mr Bridge

Noes

Mr Bradshaw
Mr Watt

Amendment thus passed.

Question (motion, as amended) put and a division taken with the following result -

Ayes (28)

Dr Alexander
Mrs Beggs
Mr Carr
Mr Catania
Mr Cunningham
Mr Donovan
Mr Peter Dowding

Dr Gallop
Mr Graham
Mr Grill
Mrs Henderson
Mr Kobelke
Dr Lawrence
Mr Leahy

Mr Marlborough
Mr Parker
Mr Pearce
Mr Read
Mr Ripper
Mr D.L. Smith
Mr P.J. Smith

Mr Taylor
Mr Thomas
Mr Troy
Mrs Watkins
Dr Watson
Mr Wilson
Mrs Buchanan (*Teller*)

Noes (22)

Mr Clarko
Mr Court
Mr Cowan
Mrs Edwardes
Mr Grayden
Mr Hassell

Mr House
Mr Kierath
Mr Lewis
Mr MacKinnon
Mr McNee
Mr Mensaros

Mr Minson
Mr Nicholls
Mr Omodei
Mr Shave
Mr Strickland
Mr Thompson

Mr Trenorden
Mr Fred Tubby
Mr Wiese
Mr Blaikie (*Teller*)

Pairs

Ayes

Mr Gordon Hill
Mr Bridge

Noes

Mr Bradshaw
Mr Watt

Question thus passed.

APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL

Second Reading - Budget Debate

Debate resumed from 21 September.

MR HASSELL (Cottesloe) [3.44 pm]: In the few minutes that remain to me in this Budget debate, which is necessarily a debate characterised by various expositions of the failure of the Budget to really expose the financial situation of Western Australia and to list accurately the losses incurred by this Government in its dealings, I want to refer to the matter of the Mosman Bay Tearooms, and the Minister who was responsible for the Mosman Bay Tearooms and who is now responsible for the sudden and dramatic change in the permitted use.

Briefly, the history of the matter is that an old tearooms in Mosman Bay burnt down. The site was purchased by some people who were undoubtedly entitled to redevelop it in some way, and they proposed a private mooring, a private boatshed, a private sort of restaurant, and so on. A great deal of public controversy was generated and not only the local residents and the local authority of Mosman Park, but also people concerned about the uses of the Swan River raised an almighty fuss about the grandiose plans that were being put in place, seemingly for a particular and very small group of people who had an interest in that place.

There was a great public controversy in 1986 and the Government made some very specific

promises about that development. The Government said, "It is going to be a tearooms, it will replace what was there before. It will be a tearooms - that is all. It will operate only from 8.00 am to 8.00 pm, it will serve the sorts of things that tearooms serve and it will not be permitted to have a liquor licence."

Some very specific commitments were given by the Government in the lead-up to the last election, but now that the election is over and the Government thinks it is in a secure position, there has been a sudden change of mind. The Minister simply announced that he would allow the Mosman Bay Tearooms - which he and Premier Burke had emphasised a dozen times would remain as a tearooms - to be converted to a full scale restaurant. When he was challenged about that he said, "I am doing that to save the local people from the noise caused by all the functions"; but where did all the functions come from? There were never meant to be all those functions causing a problem, because under the lease documents every function has to be approved by the Minister. The truth is that the Minister said, "This will be a tearooms only", and then he let it get completely out of hand with all these functions. Having done that, in breach of his undertakings to the local people, he now turns around and says, "I will solve the problem of the functions and the noise that emanates from those functions by turning it into a restaurant." Have members ever heard such incredible, unbelievable hypocrisy in their lives?

Mr Pearce: It is based on the fact that you are not telling the truth about the issue.

Mr HASSELL: I will tell the Minister something about the truth. Here is a letter from the Minister for Education and Planning dated 26 November 1986 in which he says to my constituent -

Thank you for your letter.

I tried to ring you back several times. Regrettably without success.

I have discussed your proposal with my colleagues.

Basically our position is this: -

This letter is from the present Minister for Transport, written in November 1986. It continues -

- 1) The jetty licence will contain an 8.00 am to 8.00 pm time limitation.
- 2) No liquor licence will be granted for the tearooms.

Outside of that, given the high level of interest that this matter has attracted, we do not believe it is proper to move outside strict compliance with the normal planning processes. That is to say we believe it would not be a proper precedent for us to seek from the developers contractual obligations as a part of approvals they have already received.

Equally we believe this to be unnecessary as the Government's attitude on the two points we discussed is very firm and our power to maintain our position undoubted.

My constituent had said to the Minister, "It is all very well your putting these things in the lease but as soon as the controversy dies down you will change the lease. We would like a contract with these people providing that they continue to operate as a tearoom only for these hours." The Minister answered that the Government did not want a contract because the Minister had everything under control under the lease. The Minister has now changed his mind mysteriously. Is there a reason for that? The Minister cannot tell me that he has changed his mind because he is concerned about noise emanating from the functions, because he could stop the functions tomorrow. I have seen a copy of the lease, and it clearly shows that functions cannot be held unless the Minister agrees.

Mr Pearce: The lease allows for functions. That would not be reasonable and the member knows it; it would not be reasonable to put a clause in the lease allowing for functions and then state that the Minister can exercise a discretion by not allowing functions.

Mr HASSELL: It would be reasonable to say that people will not continue to have functions if the functions continue to cause disruption. My time is short, the Minister can speak later during debate. However, that is not all the Minister said because in another letter dated 19 January 1987 to my constituent he wrote in the following manner -

I refer to your letter of December 1, 1986 about the Mosman Bay tearoom development.

The restriction on operating hours for the kiosk and tearooms from 8.00 am to 8.00 pm and the restriction on obtaining a liquor licence are being effected by specific provisions within the combined jetty/mooring area licence that will be issued with respect to the development. The involvement of the Licensing Court will not be required, with any breach of the licence covenants being subject to the usual legal remedies.

The purpose of the licence that is to be issued is to be for mooring vessels, tearooms, kiosk and caretakers quarters which, subject to the inclusion of caretakers quarters, accords with the purposes listed in your letter.

That was late in January 1987. The licence makes the situation absolutely clear: It is a licence to erect and construct a private jetty for the purpose of tearooms, a kiosk and caretakers quarters, and not for other purposes. It is spelt out.

I refer members to a report in *The West Australian* of 6 July 1987 which reads -

Party was unwise, says Troy.

The Minister for Transport, Mr Troy, yesterday described the private late-night party at the Mosman Park tearooms as an unwise move by the owners.

He said that private functions could not be held at the tearooms without advance approval, which had not been sought for the party three weeks ago.

The party was hosted by the tearooms' owners, . . .

Mr Deputy Speaker, what is the sudden concern about noise? The Minister has within his hands the control of noise; he has the ability to say to people that they can hold functions on conditions. The truth is that once again the Government's credibility is worth nothing. People have relied on the word of the Minister, not only his oral word but also his written word, repeated on numerous occasions. Now, for reasons which have not been explained, he has walked away from those commitments; he has reneged on those commitments. This is all part of the continuing operations of WA Inc. There is no doubt about who is running this town; there is no doubt about what is going on. We have no doubt about what has motivated the Minister in this matter. It is not a sudden concern about the noise-affected local residents, because if that were the concern the Minister would be able to stop the noise tomorrow.

MR PEARCE (Armadale - Leader of the House) [3.54 pm]: It is unusual for a Minister to be involved in the Budget debate. However, I want to respond briefly to the comments of the member for Cottesloe because he would be the least credible of all members opposite due to his capacity, and apparent continued willingness, to make claims of a half truthful nature; that is, he has the capacity to spin half the yarn. I suppose this comes from the days when he was a lawyer when he felt a professional obligation to do that. I would have thought that now he has found his way to Parliament he would fulfil the obligation to tell all of the truth. For the benefit of members who stayed in the House during the course of the member for Cottesloe's diatribe: When the approval was given and the original lease drawn up for the Mosman Bay Tearooms - the reconstruction of the tearooms which had burnt down, and which had been on the site for 80 years or so - it was on the basis that the tearooms would operate only between the hours of 8.00 am and 8.00 pm and that any additional functions could be held only with the approval of the Minister. That was right from the beginning and was contained in the lease; no-one had any doubts.

The letters to which the member referred came by way of a deputation by two constituents - a Mr Hunt, who is the husband of the lady making the most noise - more noise than the tearooms themselves - and a Mr Tout who lives nearby. The two gentlemen approached me and wanted me to get the owners of the tearooms to enter into a legally binding contract with the Government, or the residents of the area, that they would not apply for a liquor licence, they would not use boats over a certain size in the pens attached to the tearooms, and not have drinks on their boats. They were required to undertake to do a whole range of things which would not be accepted by anyone in those circumstances. It was totally unreasonable for me to ask people to provide written guarantees which were legally binding that they would not, for example, be drinking on their boats.

Mr Hassell: That might have been unreasonable, but the Minister assured my constituents, and the many other people concerned about the issue, by saying that he had everything under control; it would only be a tearoom.

Mr PEARCE: The hours of opening were specifically written into the lease. No-one was in any doubt at that time that functions were to be allowed apart from that; however, because of the controversy, an additional condition was imposed that people could hold functions only with the Minister's approval. It is totally improper to impose a condition which involves checking up on people, and that check denies an original condition of the lease. I have personally gone through every last one of the approvals - not a huge number, at most a couple of dozen each year. Most that come to mind related to small birthday parties without amplified music. However, a significant number of complaints occurred - on some occasions complaints were made about a function on a night when a function was not held. As a result of complaints, I had to check with the manager of the Mosman Bay Tearooms to find out why a function had been held, only to discover that no function had been held. On other occasions complaints were made about amplified music, and on checking the approval I discovered approval had not been given for amplified music. On one occasion it was a string quartet -

Mr Hassell: The Minister was exercising his control?

Mr PEARCE: Of the function, yes. I then checked out the other complaints regarding functions that were being held. In some cases the complaint bore little relation to the function being held. It seemed that a complaint was made about the tearooms at a time when a noisy party was being held in the precincts of the area, including some held around the barbecue areas built by the local authorities. One barbecue area is much closer to the housing than the tearooms. People congregate there on an "open slather" arrangement. People come, put their ghetto blasters in place, and do what they like. Many complaints were as a result of other factors apart from the tearooms.

In the end, I called in the manageress of the tearooms to emphasise the need for them to operate within reasonable bounds. I had two meetings with her. Following the first of those meetings I checked claims that she made in contradiction with the complaints made by a complainant. Basically, there has been only one complainant and we all know who she is. She has inserted an advertisement in this morning's paper to which I will refer in a second. Her complaints were about the noise and I had them checked. In many cases, those complaints were not particularly accurate. I am not suggesting that she did not have a perception that the noise was coming from the tearooms. However, in many cases it was not.

Mr Hassell: The functions are not the problem.

Mr PEARCE: They are the problem in her mind.

Mr Hassell: You said the functions were a problem the other day on the "7.30 Report". You said the functions are the problem; therefore, I am turning it into a restaurant.

Mr PEARCE: That is not precisely what I said on the "7.30 Report". I said there had been a lot of complaints about the tearooms and the burden of complaints was to do with amplified music.

Mr Hassell: So, noise is the problem?

Mr PEARCE: The member must have been an awful lawyer. I am not at all surprised that when his party kicked him out of the leadership, and he flirted with the prospect of returning to law, he did not do it.

Mr Hassell: The real issue is your credibility.

Mr PEARCE: One of the member's constituents who made the most noise to him publicly said to one of my officers in one of her many phone calls to him that people who lived in the area would almost rather it were a restaurant than a tearooms with functions because that would get rid of the amplified noise. The suggestion in the first instance came from one of the member's constituents.

In the end, I called in the manageress of the tearooms and told her that, given the level of complaints, I was considering cancelling her capacity to have functions. That was on the basis that I took the word of Mrs Hunt that the terms and conditions granted by me for the

tearooms were not being honoured. When I checked, I found they were. I had a second meeting with the manageress of the tearooms and discussed the removal of those conditions relating to the noise from amplified music from the lease. In the end, it was decided, as a compromise, that there would be no late night functions and no amplified music, and, in return for that change in the lease conditions, I would be prepared to allow the tearooms to operate as a restaurant.

Mr Hassell: What will be the hours of the restaurant?

Mr PEARCE: I am not proposing to have hours for the lease.

Mr Hassell: So they will be allowed to have all-night functions every night, will they?

Mr PEARCE: Obviously the member does not understand the difference between a restaurant and a function centre.

Mr Hassell: Two years ago you put the same arguments about a tearoom. You said it would be a tearoom. Now it is a restaurant; next it will be a nightclub and I will bet that in 12 months it has a liquor licence. Your word is not worth two bob.

Mr PEARCE: The member's word is not worth threepence. It is not a question of whose word it is. The fundamental issue is who are we looking after in this matter. The member has made all sorts of claims.

Mr Hassell: It was your decision to put the restrictions on the tearooms so you are responsible for the proposition that the area should be protected by restricting the usage of the place. You are walking away from that for reasons which bear no relation -

Mr PEARCE: The original application was not for a restaurant; it was for tearooms and it was that application which, under strict conditions, was allowed. Those conditions were put in the lease for the jetty. As a result of those conditions leading to a range of complaints, mainly from a single constituent of the member for Cottesloe, I spoke to the owners of the lease and discussed with them the removal of the section of the lease which allows them to have amplified music as part of the functions. As a result, I renegotiated the lease to allow a restaurant which will be a quieter usage, which will allow for less impact on the area and will probably do a lot more good for people who want to use that section of the beach.

The member for Cottesloe is an appropriate representative of those people who believe that the river is theirs. He and they believe that the river is for only a select few people who live in his section of Claremont and Dalkeith. The member was born with a silver spoon in his mouth and believes that, because he has a house by the river, no-one else should be allowed to use that section of the river.

The claims by Mrs Hunt that people were not opposed to tearooms are absolutely untrue and if the member is making the claim he is also not telling the truth. He has fought bitterly against anything being put on that part of the river because he does not want ordinary people to have access to the river. He wants it preserved for the rich few of his constituents who can afford to buy huge houses by the river. I acknowledge that those people are as entitled to protection from noise or nuisance as anybody else. However, they do not have any greater entitlement than anyone else. I have no sympathy for those people who want to seal off the river for their own private use. That river is for everybody. One does not have to travel very far around Australia or the world to see the extent to which other people are able to make an asset of their natural beauty spots so that ordinary people can use them.

Up the river a little way from the area that we are talking about is a restaurant called Jo Jo's on the Jetty which used to be the old Nedlands baths. The member for Cottesloe's constituents do not live nearby; in fact, the constituents of the Deputy Leader of the Opposition do. That restaurant operates on a jetty on the river in precisely the same way as that proposed at Mosman Park and causes no difficulties or complaints at all. That will be the case with this restaurant and, in fact, the restaurant will become as well accepted as are the tearooms. I am amazed that three or four people are able to generate a view that something is wrong with the tearooms or a restaurant that have been widely accepted in this State. What got the member's constituents going was an article that appeared in the *Sunday Times* stating that it was amazing how there had been a complete turnaround in public opinion in the two years that the tearooms had operated because in the beginning everybody had been so against them and now they are accepted by everybody. The article included

photographs of people who said what a great place the tearooms were. All of a sudden, there was a letter writing campaign from people saying they did not accept the tearooms and the controversy escalated. The manageress of the tearooms was bombarded with phone calls from the member's constituent and forced out of a job because she was not prepared to put up with the harassment. The member's constituent is the Mosman Bay version of an urban guerilla. She has fought a particularly virulent campaign -

Points of Order

Mr HASSELL: That is a vicious thing to say. This afternoon the Leader of the Opposition was prevented from making a remark about a State instrumentality in a debate about that instrumentality. This Minister has made a vicious attack on a private individual with no justification whatever. I ask that his remarks be withdrawn, if not under the Standing Orders, under some vestige of decency left in the Minister.

The DEPUTY SPEAKER: Order! The member knows that Standing Order No 131 refers specifically to offensive words used in relation to members of the House. I am not aware of requests of this sort being granted as precedents in this House. I understand the point the member is making. However, if a member asks for words to be withdrawn when something is said that might be construed as offensive by somebody outside this place, we would very quickly reach a point when debate in this place would become impossible. I do not accept the member's point of order.

Mr MacKINNON: My point of order is along the same lines as the point of order raised by the member for Cottesloe. Mr Deputy Speaker, what you just said -

The DEPUTY SPEAKER: Is the Leader of the Opposition canvassing my ruling?

Mr MacKINNON: I am taking a point of order because, if your ruling is accurate, it is in direct conflict to the ruling given by the Speaker earlier today.

The DEPUTY SPEAKER: The member cannot canvass my ruling in that way. The proper way for disagreeing with my ruling is laid down. I have ruled on a point of order, and the Leader of the House has the floor.

Debate Resumed

Mr PEARCE: The sheer hypocrisy of the member for Cottesloe amazes me. He spent nine minutes abusing me in a personal way which was in contradiction to the Standing Orders. I never seek retractions on these occasions because I think that, if one is prepared to give it, one should be prepared to take it. A thin skinned person such as the member for Cottesloe is on his feet all the time. He is one of the most abusive members of this House and yet when the slightest thing tickles his sensitive skin he is on his feet. That is the reason he has so little credibility in this House.

Mr Hassell: What a terrible thing to say about this person.

Mr PEARCE: She is not some poor, defenceless lady; she has spent her and her husband's money on an advertisement which is most defamatory of me. If some lady wants to spend her husband's money putting advertisements in the newspaper, it is up to her and her husband. However, there is no greater truth in her advertisement than there is in the comments made by the member for Cottesloe. I can think of nothing more compellingly damaging to say of anybody than that there is no more truth in their statements than in the statements made by the member for Cottesloe.

The Government has done the right thing with regard to the Mosman Bay Tearooms, and in providing access for all people. The Government is immensely proud of the Swan River and is determined to allow only high quality development on that river for the enhancement of the environment and the river for the benefit of all the people of Western Australia. All the actions it has taken in this regard meet those criteria. Many people use the restaurants by the river - although there are not too many of them - and get a great deal of enjoyment from doing so. The Government will ensure that that situation continues while it is in power. I have no doubt that if the Liberal Party were in office it would rip down the structures and deny access to all the people to suit a few of its rich constituents.

MR STRICKLAND (Scarborough) [4.12 pm]: I want to focus on some of the issues in Scarborough, and also to make some general comments. As far as Scarborough is concerned,

this Government will be marking time because I am unable to identify any major works planned for the electorate in this Budget. Perhaps that is not surprising because most of the infrastructure is well in place and this has occurred over many years. Of course, the Scarborough electorate, containing the suburbs of Karrinyup, Trigg, Scarborough, Doubleview and Innaloo, is a well established community. However, the interest for Scarborough will focus on the details of the minor works and maintenance which will be raised in the Committee stage of this debate.

I take this opportunity to place on record some of the established needs which I have identified since becoming a member of this House. Firstly, the issue of sewerage funding: From my reading of the Budget it appears some increase has been made in sewerage funding, but that increase will not alleviate the situation in Scarborough. It is fairly well documented that the solution to the sewerage needs of the metropolitan area will require a large sum of money in the order of \$800 million. Obviously, that need must be addressed over a time frame of many years. Progress on that program has been very slow and varying estimates between 100 and 130 years have been made as to when it will be completed. If more money can be found, of course, that time frame could be reduced. The frustrations experienced by the people of Scarborough result from the lack of funding for sewerage development in the area and also the existence of the present blanket sewerage policy. I am aware that you, Mr Deputy Speaker, have been involved in a recent review of this problem.

An article in *The West Australian* this morning under the heading, "EPA urges change to save drinking water" states -

Big changes will be needed in planning for Perth's expansion to meet the growing concern over the threat to future supplies of drinking water, the Environmental Protection Authority has warned.

Apparently the latest EPA bulletin states that -

... the management of domestic gardens and recreation areas also had to be revised in view of their threat to groundwater, in terms of both water consumption and pollution.

The chairman of the EPA is reported as saying -

... that instead of sprawling outwards as many people envisaged in the pre-Greenhouse era Perth's expanding population should be housed in higher density inner suburbs.

"We should be looking at a more equitable mix of housing - more duplexes and triplexes mixed in with 700 sq m and 350 sq m blocks."

The bulletin also states that -

... areas over valuable groundwater resources should not be designated for urban development unless it was demonstrated through environmental investigations and assessment that such development could proceed without jeopardising groundwater quality and quantity.

There is no argument with that. In the electorate of Scarborough, part of which lies on the coast where the water table is 80 feet below ground level and the underground water is flowing from inland to the sea, consideration should be given to some refinement of this blanket sewerage policy which would allow the development of more duplexes and units in the area. That would meet the needs of many of my constituents who have telephoned and visited my office with regard to this matter.

The City of Stirling has proposed a new amendment to its town planning scheme. I understand that amendment is supported by the State Planning Commission. The one remaining hurdle to be addressed is the sewerage policy and its impact on the district. In my electorate because of the blanket sewerage policy people cannot develop a duplex in which to live upon retirement.

A second issue of concern in my electorate relates to sewerage near the Innaloo village. Members may recall that last year a severe flooding problem arose in that village. It is hard to see the village from the freeway because large mounds of sand have been placed there for compaction purposes. Following the flooding last year two septic systems in the low lying

area in Geneff street were rendered inoperable because of the rising watertable at the end of 1988. Two residences experienced problems in that area.

I have been able to obtain a copy of an unpublished report from Geological Survey of Western Australia; it is a hydrological report which concerns an investigation into the flooding that took place. The Main Roads Department has indicated that ground settling has occurred where the mounds of sand are placed, probably by more than 2 metres. This means that the mounds of sand have pushed down on top of the peat and displaced it. The flooding occurred because the peat came up on the other side and caused the drains to go higher than the drainage pipes which fed into them. However, a portion was mobilised and moved locally, and another portion has penetrated the underlying sand which has reduced the hydraulic conductivity resulting in reduced ground water flowthrough and local hydraulic mounding. This means that the watertable contours indicate a local mounding in this area and the watertable has increased by 0.3 m above the undisturbed watertable elevation. It is pointed out in the conclusion to the report that -

Although the cleaning of the drainage system should reduce the likelihood of heavy flooding occurring again, particularly heavy and prolonged rains could result in similar problems.

So that is an acknowledgment that the problems could continue. It says quite clearly in the recommendations of the report that -

The new development in the triangle between Oswald Street and the freeway is deep-sewered, and the area east of Oswald Street should be given priority for deep sewerage connection.

That report is dated March 1989, and is a recent documentation of the need for sewerage works in my area. It is unfortunate that there are insufficient funds available to do that work in the near future.

The second area where fairly major expenditure would be appreciated by the electorate of Scarborough, and by the people at large, is one that I have spoken about previously. It concerns the surf life-saving movement, and in particular the Trigg Island Surf Life Saving Club. This organisation has made a submission, through its State centre, to the Department for Sport and Recreation to allow for a very necessary upgrading of its operations area and club rooms. The amount of money involved - if we were to use as a base the Scarborough Surf Life Saving Club - is of the order of \$450 000. The surf life-saving movement provides a valuable service to the community. There are two sides to its operations: The competition side and the life-saving duties side. We find that surf life-savers do not just appear out of nowhere; a lot of them are in the organisation because they joined originally to participate in competitions. These competitions get people involved, and allow them to develop their fitness and skills. The surf life-saving service is a very necessary spin-off of the competitions for the people who use our beaches. I am unable at this stage to identify in the Budget how much money will go into the surf life-saving movement, but I sincerely hope it is a substantial amount and that the Government will continue in future Budgets to provide money for this organisation as part of an ongoing program.

The third matter I want to speak about is the Newborough Primary School in Doubleview. The Minister for Education would be aware of the fact that the building is 30 years old. Commitments were made prior to the election that plans would be made to upgrade that school. The situation with this school is that the parents are starting to ask for what we can call equity of opportunity. We have found as time has gone by that there have been changes to teaching methods, styles, and resource requirements, and that schools which were designed 30 years ago are not now as appropriate as they should be. The parents are looking at the new schools which are being built in other areas, which have very nice, modern conditions and resources. They want to see a program which will allow for modernisation and upgrading of the schools in their area.

I have indicated previously that maintenance expenditure for buildings requires about one per cent of the original capital investment in the building, so in the case of the Newborough Primary School, which is 30 years old, it should by now have had 30 per cent of its value spent on maintenance. I point out to the House, however, that not much maintenance has been done. We are looking forward to a positive response from the Minister to our representations.

The fourth matter which concerns my electorate and the adjacent electorate of Marmion is the northern perimeter highway. A deputation approached the Minister for Transport about this matter on another occasion. This is an expensive project, which involves acquisition of land involving of the order of \$1.7 million, and roadworks of about \$4.5 million. The people in the area read the newspapers, and they have seen the eastern northern perimeter highway sections approved, so they now have an expectation that something will happen also in the western link so that they are not stuck with a traffic problem at North Beach Road.

In respect of minor works, which have come to my attention through people telephoning and writing to my office, one of the things that appears to be very much on people's minds is the level of lighting. I have been approached by elderly people from Geneff Village, a retirement village, who have asked for additional lighting because the area is dark, and they are concerned about their security and safety. I have also been approached by people living in the vicinity of Millett Park, Innaloo. These matters have been referred to the State Energy Commission, with the support of, and through, the City of Stirling. So when we get the opportunity in the Committee stage to ask questions about minor works, I hope there will be some good news about that.

I read recently an article in the newsletter *Insight*, which is printed by the City of Stirling as a source of financial and other information and which said that the rate increase at the City of Stirling was about seven per cent this year. However, I point out that when the rate bills are sent out the impact of the increase varies from household to household. The City of Stirling notes in its newsletter that the general purpose grant allocation has fallen in dollar terms, and that the people of Scarborough have suffered from a change in the Local Government Grants Commission formula, which favours the non-metropolitan authorities. That change to a large degree has been brought about by the valuation process; and I will say something about that shortly. To give members an idea of the amount of money we are talking about, over the past two years the City of Stirling has lost about \$500 000 in dollar terms from its general purpose grants. That equates to about \$1 million in real spending since 1986-87 when the new formula was phased in; and even though the City of Stirling is a large city, that is equivalent to two per cent of the rate increase, or around \$10.

Another comment which relates to that is the perception that Governments tend to convey, particularly in election campaigns, that costs will be held. All sorts of figures are quoted; very often one of them is the inflation figure. I noted with interest a small article on the Consumer Price Index, and the fact that a lower inflation figure has recently been achieved using the data profile method to calculate the CPI since the March quarter. As some members will be aware, this method removes the impact of the recent sharp increases in mortgage repayments from the index calculations and the cost of housing is averaged over the past eight years rather than being based merely on current data. Of course, this has the effect of smoothing out the high interest rate charges on that CPI figure. While one can play with the figures and say in the Press, "Our inflation rate is only one per cent or 1.6 per cent", if it is really more than that, that is the truth of it and that is what people are experiencing. The people are not fooled by figures. While people in this place and in other places feel comfortable in saying, "We have kept inflation down and things are under control", if the formulas are changed and the figures do not really reflect the truth people will know. I know people have indicated that to me.

As an example I cite the Water Authority of Western Australia, and its sewerage charges in particular. I managed to get a copy of a typical letter which was sent out to people because my office has received complaints about the Government's not holding to its promise of under-inflation increases in water and sewerage charges. Not only that, but also I have had people in my office with samples of their bills for the last few years. I am sure members are all aware of the fact that water is metered and therefore can be charged for on a usage basis, whereas the sewerage charges are not metered and the way in which the money is obtained for sewerage is to charge a rate based on the gross rental valuation of the property.

The gross rental valuation of the property is a matter which is of interest to many, because it is the basis on which people get their bills and that valuation is everything. One of the arguments I want to put to the House is that when people make simplistic statements that the rates will go up seven per cent, or eight per cent, or whatever, this does not always happen because we are building on shifting sands, as it were; that is, the valuation for the rates is something which varies. My investigations at the Valuer General's Department indicate that

the following factors affect this valuation. The rental information is obtained from real estate agents who have properties in the area. They create sub-districts which contain similar rents. They also calculate the number of rooms in a house, and the number of rooms varies according to many different factors. For instance, a kitchen-meals area can equate to one and a half rooms if it has a dividing wall instead of a complete wall; en suites and walk-in robes are considered to be half rooms. They add all these things up and derive from this formula the number of rooms in that house. They then determine the age of the house and distinguish between brick and timber houses. Out of all that information, which they pour into a matrix, they get a valuation. Of course, members will be aware that the rate bill people receive is a fraction of the total. The trouble is, if their fraction varies their rate varies. Some properties will go up in comparison to others when their fraction goes up, and other properties will go down. Therefore, it is the distribution that is of interest to me, and where the money will come from. As I said before, one of the problems relating to local government grants in the metropolitan area and the country area is the fact that this formula impacts on the values, and values change the percentage of valuation.

Returning to the example I cited, which relates to a property in Scarborough, in 1987 there was a certain water charge, and the same charge applied in 1988. In 1989 the charge rose by 7.4 per cent, which is in fact in line with what was said before the election. When one looks at the valuations, one can see that the same sort of thing happens; but what I have found of interest is that in 1988, just prior to the election, there was no increase at all, yet in 1989, after the election, the increase in valuation was 20 per cent. The explanation for that is that when changes in valuations occur the new valuations are phased in, normally over three years. So someone has been able to make the decision that, instead of spreading the increase evenly over the three years, just prior to the election the charge is not moved at all and after the election it is doubled so they get back to the valuation that should perhaps have applied all the time.

For the person who owns this property the total of the sewerage component of the bill went from \$335 pre-election to \$393 post-election, which was an increase of \$58 or 17 per cent. That person is not someone who is busy looking for problems but is typical of the average person who has come to my office and said, "Governments have said they will hold increases to inflation but when the bills come in, instead of the rise being 7.4 per cent it is 17 per cent." However, from that evidence and the other comments I have received, it is clear that the people are not fooled. When they get their bills some of them take the trouble to pick up a calculator and calculate the various increases - they work it out for themselves.

In my summation of the whole Budget process I want to make members aware that recently I asked a question through the Minister representing the Minister for Sport and Recreation. The details of the question were specifically related to the Budget and I want to place on record some of the difficulties that I, as a backbencher, faced in getting information. My questions were very simple and very straightforward and I will just have them recorded in *Hansard*. They were parts (10) and (11) of question on notice 1076, and read -

- (10) What funds have been budgeted for artificial reef construction for 1989-90?
- (11) Will the first reef be in place by the end of this year?

The answer I received to both those questions was -

(10)-(11)

The issues of funding and timing of construction will be considered after all information has been evaluated and decisions made.

That would tend to imply to me that no money has been set aside for these things - that, in due course, in another Budget and at another time, funds may be made available. However, I am aware of a surfing magazine called *Tracks* which has a very wide circulation throughout Australia and is well read by people involved in surfing. In November 1988 - just before the last State election - an article headed "Artificial Reefs a Reality for WA Surfers" appeared in the magazine. I quote from that article -

The committee, comprising a mixed bag of surfers, scientists, clubbies, greenies and politicians, is anxious to develop the world's first artificial surfing reef and sell the technology. Committee member Keith Campbell is president of the WA Surfriders Association and also an engineer with the Fremantle Port Authority.

He says the government is keen to get the first reef in the water by this summer, but that's shaping as a tall order. . . .

Campbell hopes to begin testing some early prototypes in a 15 metre square wave tank at the University of WA's engineering research station.

He says the most likely design is a triangle configuration of used car tyres chained to the seabed.

So, back in November 1988, an article says this will be a reality for Western Australian surfers. In March 1989 the same magazine carried an article headed "WA Ready for Artificial Reefs", from which I quote as follows -

The department -

That is a reference to the Department of Marine and Harbours. The article continues -

- is also seeking a detailed data base on Perth's wave conditions, compiled during the America's Cup defence to give racing syndicates a winning edge.

Marine and Harbours engineering investigations supervisor, Nello Siragusa says the data base will provide the cheapest means of determining if Cable Station is a suitable site.

That is the second committee member who is making comments to newspapers circulated around the country. Further on the article states -

The government's artificial reef committee chairman, Graham Burkett, says treasury will budget for the first reef in the 1989-90 financial year.

"I would say without fear of contradiction we'll be building the first reef by the end of this year," Mr Burkett says.

The rest of Australia has been told that.

Are they budgeting? Will they pay? Who is on the committee? I know the committee is chaired by Mr Burkett. I know that the next person on the list is Mr Barry Britain, but he resigned. He was a City of Stirling councillor and he was to represent local government.

The list goes on. I am concerned and many people are interested to know whether an artificial reef is to receive an allocation within the Budget. I read the papers and I note the comments by someone who is not in this House. I have asked to see the committee minutes; I have been told that I cannot because they are confidential. I wonder what my status is as a member in relation to a matter of such public importance, particularly within the surfing fraternity.

MR MINSON (Greenough) [4.44 pm]: I rise after much thought. I have heard a lot about what this Budget will do and what it will deliver but I wonder whether it will achieve all that it claims. I wonder whether it will be a superficial affair, and whether it will attack those ills from which Australia and Western Australia seem to suffer. Will the Budget address those problems and allow us to do something towards curbing the balance of payments problems this country faces? Will it stimulate industrial growth? Will it stimulate new industry and so enable us to do something about the present shocking state of the economy? I refer of course to last Thursday's Press release regarding the \$2.6 billion deficit in the current account for the last month.

I wish to address five matters: First, is the Budget far-sighted; will it address the matters about which I have spoken? Second, I am concerned that perhaps the Government has fallen for short term measures which allow short term gains - measures which will not address important questions. Third, I wish to address some aspects of education which have not been raised to date. Fourth, I am concerned that the Budget will not deliver what it states it will deliver. Fifth, I question the extent to which enterprise will flourish.

Is the Budget far-sighted and have tough decisions been made? As always, there is no better place to start than in one's own electorate. I start with a matter which I have already brought up in this House - the situation which exists in the town of Kalbarri. The river mouth has been closed for three months. I contacted the Minister for Transport a few days ago and we may be on the verge of being able to do something. Not only has the situation deteriorated, but also we should also bear in mind the extent to which the fishing industry has grown in the

area and the extent to which tourism has become important. The situation needs addressing immediately, otherwise the township of Kalbarri will suffer considerably. People who operate organisations within the tourism industry in Kalbarri have contacted me stating that they receive phone calls from people asking whether the river mouth is open. On hearing that it is not open, they travel further north as they wish to go fishing. When accommodation is cancelled, the Kalbarri township loses, and the attendant businesses lose money as well.

The second issue at Kalbarri concerns the moorings. The jetty at Kalbarri was originally built to handle 12 boats; it now handles up to 100 boats - and something like twice the size of the boats originally using the facility. At least two new commercial jetties are needed. It is not as though the Government has not been aware of the situation. The present Minister for Transport, on the third Friday of October last year, promised the people of Kalbarri at a meeting in the town that something would be done to address the situation within the current Budget. That has not been done; it is not in the Budget.

Mr Pearce: I did not promise that.

Mr MINSON: The local people told me that on the third Friday in October, the Minister for Transport visited the town and addressed a public meeting.

Mr Pearce: I did not address a public meeting. The member has been reasonable up until now. I went to Kalbarri at the request of the council. I went to meet a number of fishermen on the jetty. I agreed something had to be done. It is not a situation that could continue. If I recall correctly, I went to a council meeting afterwards where another issue may have been raised. I said that we would do our best. We cannot give categorical promises in these circumstances, and I gave no categorical promise.

Mr MINSON: I do not normally take interjections but I paused on this occasion to allow the inclusion of the Minister's remarks in *Hansard*. The situation in the township of Kalbarri has reached the point where people are fed up; they do not know what to do. At the moment they are attempting to raise a loan to do these things themselves.

I hope the situation can be reached in which local people can do something to help themselves, and the Government will do what it can. We all realise the Government's financial situation, but since promises have been made -

Mr Pearce: Promises have not been made.

Mr MINSON: - to the town that if the council were to provide some material while the jetty was being fixed and the piledriver was there, Mr Minister, it could be used to sink piles for a tourist jetty which would take the casual fishermen off the main jetty. The council kept its promise and it brought down many tonnes of sleepers and pipes but, lo and behold, no piledriver was forthcoming; we were not surprised because there is no money left in the coffers.

Tourism in Kalbarri is very important, not only to Kalbarri, but to Western Australia. It is now the number one land destination for people visiting Western Australia. Kalbarri has various industries contributing to the State something like \$20 million. It is time the Government did something for Kalbarri in relation to the river mouth problem, the mooring problems and pouring back some tourist dollars. Before I leave my electorate and while referring to farsighted decisions, I would like to refer to the Port Gregory road. This road is dangerous. The school bus runs off the road and the Press went up there to see the situation, and also ran off the road. Port Gregory is quite a small community but there are some 30 children who need to be taken to school from the settlement itself and surrounding farms. The area has industries such as scallop and crayfishing, beta carotene production and a considerable agricultural industry and, if the road were fixed, the tourism industry would increase markedly. I suggest that it is high time that consideration was given to a one-off grant to fix that situation.

I refer to the recent report about the resignation of the Deputy Chairman of the Mid-West Development Authority. The report stated -

The deputy chairman of the Geraldton mid-West Authority has resigned after accusing the Minister for the Mid-West, Mr Carr, of misusing authority staff.

Mrs Margot Boetcher, who also chairs the authority's 14-member advisory committee said Mr Carr told her this month: "I am the Minister for the Mid-West and I regard the staff as my department".

Mr Pearce: Mr Carr denies absolutely that he said that to her or to anybody else.

Mr MINSON: Further, the report states -

Mrs Boetcher said the legislation which set up the authority last year stated that its eight staff were first to service the requests of the board and secondly to service those from the board's advisory committee.

But she said the authority's director, Mr Graeme Stephens, had admitted carrying out 44 direct requests from the Minister in two months.

As I have been given the shadow portfolio with responsibility for this area, I am very concerned. I have refrained from saying anything about the Geraldton Mid-West Development Authority or the way in which the authority has been used.

Mrs Edwardes: You mean abused.

Mr MINSON: Yes, abused is probably a better word.

I do not want to attack the Geraldton Mid-West Development Authority as I like the people on the board and I get on well with the staff, but some of the things that have happened lately have worried me. I am particularly worried that the Geraldton Mid-West Development Authority has been shifting down the same road as the South-West Development Authority. I hope something is done to correct that problem.

The second of my concerns is that the Budget has short-term gains. There are a number of things in my electorate to which I will refer. The first of these is the convention of taking away TAB agencies from local stores or specialist TAB agencies and putting them in hotels. I know that this has received the blessing of some communities, but I am particularly concerned about two moves. The first of these occurred at Carnamah where the community is very concerned about this; there was a TAB agency which, as far as I can ascertain, was economical, but it was considered that it should be shifted into the hotel where more money could be made. No doubt this will occur as it is well known that if someone is given alcohol his inhibitions drop and if he feels like gambling, he is likely to overstep the mark. I suggest that all that will come from that, apart from an increase in revenue and money leaving the town, is that there will be an increase in family hassles and family breakdowns; I condemn that move. I also condemn the move that was made in Mullewa, or the intended move, where the local newsagency contained the TAB which is in the process of being shifted to a hotel. It is true that the money generated by the hotelier will probably be spent in the town, but Mullewa is a special town in that it has a large number of Aborigines living there. I am very concerned that the combination of unemployment among the Aboriginal people, combined with alcohol and their tendency to gamble, will cause a considerable problem for these people. I have written to the Minister asking him to reverse his decision, and I hope he gives my request due attention.

Another short-term gain measure which worries me is the increases in Government charges; for example, the mooring fee increases which have, in some cases, been in excess of 100 per cent. Also, spraying contractors have had their licence fees increased in excess of 100 per cent, and we have seen charges increase outside the proposed inflation rate increases in the area of stamp duty, financial institutions duty and payroll tax.

I now refer to other situations in which short-term gains exist, but in the long term the moves are rather foolhardy. The first of those involves the sale of some of the Markham collection of vintage cars. It has been argued that those cars are not part of the heritage of Western Australia, but although it is true that they are not unique in the world or in Australia, and neither were they made in Australia, the argument that those things were not made in Australia and therefore are not part of our heritage is not valid. If we had the Mona Lisa in the State art gallery, we would not sell it although it is not part of our heritage. These cars were part of a gift, and to sell the number of cars which is being discussed to raise a paltry million dollars is shortsighted; it is akin to selling the family silver for a short-term gain.

A similar situation has arisen in the Millstream National Park where we have seen the Department of Conservation and Land Management, for some reason, selling palm trees. The palm trees have miraculously appeared in Perth, and I noticed that the *Mosman Post* - or some such paper - contained an advertisement which stated that people only had to ring CALM to get one.

It is true that those palm trees are not indigenous to Western Australia. However, they are part of the heritage of the area. I have received several phone calls from concerned people who live in the area and from tourists who are upset, for two reasons, that the trees have been removed. A part of our history - thank heavens it is a bygone era - was the camel trains that passed through the north west. The people in those camel trains planted the palms at around the turn of the century and for that reason they form part of the history and heritage of that area. Some of the palms were planted, I understand, by the wife of one of the original settlers at Millstream. Although the Government's action might create additional revenue for its coffers in the short term, it is a long term minus for the people of the area. There will be long term ramifications.

The question of education has already been well covered in a number of members' Budget speeches, but one aspect which has not been canvassed worries me. Some of the country schools are deteriorating considerably and for that reason there is less incentive for people to live in the country. However, a couple of principles which are creeping in will reflect on the State as a whole. Firstly I will refer to the principle of self help.

A situation has occurred in Binu where the local people had their library taken away at the beginning of the year and the Education Ministry offered to subsidise a new building. The local people obtained authority from the Building Management Authority to build a library to its specifications at a cost of \$24 000. However, the local people can build a library which will be a little less magnificent than that proposed by the BMA, but nevertheless will replace the one taken from them, at a cost of \$14 000. The ministry should give consideration to relaxing the guidelines in this situation to allow people to build something for themselves.

The other question of self help, which has been stomped on, involves the school at Ogilvie. It is a small school and has single men's quarters only to house the teacher. The local people are concerned that the current teacher and his wife, who is expecting a baby shortly, are living in those quarters. The local people approached the Minister for permission to transport a house from a nearby town or to build a new house. Their request was refused and the local people decided to raise funds for a new house and they have raised enough money to purchase a transportable unit which can be added to the existing house. It now appears that permission will be refused for the transportable building to be joined to the existing building. It is very short sighted of the ministry and it is a silly way for it to behave. People are prepared to help themselves by putting in money from their pockets, yet they are not allowed to achieve their aim.

The other principle is illustrated by what is happening to buildings belonging to the ministry. The same mistake has been made in the past by many business people and farmers; that is, they allowed capital items to deteriorate. As members travel around the State they will find that the condition of school buildings and staff accommodation is deteriorating. It will not be long before we are faced with a huge bill for maintenance or the replacement of these buildings.

Similarly, the deterioration in capital items can be illustrated in the condition of our roads, particularly the contributory bitumen roads around my electorate and around Western Australia generally. As I drive around the State I have noticed huge holes appearing in the first layer of bitumen which was put down and which should have been recovered some years ago. This has not been done and it will not be long before many of our roads will revert to a gravel surface.

Before I move on from the subject of education I will refer to an area which is of considerable concern to me and to the State and which has not been mentioned; that is, the performance of the Dental School of Western Australia. We are running out of specialists in this State. Since about 1980 we have had no graduates as orthodontists or oral surgeons. I think there has been one periodontist. If it were not for the overseas universities and the fact that many of their graduates want to come to Western Australia we would be in an untenable situation. It is very difficult to know what the problem is in the dental school and why it exists. I urge the Minister to make some inquiries to find out whether it is a lack of funds, whether salaries are not high enough to attract the right people, or whether the courses are not the correct courses.

Mr Thomas: Is it a lack of courses?

Mr MINSON: It appears that the problem is a lack of courses. I will give an example of what happens: Late last year it was advertised throughout Australia that an oral surgeons' course would be held at the Dental School of Western Australia and applications were invited from people in Australia and around the world. Applications were received, but the course could not be put together. I do not know the reason for it - whether it was due to a lack of staff or funds. All I know is that the course did not go ahead. It is not a good position for this university to be in and it is certainly not a good position for the State to be in.

Mr Thomas: Are they trained in other States of Australia or overseas?

Mr MINSON: There are courses in other States and most dental schools throughout the world provide such courses. The courses are on the university's books and I am surprised that they are not being conducted. An example I would like to bring to light involves a man who was more than half way through his Master's degree. He had finished the first half and was working on the second half when he was told that because of an administrative problem he would not be able to continue the course in Western Australia unless someone could be found to supervise the course. That was not done and time is running out. It looks as though the three years of study undertaken by that man will be wasted. He may even be forced to move his family to America to enable him to finish the course.

I wonder whether the Budget will deliver what it is claimed it will deliver and once again I will refer to some sections of my electorate. The Morawa High School hostel was supposed to have been completed and ready for occupation at the beginning of 1990. We now find that has been postponed until 1991. Some sections of the school buildings at the Morawa High School are in danger of being condemned. This problem needs addressing because money was set aside in the last financial year for the situation to be corrected. It was not corrected and money has not been set aside this financial year and that is of considerable concern to me.

I am concerned that the Morawa people were promised that the high school hostel would be ready for occupation by the beginning of 1990 and that that has been put off until 1991. I notice that there is funding in the Budget for that project in 1991. I hope that that promise is honoured then.

I have already mentioned the jetty promised for Kalbarri. I am a little concerned when I look at the list of proposed expenditure which appeared in the previous Budget and compare it with actual expenditure and I am left with the thought that it may be that these things will not be done at all.

Mr Pearce: What does that mean?

Mr MINSON: It simply means that money was set aside in the Budget last year to do certain things but when one gets a list of the things that were promised and were not delivered -

Mr Pearce: Which things was money set aside for in the Budget that it was not spent on?

Mr MINSON: I will have a list of the things promised and not delivered sent to the Minister.

Mr Pearce: The only thing that happened in Kalbarri was that we budgeted more for dredging than we spent and that was because the dredge broke down.

Mr MINSON: An article relating to the Camamah Police Station appeared in *The West Australian* this morning as follows -

The police station's lavatory - a "dunny" in the backyard - has been condemned by the Health Department. The station has no running water, no kitchen or sink and the lockup has been closed since December when the department said it was unfit for habitation.

But the town's two policemen still work from a small, 40-year-old, one room weatherboard building - described by Camamah shire clerk Lance Croft as "a rotting, dilapidated, vermin-infested relic of a bygone era."

I have seen the building and that is probably booming it up. The article continues -

Mr Croft, in a letter to the Police Minister, Mr Taylor, said the house next door, occupied by the officer-in-charge, was in a similar state. The other policeman lives in a Government Employees' Housing Authority house.

Mr Croft said a replacement building had been on the capital works proposals program for five years.

It was hypocritical of the Government to bring down Occupational Health, Safety and Welfare legislation while it required its employees to work and live in "such mean and unworthy conditions".

If the Minister wants an example of something that was promised and not delivered I suggest that the Camamah Police Station is one such example.

Mr Pearce: Who promised that? The member said somebody put it on a list. Nobody made a promise to do it.

Mr MINSON: If something is put on a list that is published, it is as good as a promise. The Government of which the Leader of the House is a Minister is very good at playing with words, but if something is put on a list and that list is published, people expect it to be done. Will the Minister do something about it?

Mr Pearce: Every department puts forward a list of proposals which runs to twice the amount of money to be spent in any year.

Mr MINSON: Why do they do that? I repeat that the "replacement building has been on the capital works proposals program for five years". If it is not to be provided, why does the Government bother putting it on the list?

Mr Pearce: We do not put it on; that is the point, my friend.

Mr MINSON: I turn to the extent to which business will flourish under this Budget. However, I will digress for a moment to talk about the effect that red tape has as a disincentive to business. There is a person in my electorate who started a fish processing business. He found that he had to deal with 16 Government departments, some Federal and some State, as a matter of necessity and has to deal with three others on a voluntary basis if he wants to get anywhere. It takes him six days a month to fill in his returns to satisfy all those departments. That sort of red tape must be removed from our State.

A Budget should be a health scheme and not a sickness scheme; it should be a scheme that encourages real doers in our community to get something done. I look now at where the money comes from and whether it will encourage people to get something done and whether it will encourage business enterprises to do something about encouraging people to get industry under way to help us address our balance of payments problem. Let us look at where revenue is raised. One finds that revenue comes from payroll tax, which is a direct tax on anyone who wants to increase business. It comes from increases in stamp duty, which is a disincentive to business. It also comes from increases in the Financial Institutions Duty, one of the most iniquitous taxes we have ever seen in this country. No matter what anybody wants to do they have to contribute to the Government's coffers. I put to members that this Budget is not a health scheme and suggest that people must change their outlook in this State.

MR MENSAROS (Floreat) [5.16 pm]: When one talks about the revenue Budget one must consider that this Labor Government has played monopoly with big business and has not only flirted with capitalists but also is enjoying tremendously, at least from the point of view of a socialist Government, its illicit relationship with big business. One would have expected that a Budget brought down by this Government would be somewhat akin to the free enterprise, capitalist philosophy and that it would be a Budget of less expenditure and less taxation. That, however, did not eventuate. The Government also made certain promises and undertakings so far as taxation is concerned. Those promises and undertakings have not been honoured.

If one looks at some of the revenue sources of State taxation, from the point of view of payroll tax the Premier assured us before the election - particularly the business community - that the payroll tax threshold would be raised at least in line with inflation so that additional people would not be brought into it. What in fact happened in the Budget was that the main threshold was increased by only 1.7 per cent in contrast with an inflation rate of 7.5 per cent and the threshold at which the maximum rate applies was actually lowered so that a number of people came in sooner. This shows a serious failure on the part of the Government to honour its pre-election promises and casts doubt on the sincerity of the

Premier in relation to the question of the abolition of payroll tax, which appears in the Labor Party's platform.

If one looks at stamp duty one recalls that a review was promised by the Government which to the best of my knowledge has never been undertaken, or if it has it has never been announced. Stamp duties remain the same as they were previously because the threshold has not been moved where one exists and the tax keys remained the same. Also, because of greatly increased values the Government has received, and will receive according to the Estimates, much higher revenue from these activities. The same thing applies to land tax where increases so far have not been as large as they will be in connection with the Estimates. Values have increased tremendously, and although the corresponding tax has not changed, every property value has come into a higher category and the higher charge has to be paid by those involved in ownership of property.

Returning to the curtailing of expenditure, which would have been a desirable aspect of the Budget, the economic benefits of lower expenditure cannot be denied, even by the Government. Greater cuts in expenditure could have been made without loss of electoral popularity. The Government maintains services which are paid for by the taxpayer and, particularly as the Budget is structured, by the business community.

Let us look at how expenditure could have been reduced. Had some programs been cut, particularly those where no attempt had been made to achieve cost efficiency, the national economy could have benefited from a slight reduction in economic activity. This would have eased the burden on the Commonwealth Government, particularly in regard to its monetary policies. A few governmental activities could have been reduced. Looking first at the departments connected with economic activities, I have some knowledge of what was the Department of Industrial Development, which encompassed virtually all economic activities. In 1983, when this Government took office, this department became the Department of Industrial Development, the Department of Resources Development, ILDA, Regional Development and the North West, and the Technology Directorate. These organisations employed an aggregate of about 240 to 250 staff. At the present time the equivalent departments employ an aggregate of 340 to 350 people, an increase of 40 per cent. When we look at what these departments have produced, the developmental projects which they are supposed to foster and create, in real terms there is no argument -

The SPEAKER: Order! May I point out to those Government members on the cross benches that their conversation is now precluding a large number of members from hearing the member for Floreat. I wonder whether they might be a little quieter, please.

Mr MENSAROS: I do not think there can be any doubt that the developmental projects which the State enjoys increased on account of these increases in expenditure of the relevant Government departments.

The same would apply to the Department of Employment and Training. The expenditure of this department increased from virtually nothing to about \$3.5 million. The Government may claim that unemployment has decreased, particularly among young people, but there is no direct proof that that has resulted from the very much increased expenditure of this department. I have always maintained that employment depends on the economic situation and, if anything, the Government would be much better off from a cost point of view supporting private organisations rather than spending the money itself.

We have a small unit, the new price monitoring unit, but even the Government does not claim that the public has benefited sufficiently as a result of its activities to warrant the corresponding expenditure. One could cite many other departments where a cut in expenditure could have been implemented without hurting the feelings of constituents.

An intelligent sale of assets could save a great deal of expenditure. I do not think anyone could claim today that the sale of the State brickworks and State building supplies, which goes back about 30 years, would have hurt the economy, or anyone in Western Australia. Why then, one asks, should existing Government-owned industries be maintained? Why are industrial and commercial services maintained directly by the Government? Why is the State Hospital Laundry and Linen Service maintained? Why is the State Printing Division being maintained, and why particularly the Midland workshop, although it might have a sentimental value to the older Labor Party supporters?

Dr Alexander: Are you going to sell off those assets?

Mr MENSAROS: There is no doubt that if some of these Government enterprises went to private enterprise - as the Government has supported private enterprise - the result would be much more beneficial to the public. That applies to some extent to Stateships, which has lost between \$15 million and \$20 million. The argument will be that if that organisation were in the hands of private enterprise, certain remote places would not be serviced because it would not be economical. That problem can be overcome by making agreements with the private people to service these places. In the United States there is no Government-owned power company, yet even the smallest, most remote places are well served.

Another factor which is very important from the point of view of cost saving is the duplication which goes on in the bureaucracy. It has always gone on, but there is no reason why the problem should not be addressed. Take, for instance, economic research. I found from inquiries made that at the Treasury, at the Department of Resource Development, the Department of Mines, the Department of Regional Development and the North West, the Geraldton Mid-West Development Authority, the Great Southern Development Authority, at what was until recently the State Planning Commission, the Department of Agriculture, the South West Development Authority, the Tourism Commission, the Ministry of Economic Development and Trade and many others, each contains a section for economic research.

One logically asks whether, if there is one Government, why these sections could not be combined, which would be a much cheaper exercise and result in a much better service being given to the Government, or why the Government could not also use private enterprise for research.

[Leave granted for speech to be continued.]

Debate thus adjourned.

[Questions without notice taken.]

Sitting suspended from 6.00 to 7.30 pm

BILLS (2) - RECEIPT AND FIRST READING

1. Land Tax Assessment Amendment Bill
2. Taxation (Reciprocal Powers) Bill

Bills received from the Council; and, on motions by Mr Pearce (Leader of the House), read a first time.

ACTS AMENDMENT (REMUNERATION OF GOVERNOR) BILL

Message - Appropriations

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

APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL

Second Reading - Budget Debate

Debate resumed from an earlier stage of the sitting.

MR MENSAROS (Floreat) [7.32 pm]: I was addressing my comments previously to the unnecessary increase in expenditure by this Government and was commenting on the duplications which occur between State Government departments and instrumentalities. Of course, if one looks at the duplications which undoubtedly happen between Commonwealth departments and State departments then one is really into large expenditures. When would be a better time to remedy this than when Governments of the same political colour occupy the Treasury benches in both State and Commonwealth arenas?

It should be the duty of the State Treasurer and the State Government to remind the Commonwealth of these duplications and to try, even if not all at once, to slowly curtail at

least some of these duplications. One could even argue legally whether some of the departments the Commonwealth maintains have any constitutional basis other than the fancy interpretation of the Constitution where certain powers such as external powers are brought ahead in order to justify indulging in entirely different matters - matters like the environment or education when these words do not even appear in the Constitution of the Commonwealth of Australia. It is quite justifiable to remind the Government that it should at least do something in this regard because this is a field where enormous amounts of money could be saved if this matter were properly approached, or even if some of the duplications could be done away with.

Another way or means of curtailing expenditure in the Budget would be some privatisation of services run by the Government for no reason other than perhaps its being an old custom. Although it would not entail a large expenditure, why is it that all country school buses are run very well by private people yet some of the cleaning jobs must be done by Government employees? All this increased expenditure, the aggregate increase, is a direct contradiction of the Government's platform and promises.

On the other side is an equally important matter that I have already mentioned - taxation. It is interesting that in some of the fields of State taxation increases have been quite staggering when one compares them with those operating at the time this Government came to office. If one looks, for instance, at payroll tax, not only have the increases that I have mentioned before been contrary to the undertakings and promises given by the Government, but also one should consider the fact that the receipts, when compared with 1983-84, have increased in real terms, not in dollar values, by 24.9 per cent. This has been done, as I have said previously, contrary to the Government's undertakings that neither the threshold nor the amount of tax would be adjusted in a way that resulted in people paying more tax. In fact, exactly the opposite occurred.

If one turns to land tax one sees that the inequities are even more noticeable. Land tax scales are progressive yet the threshold for every scale has not been changed. It is common knowledge that the value of land and buildings has increased enormously; therefore, there was a windfall profit for the Government in that field which was quite unjustified, particularly when one takes into consideration the fact that various promises have been made that the Government would reconsider or re-examine this field and introduce different assessment methods. I have often said that land tax is one of the most inequitable taxes, and it should not be called a land tax because it does not tax land; it taxes landowners. The progressiveness of the tax depends on how much land is owned by one person, not on the value of each individual piece of land.

As far as stamp duties are concerned, the situation is even worse. From 1983 until today there has been a real increase of 214 per cent in stamp duty revenue. This is a tax which is really a tax on change. One would imagine that change is necessary and should be welcomed instead of being severely punished. There is an even larger windfall to be expected if we look at property values, although the boom on the Stock Exchange is questionable; it may not continue.

The expected answer of the Government is that it has not increased the rates of tax. Of course, creeping inflation has taken care of the much larger collection of revenue for the Government. An interesting thing about the Budget and the accompanying statements by the Treasurer is that for the first time the Government has abandoned its claim that its financial adventure would have no impact on the taxpayer. It is significant that the extra \$58 million which taxpayers are required to pay in higher payroll taxes, stamp duties, financial institution duties and tobacco tax is nearly exactly the same as the \$62 million payout to WA Government Holdings Ltd as part of the losses on the petrochemical disaster. Had the Government not played these games, and had it administered the Credit Unions Act more responsibly, these expenses would not have occurred. They come on top of the many other liabilities which we have talked about and which are still to be paid by the taxpayer of the State.

I have a few words to say about this Chamber. I was very impressed by a speech made by my colleague, the member for Darling Range, who compared the situation in this Chamber with what used to exist perhaps 20 years ago. I have often talked about the Government's attitude to politicising the Public Services and various Government agencies. Unfortunately

this trend has almost reached this Parliament itself in the sense that we are naturally talking about politics, but there has been a divergence -

The SPEAKER: Order! I am having difficulty hearing the member for Floreat.

Mr MENSAROS: There has been a larger and larger divergence between the members of this Government, the Executive, and the ordinary members of the Parliament. I want to add something to what the member for Darling Range has said, because it is one of the most concerning observations I have made lately - that members of the Executive think that they are entirely different from other members of Parliament; the other members are somehow subservient.

Mr Pearce: That is absolute rubbish! Members of the Executive don't think that at all.

Mr MENSAROS: It is not rubbish; the Minister should listen to what I have to say. If we look at the correspondence and the questions, undoubtedly the Government exercises a derogatory relationship between Executive and non-Executive members of Parliament. Perhaps it has been too long in office. I have sat on the ministerial benches and I have had correspondence with other members of Parliament, and I am quite sure that on not one single occasion would I not have personally signed a letter in response to one of my parliamentary colleagues. The situation now is that many Ministers - not all of them - simply have a note sent by the Minister's office staff or secretary in response to a member's question. I put a question on the Notice Paper on the second or third day of this sitting - at the end of August. It was a simple question to the Minister for Police and Emergency Services asking why he had not answered my letter written to him on, I think, 16 January. That question has been postponed since 29 August. The Minister could not even tell me why the letter was not answered. He could not reply to me why he did not answer that letter for eight or nine months. I am sure that the Minister has not learnt that from Ken Townsing. Ken Townsing would have given him a better education. There was a letter from a colleague of his, an equivalent member of Parliament, except that the Minister has additional duties to those of a member of Parliament.

In questions without notice it is a matter of wits to seek information from a Minister. Most Ministers avoid giving information, but there are some exceptions. Questions without notice are becoming quite ridiculous. I am not saying that there should not be changes, because changes have occurred during the 20-odd years I have been here, but at least we should call a spade a spade. We should not call it "questions without notice". We should make provision in Standing Orders for five or 10 ministerial statements a day instead of reverting to these stupid Dorothy Dix questions. When I came into this Parliament, Dorothy Dixers did not exist. Occasionally an attempt was made, but I remember Speaker Guthrie disallowing a Dorothy Dix question on his own side of the House saying it was not genuinely seeking information. This attitude should be taken all the time. I know that I have touched on a nerve of the Minister's.

Several members interjected.

The SPEAKER: Order!

Mr MENSAROS: I want to mention another very important point concerning the answering of questions.

Several members interjected.

The SPEAKER: Order! Look: I must admit that perhaps I have been a bit tardy in that I have allowed a couple of Government members to interject, but the situation is now becoming intolerable. The member for Floreat is clearly endeavouring to ignore the interjections, but now the interjections are coming from both sides. The member for Floreat is talking a lot of sense and it would do us good to listen.

Mr MENSAROS: Thank you, Mr Speaker. I want to touch on a matter concerning the Parliament which is also included in a couple of questions in another place. It concerns the proclamation of Acts in this Parliament. I am not accusing anyone, but having a Bill passed by both Houses, and assented to by the representative of Her Majesty, is part and parcel of the manner in which legislation evolves. Then comes the administrative action - the proclamation of the Act. When one looks at an Act of Parliament, very often one detects that certain sections have not been proclaimed; sometimes the whole Act is not proclaimed, if the provision is that the Bill will come into operation at a date to be proclaimed.

The Attorney General should consider this. He gave an answer to my question but he did not undertake to do anything. Some sort of easily accessible list ought to be available to members of Parliament so that we can ascertain which pieces or parts of legislation passed in this Parliament have not been proclaimed. Members should not forget that this means is given to the Executive Government and this could be abused because it could operate against the will of this elected Legislature simply with the non-proclamation of an Act or parts of it. Firstly, the Legislature ought to know which parts of which Acts are not proclaimed and, secondly, the reasons for the non-proclamation. I say that with goodwill; I am not accusing the Government. Anyone who understands the importance of the Legislature would agree with me.

I wish to touch on another slightly different matter although relating to questions without notice and motions without notice. To my mind, it is quite pitiful that seldom does debate take place in this Parliament; one side states what it wants and the other side - instead of answering or explaining why the statement is not correct - diverts from the issue and talks about something entirely different, something which might catch the ears and the attention of the media. I wonder why the Premier, for instance, who undoubtedly has the skill to debate any matter, chooses to operate that way. How would the Premier feel if you, Mr Speaker, were a judge, observing for your judgment how one side or the other behaves in debate?

This goes to the ridiculous stand which has been picked up by the media; the Premier's not answering the accusations regarding his behaviour and the risks he took regarding taxpayers' money. The Premier said that is nothing because the previous Court Government risked \$7 billion of taxpayers' money in the North West Shelf project. That statement was printed in the media. It is the biggest nonsense one could ever hear. What the Premier meant to say was that really the whole value of the total amount of gas that we contracted to purchase through the SEC for 21 years would have had a value of about \$7 billion at the time of the contract. That means that despite the fact that Western Australia then had about 1.5 million potential consumers of gas, despite the fact Western Australia had four alumina refineries, despite the fact it had several known industrial users, the Premier calculates we took a risk because we could not have known that even a single cubic metre of gas would be purchased. Nothing could be more ridiculous than that statement, and it ought to be rectified. People ought to recognise what nonsense that is, quite apart from the fact that it was not an answer to the facts which our side has put to him. If that argument were accepted, I could say that the SEC risks each year a sum of \$1.5 billion, because that is approximately the cost of employing people to generate electricity, to buy capital plant, to maintain the equipment, depreciation and the rest of it. I could say that that means the Government has risked \$1.5 billion, because it could not be sure whether people would buy a single kilowatt of electricity. That is nonsense, yet the Premier's statement was taken up by the media as being factual.

Allow me to talk further about the project and to correct the misconceptions which we all have heard and to which I have listened patiently as I do not believe one can combat these things by way of interjection. We in Government put together a take or pay agreement; of course, that was absolutely necessary as a collateral for the bankers for the joint venturers who built the project. The Government was not to build the project; it was the major oil companies together with the small Australian company, Woodside. The bankers would not risk the money unless they were able to prove the availability of the market. Had we not signed an agreement there would not have been a project; that is clear. The Government has claimed that, because of this, it incurs tremendous losses. That is not true.

Let us consider the official statistics, which we have obtained from the SEC, in the presence of the Minister for Fuel and Energy, during a recent briefing with the SEC. The statistics show that in 1986-87 we were not able to purchase 25 per cent of the contracted gas; in 1987-88 it was only one-eighth which we were not able to purchase; in 1988-89 we cannot purchase one-thirtieth. That is a minuscule amount compared with what the Government talks about. Neither did we lose these quantities or the value of it because it was transferred to later years. Everything the SEC has lost - being the interest rate on these not taken quantities - represents comparatively small amounts. Was that too much at risk when we compare the other side? Were not thousands of jobs created? Do we not enjoy a buoyant economy, and the good name and reputation which Western Australia has acquired? All these things would not have been achieved if we had not contracted the take or pay agreement.

Compare that with the already budgeted realised risks involving credit societies, WA Government Holdings Ltd, and R & I Bank, which amount to \$350 million, plus the purchase price of the petrochemical project of \$175 million, plus the important pending litigation with Bond Corporation - where nobody knows what the Government could be up for - and consider just how the Premier's statement regarding undue risks stands

The Government has also claimed that it had to renegotiate the contract. If we had remained in Government we would not have had to renegotiate the contract because the result would have come to pass naturally; circumstances have changed and this would have been recognised, based on the negotiations in which I participated on nearly every occasion. That is nothing to boast about from the Government's point of view.

The Premier mentioned that in some cases the magnanimous gesture of the Commonwealth saved the State because the Commonwealth has forgone some royalties. Has the Commonwealth Government forgone the royalties because of its Labor Party mates in this Government? They have forgone royalties because of the people of Western Australia. If that is so - and nobody contradicts me - then whoever was in Government in Western Australia would have done the same thing. The Premier's accusations are absolutely inconceivable. They are debating tactics which do not even answer the argument. They are only a diversionary exercise to distract attention from the main problem which the Government and the State are confronted with. I hope that the media are intelligent enough to see through this and at least seek answers to these incorrect statements from the Premier which I have attempted to briefly summarise.

MR LEWIS (Applecross) [8.01 pm]: I am of the firm conviction that the Government has been deliberately understating its liabilities, contingent or otherwise, in the present and previous Budget papers, fully aware that losses will eventuate within that year. However, because of the odium of exposure by the Press as to those losses, they have been deliberately omitted from the Budget papers. The other reason the Government is deliberately hiding from the Parliament and public of Western Australia what are its real liabilities is to prevent the Opposition from scrutinising them and the losses that will eventuate, and have been proved to eventuate, in the final exposure of the Budget.

I would like to demonstrate exactly what has been happening. In 1987-88 there was no vote in the Budget for the WA Teachers Financial Society; yet the Budget papers of 1988-89 show that the Government expended \$18.79 million. In other words there was no estimate in place but in the following year \$18.79 million was actually spent. In 1988-89 the Budget papers showed a vote for WA Teachers Financial Society of \$25 million. In that year the Government actually spent \$110.4 million. They budgeted for \$25 million and spent \$110 million. Although the Budget papers should have shown \$110 million the amount was deliberately withheld from Parliament and the public and only a vote of \$25 million was approved. \$129.5 million went to the Teachers Credit Society and only \$25 000 400 was budgeted. In 1988-89 there was no vote for Rothwells. In 1989-90 the Government spent \$22.54 million.

Mr Hassell: The election is over.

Mr LEWIS: Of course the election is over. In other words, the Government deliberately excluded from the Budget papers an estimate of a contingent liability that would flow from the Rothwells' scenario. However, last year's Budget showed \$22.54 million being spent. The petrochemical deal is a very interesting one; in 1988-89 there was a nil vote. I suppose that is understandable notwithstanding that in June this Government was negotiating that deal. Negotiations were firmly in place to go ahead with this \$175 million worth of Government commitment. Yet the Budget papers showed nothing. The Budget papers we have this year show that \$38.5 million was spent last year. This was never budgeted for but just happens to arrive as spent last year on some item for which estimates were never worked out. In this year's Budget there is a vote of \$62.3 million and there is no shadow of doubt in my mind that that will all be spent. What we have seen is that in 1988-89 the vote for Rothwells was nil; the Government spent \$22.5 million; the petrochemical or WA Government Holdings deal was nil but the Government spent \$38.84 million. In 1988-89 the WA Teachers Financial Society vote was \$25 million; expenditure was \$110.4 million. In the 1988-89 Budget the estimated expenditure for those three items was \$25 million. The actual expenditure was \$171 million. The Government has deliberately left \$146 million out of last year's Budget Estimates.

In the 1989-90 Budget under the Minister for Budget Management there is a vote for WA Government Holdings of \$62.3 million; the admitted total expenditure therefore to date on last year's \$38 million. In this year's Budget \$101.14 million is already committed. That money is lost; there cannot be any denial about that. It is lost because it was paying for the day to day services such as staff, design and so on of the petrochemical deal which is now dead. We should think about the amount of \$101 million and what that money could have paid for. It represents about 1500 homes and about 35 new primary schools. That is what could have been purchased with the \$101 million that has been lost. That is the way we must look at what has been foregone by the public of Western Australia. Consolidated Revenue housing funds are down from \$64.65 million in 1988-89 to \$650 000.

Mr Parker: That is because of the different way in which the Commonwealth makes the funds available. There has been a substantial change in the way in which the Commonwealth makes the housing funds available.

Mr LEWIS: Has there?

Mr Parker: Yes, a very substantial change.

Mr LEWIS: Therefore, there is no money allocated from the Consolidated Revenue Fund for housing. Is that true?

Several members interjected.

Mr LEWIS: It is fraudulent in the extreme. I will refer to the fraud that the Government is perpetrating through its Budget papers during the debate on the Appropriation (General Loan and Capital Works Fund) Bill and to how much it proposes to spend on housing this financial year. It is a scam and the Treasurer knows it. He has admitted that \$64 million was allocated to housing last financial year, while this financial year only \$650 000 has been allocated to housing.

Mr Parker: I have not admitted anything. All I am saying is that there is a substantial difference in a number of areas in the Budget compared with last year and that is because of the way Commonwealth funds have been allocated.

Mr LEWIS: I know. I refer now to the known indebtedness to this State which does not rate a mention in the Budget papers. The Government has already spent \$101 million on the petrochemical project which has been lost forever. Let us look at the contingent liability which the public of Western Australia is facing: An amount of \$175 million of funds that the State Government Insurance Commission, or Corporation, has on-lent to WA Government Holdings Ltd which on-lent to Petrochemical Industries Ltd was the Government's equity in the project. Is that wrong?

Mr Parker: I am sorry, that is not right.

Mr LEWIS: An amount of \$175 million has been raised by the SGIC -

Mr Parker: Not by it, from it.

Mr LEWIS: All right, from it. The State has a debt to the SGIC of \$175 million.

Mr Parker: That is correct.

Mr LEWIS: It is also correct and well known that with the winding up of PIL, that money is lost; therefore, should there be within the Budget papers a contingent liability?

Mr Parker: Contingent liabilities are reported each year. You do not understand.

Mr LEWIS: I understand very well and the Treasurer's smart talk will not convince me differently. In the Budget, under the Attorney General, Minister for Budget Management, and Corrective Services, contingent liabilities are itemised under, "Other State Services" - for example, Rothwells Limited (Provisional Liquidators Appointed), WA Government Holdings Limited and the Housing Loan Guarantee Act. It is recognised that there are debts. What I am suggesting is that there has been a loss to this State of \$175 million and the Parliament should vote to repay the debt to the SGIC. An item for this has not been included in the Budget.

I refer now to the next item -

Mr Parker: Would you like to get facts instead of talking all this nonsense?

Mr LEWIS: I have all the facts.

Mr Parker: Do you know that in the Treasurer's -

The SPEAKER: Order! I suggest to the member on his feet that he not worry about the Treasurer.

Mr LEWIS: Mr Speaker, one cannot shut him up. His mouth works quicker than his mind and he gets himself into trouble.

I refer now to the vast sum of money this Government has deliberately left out of the Budget papers, an amount to the tune of approximately \$25 million. Let us extrapolate the \$175 million debt, borrowed at a conservative interest rate of 14 per cent - is that a reasonable rate?

Mr Parker: It was borrowed at the then current rate which was under 14 per cent.

Mr LEWIS: It is about 14 per cent; the amount would be 14 per cent of \$175 million.

Mr Parker: It is in the Budget.

Mr LEWIS: Is it included in the \$68 million?

Mr Parker: Yes.

Mr LEWIS: How will the Government pay for the hundreds of millions of dollars it has already spent on staff, engineering works and the other things that go with it?

To continue with my shopping list of debts which should be included in the Budget papers, I suggest there is a real liability, over 12 months, of \$24.5 million to service the \$175 million debt. Let us consider the guarantees to Clough Engineering and JGC Corporation of Japan. I have no specific detail about the total amount, but I have a pretty good understanding that it could be in the vicinity of \$20 million.

Mr Pearce: You do not know, but you think?

Mr LEWIS: The Opposition hears things around the traps. The Treasurer has not told us the amount, but I think \$20 million would be quite a conservative figure. It is a contingent loss.

Mr Parker: You are wrong.

Mr LEWIS: There is no mention of it in the Budget papers.

Mr Parker: It is one big Budget and there are eight or 10 sections, one of which is the Treasurer's financial statement.

Mr LEWIS: Where does it show up in the balance of \$4.8 billion?

Mr Parker: They are not there, they are in the Treasurer's financial statement.

Mr LEWIS: About \$20 million is involved in relation to guarantees to Clough and JGC and the Government does not worry about it!

I refer now to Bond Corporation which invested \$225 million in the petrochemical project. This Government pulled the rug from under it. Bond Corporation had the deal in place, with all the guarantees required and no responsibility for funds, and they were dudded by this Government. I suggest there is a very grave risk of this State facing a huge damages claim because the Government dudded Bond Corporation in this disastrous and failed petrochemical deal. We may consider \$112 million, half of the \$225 million, as a contingent liability; there is a real chance of Bond Corporation getting it.

Mr Parker: None whatsoever.

Mr LEWIS: I look forward to coming into this place next year and quoting what the Treasurer - the little smarty - has said.

If I add \$112 million to the shopping list a conservative \$332 million which is directly related to the Petrochemical Industries Co Ltd deal, or the Petrochemical Industries Ltd deal, or the petrochemical deal, whatever one wants to call it, should be included in the Budget. There is a real chance that these moneys will be required at the end of this financial year.

If we add the \$332 million which I have identified to the \$100 million that is identified in this Budget, we are looking at about \$430 million that this State stands to lose.

Mr Parker: What absolute nonsense you are talking.

Mr LEWIS: I am not talking nonsense at all. If we look at the other possibilities, including the shares which SGIC holds in Bell Group with the so-called guarantees or indemnities from Bond Corporation, it would probably total in the vicinity of an additional tens of millions of dollars.

The disastrous investment by the State Government Insurance Commission in Spedleys has resulted in people saying that the Government is looking down the barrel of a \$12 million or \$15 million loss. One does not have to be any sort of Einstein to work out that about \$500 million could be lost if everything goes wrong. Guess what we have in the Budget for that - \$62 million.

Mr Parker: That is absolute nonsense.

Mr LEWIS: It is, I should have said \$62.3 million. That is all that is allowed for that in the Budget, yet we have the chance of losing \$500 million. Let us look at roughly how many houses could be built with that money. Let us say that the Government has lost \$450 million in the past 12 months; that amount would build 6 500 houses or about 142 primary schools. I could go on and on. So, the great deception continues! The Government has not budgeted adequately or included estimates in its Budget for the real losses that will occur until the end of this financial year.

Mr Shave: They are putting three transportables at Bateman Primary School.

Mr LEWIS: That is correct; the Government will not build the Winthrop Primary School because it does not have the money. We have a Budget which allows only \$650 000 for housing. Last year the amount was \$64 million, yet this Government has not allowed for over \$400 million in real losses which will eventuate. Let us be conservative; if half of that loss - \$200 million - eventuates that represents about four and a half per cent of total Budget expenditure. The unfortunate thing is that the public cannot understand the amounts of money that this Government rolls off its tongue, or the moneys that have been lost. We have to get back to simple terms and talk about 6 500 homes or 140 schools which could have been built but which will never be built because those moneys are lost, or will be lost, and do not show up in the Budget papers.

I now turn to the Housing Loan Guarantee Act. An item appears in the Budget papers showing an estimated \$100 000 contingency for possible losses. I have absolutely no argument with that; in fact, the vote last year was also \$100 000. For the benefit of the Parliament, this allows the guaranteeing of up to 95 per cent of borrowings from terminating building societies. Actual losses shown in the Budget papers last year amounted to \$16 000, which was very creditable. In fact, the performance of the terminating building societies since the Housing Loan Guarantee Act was first put in place in 1957 has been outstanding. During those 32 years, terminating building societies lent \$138.7 million, and as at December 1986 total losses under the guarantee scheme were only \$34 900, quite a remarkable performance. I think the societies should be commended on their performance under the provisions of that Act which put the guarantees in place.

What is happening suddenly? A letter was sent by the Minister for Housing to the terminating building societies informing them that the Government wanted to review the contingent liabilities of the societies. What chance is there of the societies losing money in the future? What has happened, of course, is that a review of the Housing Loan Guarantee Act is now taking place. A specific term of reference has been put in place by this Government to look into the operations of the terminating building societies and how the guarantee Act impacts on the Government. The terms of reference state that the State Government has become increasingly concerned about the level of its contingent liability.

Did members hear that? The Government has lost only \$39 000 in 32 years -

Mr Parker: That is not our contingent liability.

Mr LEWIS: We are looking at a \$400 million loss on Petrochemical Industries Co Ltd, which the Treasurer does not care about, yet this Government has written to the terminating building societies, which have lost \$39 000 in 32 years, saying that the State Government has become increasingly concerned about the level of its contingent liability across the whole of Government, that it is concerned to minimise the level of contingent liability so that the

State's credit rating is not adversely affected thereby maximising the State's borrowing capacity at low interest rate costs and that therefore the Government is systematically going through all departments to assess contingent liabilities against the benefits gained by incurring that liability.

It is very creditable that a contingent sum of \$100 000 for possible losses by the guarantee scheme appears in the Budget papers; however, these horrific losses bearing down on this State in relation to the PICL deal do not rate a mention. The second term of reference seeks to assess the impact of the Act - that is, the guarantee Act -

- on the State's contingent liability and says that, the Government has an inquiry or review of the terminating societies in place relating to how the guarantee Act operates with those building societies.

Mr Parker: The contingent liability is not the \$100 000.

Mrs Beggs: He doesn't want an answer.

Mr LEWIS: I do not want to listen to the babble of the Minister for Housing. They are the facts that appear in the Budget papers and the documents I have relating to the terms of reference. The Government is currently going through the terminating building societies and giving them a hard time because it thinks there might be some sort of risk when there is absolutely no risk. The Government seems to forget the huge risk it took with the PICL deal.

I turn now to the contingent liability and the Keystart scheme, which is an interesting one. The Keystart scheme kicked off on 23 December with the Premier saying that it was a great scheme all the money for which would be coming from private sources. There will be no guarantees by the Government; is that right, Mr Treasurer?

Mr Parker: It is certainly the case that all the money is coming from private sources, and it is also the case that a Government guarantee has not been required.

Mr LEWIS: Did the Premier say no guarantees or public funds will be used?

Mr Parker: I do not know what the Premier said, but it is true that no public funds are used, and it is also true that a Government guarantee has not been called for.

Mr LEWIS: All the money is to come from the private sector?

Mr Parker: That's right.

Mr LEWIS: And the scheme will work very well?

Mr Parker: That's right.

Mr LEWIS: The whole scheme works on the basis of a property value inflated at five per cent or thereabouts on 15 per cent interest over a period of 30 years. That is fundamental to the scheme working. In other words for 30 years the property value of real estate has to inflate on average every year by five per cent, otherwise the scheme cannot work. In other words this Government is banking on the fact that the economy of Australia will inflate by at least five per cent per annum for 25 or 30 years.

Mr Parker: That is not right.

Mr LEWIS: If that happens, this country is doomed to fail.

Mr Parker: That is the experience of the last 30 years.

Mr LEWIS: It is not. Let me give members an example of how Keystart works. It works on a five per cent inflation factor, and it is funded on inflation.

Mr Parker: No, it is not.

Mr LEWIS: It is.

Mr Pearce: It is no good asking him if you are not going to believe him.

Mr LEWIS: That is what it is. It guarantees long term tenants the opportunity to purchase at the end of the day, because they have no equity for 20 years.

Mr Parker: That depends entirely on your wage experience, interest rates, and on the level of business.

Mr LEWIS: It should be called the guarantee rental purchase scheme, because that is what it

is. Actuaries have given me numerous printouts of various scenarios. I shall explain to the Parliament, very roughly -

Mr Carr: It will be roughly.

Mr LEWIS: It is reasonably precise. The shortfall per quarter of the Keystart scheme, or the indebtedness of Keystart participants, is increasing by around \$1 050 per quarter. At the end of the year, a Keystart participant has not serviced his loan indebtedness by \$4 880. In other words, he is \$4 880 more in debt after 12 months than he was on the day he took out the loan.

Mr Parker: Almost every mortgagor is in that position.

Mr LEWIS: He is not. This is a scheme which is not positive at all. It is not positive until about the 20th year. I shall give members an example: After the 10th year of this scheme, although the participant's interest bill has gone up in the first year from \$3 200 to \$5 200, and his payment has gone from \$1 900 to \$3 700, his shortfall per quarter has gone from \$1 300 to \$1 500. The amount of money he owes after 10 years is \$136 000. The assumptions are that on an \$80 000 loan, with an income of \$550 a week, an interest rate of 15 per cent - which the scheme is now above - at a positive rate of \$4 200 and property inflation rate of four per cent - I have a 6.5 per cent here as well -

Mr Parker: What about wage increases? What assumptions have you made about wages?

Mr LEWIS: Wages have been falling in real terms. The Treasurer should know that.

Mr Parker: No, actual wage increases.

Mr LEWIS: Wages have been falling, and the Treasurer knows it.

Mr Parker: So what? It will not continue at \$550. You are dishonest.

Mr LEWIS: I am not dishonest.

Several members interjected.

The SPEAKER: Order! I want to indicate the difficulty I am having. I want to protect the member on his feet, but every time I decide that the time is right to call for order, the member answers the interjectors. It makes things very difficult. If the member ignores interjections for long enough I shall make sure he is protected. If he wants to feed off the interjections, that is fine, but I shall not be able to stop them.

Mr LEWIS: Thank you, Mr Speaker. I shall ignore the babblings of the Treasurer. The fact is that after 10 years a person who borrowed \$80 000 will owe \$136 000.

Mr Parker: You have not escalated the wages at all.

Mr LEWIS: His debt will have increased by \$56 000 after 10 years, and the Treasurer tells me it is a positive scheme! What is wrong with Keystart is that it is really a rental scheme with the right for the participant to buy after 25 years because it is founded on the participant's wage increasing by the inflation rate of five per cent over that period.

Mr Parker: You haven't included that.

Mr LEWIS: That is the truth. I have sheets and sheets here. That is how it is funded. It is another deception by this Government on the participants who do not understand that they are being taken. What I am coming to is the huge contingent liability this Keystart scheme has placed on the State of Western Australia. It started with no guarantees, no letters of comfort, no undertakings by the Government that the scheme would be guaranteed. I have asked four or five questions. The Minister described the program. She said, "I have always said the Keystart Loan Scheme would raise funds from the private sector and there has so far been no need to underwrite or guarantee any associated risks or contingent liability." This was the question the other day: "Have any State Government guarantees, comfort agreements or any other form of surety been given or issued by the Government agency to the financiers, scheme managers or any other persons, companies or entities to do with the Keystart home loan scheme?" The answer was, "Yes. On 30 June Homeswest agreed to indemnify the National Mortgage Market Corporation in respect of a \$50 million allocation." There were to be no guarantees.

Mr Parker: Who said that?

Mr LEWIS: The Premier, the Minister. There were to be no guarantees. Does the

contingency to that show up in the Budget papers? We have a contingency for \$100 000 for the Housing Loan Guarantee Fund. The Government has lost only \$37 000 in 32 years, and here we have a \$50 million guarantee, and there is no mention.

Mr Parker: Do you know what the contingent liability of a terminating building society is?

Mr LEWIS: In the short time I have left I want to explain to the House the contingent liability of Keystart as of now. Let us look at the person who bought his first home in February or March for \$84 500.

He went to Keystart and borrowed \$80 000; he has invested an amount of \$84 000 to \$85 000. Since that time, the market has retracted 10 per cent - so much for the five per cent inflation factor that Keystart would work on. So we already have an \$8 000 loss on the \$85 000 home. Secondly, after 12 months we see a shortfall from those actuary figures of \$4 888 at the 15 per cent interest rate - and Keystart is above that now.

If there was a dissolution of the marriage or the people decided to walk away from the situation - they have had enough and want to surrender the Keystart loan - a two per cent penalty is incurred. That is two per cent of \$85 000, which amounts to \$1 600. Then, of course, a real estate agent would have to sell the property; his fee, in round figures, on an \$85 000 property is \$2 500, conservatively speaking.

So in those 12 months a person who has decided to surrender his Keystart loan will need to find \$16 988. That person has paid a deposit of \$4 500, so we discount that, and we find the State has a liability because it has guaranteed the \$12 800 to the financier. At the moment every Keystart loan has a contingent liability of \$13 000.

We do not know whether marriages will be dissolved or whether people will walk away from the situation but if people decided to walk away they would have to find \$13 000. These people do not have that sort of money, so the financier does not sue them because people without money are not sued. The financier knocks on the Government's door and says, "You have guaranteed the scheme; please pay us the \$13 000 which we have just lost."

The other day the Minister told us in answer to a question that there were 1 746 Keystart loans as at 31 August. As the average loan is \$71 000, that represents \$124 million going into Keystart in six months. And yet in terminating building societies we have had only \$127 million over 32 years, with losses of \$37 000.

Turning to contingent liabilities of Keystart, if every loan fell over - although I know they will not - in a technical sense the possibility is that the State could lose around \$21.8 million.

Mr Parker interjected.

Mr LEWIS: Is the Treasurer telling me that there will not be any dissolutions of marriage and that no loans will fall over?

Mr Parker: The overall scheme will be profitable.

Mr LEWIS: I have not the time to argue. The point I am trying to make is that this Government used creative accountancy in this Budget. When it suits the Government it puts things in for the public to see, but when it suits the Government it also forgets to put things in. Will the Treasurer state that the Government guarantee for the Keystart scheme represents \$50 million? No public statement has been made.

Mr Parker: The Minister for Housing gave you that answer.

Mr LEWIS: No public statement has been made as to guarantees by this Government of \$50 million to underwrite the Keystart scheme.

Mrs Beggs: I gave you that answer.

Mr LEWIS: I had to drag it out of the Minister.

Mrs Beggs: It was put on the Notice Paper and I answered the same day.

Mr LEWIS: The fact is that the Government said it will not put any public money to use. In the Budget, under capital works, a figure of \$30 million appears at 30 June which was put into the Keystart scheme.

Mr Parker: And returned.

Mr LEWIS: Whose money is it?

Mrs Beggs: It is invested by Homeswest.

Mr Parker: Public money has not been invested in the Keystart home purchase scheme.

Mr LEWIS: Why is it in the Budget?

Mr Parker: Because it is interim finance to provide National Finance with funds until required; it is being returned.

Mr LEWIS: I rest my case. The Government has put the taxpayers' money at risk by understating the contingent losses.

MR WATT (Albany) [8.46 pm]: I want to use this opportunity to speak -

Several members interjected.

Mr WATT: If people cannot speak the truth, I do not have any time for them.

The SPEAKER: Order! The interjections are not appropriate. The member has not uttered his first sentence.

Mr WATT: I want to use the opportunity in this Budget debate to seek the assistance of either the Minister for Justice or the Premier, or whoever is prepared to offer assistance, on behalf of a group of people who find themselves in the community of Albany through circumstances beyond their control. These people are known as the *Orionia* community, so named because of the sailing vessel they owned and were sailing from Israel via Christmas Island en route to Vanuatu. They arrived in Albany on 22 January 1986 on board the vessel; they stopped at the port of Albany for repairs after experiencing some trouble with the ship.

While visiting Christmas Island they had been issued with temporary entry permits which were valid until 1 February 1986. Customs and Immigration procedures having been complied with, the community members were allowed to leave the vessel at will. Between 23 and 28 January, two of the leaders of that community - Mr Arthur Hempel and Mr Laurence Etheredge - were arrested on warrants issued pursuant to the Extradition (Foreign States) Act 1966, on behalf of the Government of Israel, having been charged with theft of a vessel. The circumstances were that the people owned the vessel in Israel and had entered into a contractual arrangement which was disputed. As a result the vessel was seized by the Australian Federal Police, and the 11 other community members were ordered to leave the vessel and find accommodation in Albany. The personal possessions of the crew were taken from them and the local Customs people arranged for them to be held in bond in a store in Albany.

On 30 June 1986, application was made by the community for extensions of their temporary permits. They complied with all the necessary requirements for an extension. However, on 10 February, Mr Hempel and Mr Etheredge were released on bail pending extradition proceedings. Again on 21 February - it was a Saturday - their ship, the *Orionia*, was given to Israeli private citizens without any opportunity being given to the community to establish its ownership or its right to possession of the vessel and without any access to the due processes of law. Personal possessions of the community members were to be turned over as well, and only because of a last minute effort by local people were they able to get their personal possessions off the ship. Those possessions were to have been removed without their knowledge.

On 24 February, local Department of Immigration officers from Perth gave written permission to the community to remain while a decision was awaited on whether they were to be granted further temporary entry permits. On 31 March, at their request, they met with an immigration officer in Perth to discuss the changing of their status due to changes in their circumstances since their arrival. It needs to be restated that they were on their way to Vanuatu, that they had no intention of staying in Australia, and that they had no reason to want to stay in Albany. They had no family or other connections there and no interest in Albany at all. However, they were given residency forms and directed to complete them and to return them to the department. The next day, a letter from the Department of Immigration advised them that their request for an extension of temporary entry permit was denied on the grounds that their request for temporary residency was "Not consistent with the actions of genuine visitors." It also stated that they were therefore "Prohibited Non-citizens", and

given 14 days to leave the country. On the advice of the local Federal member at that time, Mr Peter Drummond, the community put out a petition in Albany seeking support for their remaining in Australia as permanent residents. It is fair to say that, at this time, their case had attracted a fair amount of publicity and more than 2 000 signatures were obtained in a short time. That indicates the level of local support for that community at that time.

Written representations were made by the community's solicitor to the Minister for Immigration asking him to halt the deportation. On the advice of the Bishop of Perth, they made application for refugee status. They heard through political channels that they "would not be asked to leave". On 11 April 1986, they were advised that their refugee status application had been denied. Immediately they asked for an appeal. Three days later, they made written application to the Department of Immigration for permission to work to avoid having to apply for social security benefits, but they received no reply - I do not think they ever received a reply. On 17 April, the community filed applications for permanent residency on compassionate and humane grounds. A week later, after political pressure, the Attorney General's office agreed to examine their evidence of ownership of the *SV Orion*, their sailing ship. Their claim was recognised. However, the decision was made in Canberra to proceed with the extradition of Mr Hempel and Mr Etheredge to Israel because they would not be allowed to present their evidence in court. On 9 May a second written application was made for permission to work and they received no answer. Forced by their circumstances, they decided to apply for social security benefits and, until recently, five of the 13 were receiving a special benefit. It averaged out at about \$35 a week a person. On 1 August 1986, at the close of the extradition proceedings, Mr Hempel and Mr Etheredge were remanded in custody to await extradition. They were placed in the Canning Vale remand centre. The following month the Minister for Immigration confirmed by letter that they were allowed to stay until he had made a decision on their case. He further stated that a departmental letter asking them to leave the country had been sent in error.

From August 1986 to March 1988 - about 22 months - Mr Hempel and Mr Etheredge remained in custody. All attempts to secure bail for them were denied, and proceedings undertaken in the Federal and High Courts to halt their extradition were to no avail. An application for a writ of habeas corpus was suspended indefinitely. The community tried every legal process it could to establish its right to the vessel and to be released from prison where its members were being held without having had any hearing or being given any opportunity of establishing their rights in this matter. No action was taken by the Department of Immigration in respect of the application for status and permission to work. On 30 March 1988, a letter was received from the Department of Immigration requesting any further submissions to the issue which they might like to provide. In addition to material provided by the community, it also provided more than 100 personal letters from supporters in the Albany community.

As I said previously, on 8 April 1988 Mr Hempel and Mr Etheredge were extradited to Israel after having spent 22 months imprisoned in Australia without any charges against them being proved. On 15 May, five weeks later, Mr Hempel and Mr Etheredge were released on bail in Israel. Their first court appearance was set for April 1989. On 6 April, through an administrative procedure in Israel, the theft charges against Mr Hempel and Mr Etheredge were dropped and the court released them from bond. Later that month, they applied in Israel for visas to return to Australia, but the Australian embassy refused to grant them visas. From April to June 1989, the community tried everything it could think of. It approached local members of both State and Federal Parliaments, from all sides of politics including the Australian Democrats, and made media contacts. It did everything it could possibly do to try to convince the Minister for Immigration to grant the members visas to return to Australia. On 15 May 1989, the apostolic Delegate in Jerusalem formally asked the Australian Ambassador to Tel Aviv to issue visas. On 26 May, the Minister issued a Press release in which he gave an undertaking to issue temporary entry visas to the men. A request for permanent residency has not been resolved.

Eventually on 12 June they arrived back in Australia. On returning to Australia they renewed their efforts to secure permanent residency status. While in Israel the Minister for Immigration said he had been told by Lionel Bowen, the Attorney-General, that Hempel and Etheredge should not be allowed to return to Australia because if they were, they would be eligible for legal aid and would then sue him. Etheredge and Hempel were under Vatican

supervision in Israel and one of the Vatican officials made personal representations to the Australian Ambassador. That is how they got approval to return to Australia.

On 10 July they appealed to the Papal Nuncio in Canberra who made personal representations on their behalf to the Minister for Foreign Affairs and Trade to approve their permanent residency. That approach by the Papal Nuncio was supported by a petition from more than 400 parishioners of St Joseph's church in Albany. Those people had supported the community strongly throughout the entire time by providing them with accommodation and assisting in many other ways. The petition was accompanied by letters from the parish council, the parish priest, and the diocesan bishop.

On 25 August Senator Beahan visited Albany and the community and described himself as a messenger. He said he had a message from the Minister for Immigration. It was interesting to note that he offered them temporary residency status for two years. According to the community, that offer included the proviso that if they kept their noses clean the matter would be reviewed and they would possibly be granted permanent residency at the end of the two years. Their lawyer was present during the interview and he asked Senator Beahan what was meant by keeping their noses clean. Senator Beahan replied that the Minister wanted the additional two year probationary period imposed because the group had some detractors in Albany. Also they had been chastised for making critical comments on the television program "The 7.30 Report", which had not helped their case and had made his efforts on their behalf more difficult. Senator Beahan told them that none of the representations made by other parties had been of any help in securing the offer for them. The offer also contained a right to work but did not include a right to benefit of any kind, notwithstanding that they had been receiving special benefits to that date. A television reporter was present during the interview and asked what would happen if they did not accept the offer. Senator Beahan is reported to have said - and I accept that report - that they would probably be deported.

A summary of this situation is that the ship was stolen from them. It was the very crime of which they were accused but in the end they were the victims of that crime. They found themselves in a catch-22 situation; they were on two years' probation and if in that time they sued for compensation it could result in their not being granted permanent residency. I would say that was odds on. However, if they did not sue during the two year period, I understand that the opportunity of claiming would pass because of the Statute of Limitations. They have been given legal advice that their claim would have to be lodged within six years. The group has borrowed substantially from a local bank to finance the costs to meet the legal expenses associated with their case, and that loan has been guaranteed by a number of local residents. They have been making payments on that loan from the social security benefits they received. The whole thing has been a humiliating experience for the group, who arrived through no fault of their own and were not permitted to leave. They have survived on charity, and have been strongly supported by the local community. That has been demonstrated by the letters, petitions, and signatures of those who supported their case. They have relied on second-hand clothes and the whole episode has been a most undignified and unfortunate experience. I call on both the Minister for Justice, the Premier and the Government of Western Australia to intervene to try to help these people. Their lawyer wrote to the Minister for Immigration on 4 September asking that they be granted the right to receive benefits. The reply stated that they were not entitled to any benefits. They said they wanted to work and they were given that opportunity. However, it is not easy to find sufficient work overnight to support a group of 11 people. The final paragraph of the reply from the Minister for Immigration to the group's solicitor states that it is now considered that the people from the *SV Orionia* have had ample time to consider the Minister's offer which in all the circumstances is a generous one. A response is requested within 14 days from the time of the letter. That letter is undated, but it carries a fax date of 11 September. That means the 14 days expired yesterday, on 25 September. Time is of the essence. I hope that the Government will be able to do something to assist that group of people as a matter of urgency. I am sure members will agree that they did nothing to contribute to their difficult situation and they do not deserve the treatment they have received.

I turn now to discuss some of the situations which arise from the Budget. I shall first make a few general observations and then talk about some of the issues which directly affect my electorate. Firstly, the Government's claim that this is a family budget is a sham. Apart from the offer of \$20 reduction on car licences from 1 January next year, there is little else

new in the Budget that could be described as a real and lasting benefit to families. Frankly, to say that holding increases to the inflation rate is in any way a plus is a joke. Everything is entitled to increase at the rate of inflation, no-one would argue with that, but to boast of it as a plus is not acceptable. I will not be completely negative; I applaud some features of the Budget and compliment the Government on them. One such feature is the increase of \$23 million for the home and community care program. This is one program probably supported by all sides of politics, and has proved to be a considerable benefit to many people less fortunate than others, particularly those who wish to remain in their own homes. Some recent funds made available to the Silver Chain in Albany as part of this program have been gratefully received and will provide a much needed service for some of those people. Whether or not it is enough is another matter.

It is also pleasing to me that there has been an increase of 19.8 per cent for housing. The housing program for the year in my own electorate of Albany has for once been very good. We have a real housing problem in Albany, and the Government has for once recognised that there is a special need in that area. It is particularly good to see that six units will be built for people who are on pensions but below what we would normally think of as the pensionable age. There has in the past been no accommodation available for those people, who are usually on invalid pensions for one reason or another. They are clearly in a position where they cannot afford to buy their own home, or meet the private rental market. There is in any event a very limited private rental market in the town.

The Premier was in Albany recently, and he addressed a public meeting arranged by the Chamber of Commerce. He told the assembled group just how well the Government had managed the economy, and he compared the involvement of the Western Australian Government in the rescue and the losses sustained by the Teachers Credit Society, the Swan Building Society and Rothwells with the savings and loan funds in the United States. He tried to somehow justify the situation in Western Australia by making this comparison and saying that the situation in Western Australia was not anywhere near as bad as that in the United States. I could not care less about what happens in the United States with its savings and loan funds; I do care very much about what happens in Western Australia. The Premier tried to dismiss the whole matter in a very casual, almost cavalier, way by saying everything is in order, it has cost the State only about \$50 million to put it right, and it has not affected the Budget. That is a nonsense - to use a word which the Premier likes to use - because the Treasurer said in the Budget debate last year that the Government had to meet unbudgeted expenditures of \$151.5 million for TCS, Swan Building Society, Rothwells and Petrochemical Industries Co Ltd. The Treasurer said also in the Budget debate that a further \$62.3 million had been budgeted to meet funding obligations for PIL. We would need to have a very fertile imagination indeed to believe that those sorts of expenditures could be made without affecting in any way the opportunity to provide funds for many much needed facilities in this State. Families and small businesses will suffer from the 75 per cent increase in FID charges, the increases in payroll tax, the additional stamp duty payable on home mortgages over the \$35 000 level - which has increased from 25¢ to 40¢ per \$100 - and the many other areas where increases will impact on them. Small business are in many cases run by families.

I turn now to the freight rate increases for transporting bales of wool from the Albany Wool Stores to Fremantle. The rates concerned have increased by 25 per cent and 37 per cent respectively. I have written to the Minister for Regional Development about this matter. The Albany Wool Stores is an extremely important regional industry, and we would not like to lose it or see it go backwards because of unfavourable freight rates.

I was pleased to see that funds have been set aside for the police licensing centre in Albany. This project has been screaming out for attention. The previous location of the centre has been absolutely inadequate, so this funding allocation will be particularly welcome. I notice from an answer to a question that the Minister has said the work is scheduled for completion in February 1990.

Funds have also been provided for the redevelopment of the Albany foreshore. A total of \$5.4 million is to be provided over the next two years, including \$1.37 million this year. While that is a long term project, we certainly welcome the commitment of the Government to this matter, which is shared by the Opposition parties, and I am sure it will in the fullness of time be a showplace for Albany.

Funds were recently approved for the construction of a groyne at Emu Point. Only time will tell whether this will be the answer to the erosion problems which have been occurring. The experts say it will be; and I am not in a position to argue with them. I am disappointed that it has taken so long to get to the point of actually spending the money and carrying out the work, because the local authority and the residents of the area have been screaming for something to be done. So while this Government has fiddled while Rome has been burning, at least a couple of houses have had to be demolished because they would otherwise have been washed into the sea.

The people of Albany were very disappointed that stage three of the redevelopment of the Albany Regional Hospital is still not to be funded. The Minister for Health said in answer to a question that stage three had been included in the draft three year Capital Works Program, and was not scheduled for funding support in 1989-90. He said the funding would be considered in the 1990-91 Budget process. So there is still no commitment; he said only that it will be considered. Promises were made in May 1988 that this funding would be provided in the Budget. The Premier was in Albany a couple of week before the State election, and he inspected the hospital and made a commitment that the funding would be provided. We could not have expected it to be in last year's Budget, but we certainly could expect it to be in this year's Budget; however, nothing has been allocated.

No funds have been allocated in the Budget for the construction of a health centre. People involved in that area are working under the most difficult conditions, being located in an old shop front premises in Albany. A significant number of people are working there, and they have no privacy and no facilities. At the same time, just about every other major centre in the State has had new facilities built for it. Promises were made some years ago that Albany would be next, yet no funds have been allocated to this important requirement.

The Premier made a commitment on 23 January that the Waterways Commission would establish a presence in Albany. It is a great disappointment that no funds have been allocated. The Premier said in a Press release announcing Budget commitment to waterways initiatives that \$2.6 million would be spent on estuarine management, including the Peel-Harvey Inlet, Albany Harbour, Wilson Inlet, Vasse-Wonnerup Inlet and the Leschenault Inlet. That sounds fine, until we do a breakdown of just where the money will go. We find that the Peel-Harvey Inlet will get \$2 800 000, Albany Harbour will get \$95 000, Wilson Inlet will get \$10 000, the Vasse-Wonnerup Inlet will get \$15 000, and the Leschenault Inlet will get \$475 000. So out of \$2.6 million Albany, including Albany Harbour and Wilson Inlet, receives just on \$100 000. That is just not good enough. While I have communicated with the Minister for Waterways to try to get something done about this, and while he has been writing letters explaining the situation, it is just not acceptable to the people of Albany. They deserve, and on their behalf I demand, better.

There are a number of other areas where funding has been denied.

The DEPUTY SPEAKER: Order! Just in case the member for Albany is worried about the time, he has 11 minutes left. The clock is still playing up.

Mr Pearce: That gives you 10 minutes to tell us about whaling - 10 minutes that you did not expect to have.

Mr WATT: At least I am not always wailing, like the Leader of the House.

The Albany post-release program for prisoners was established a year or so ago to enable prisoners about to be released and recently released to be provided with assistance to assimilate into the community. It was being run by Kim Crabb, a young man for whom I have considerable respect. He is, by his own admission - and he makes no secret of the fact - a former prisoner, so he was in an ideal position to know and understand the problems relating to prison release. He and the group of helpers who had been supporting him had done an outstanding job, yet the funding for that program - which was not very much, although I cannot remember the precise figure they were asking for - has been completely withdrawn and that program is to cease. I find that a great shame, and when we consider the sorts of losses that I talked about earlier in my speech - losses due to excursions into rescues of failed financial ventures and so on - it is particularly galling that the few thousand dollars needed for a very positive community program of this type cannot be funded because the Government has wasted so much of its money.

Another area of concern I want to mention is the presence of the Building Management Authority in Albany. In May of this year, I think, I was alerted to the fact that a report was circulated to quite a lot of Government departments, not just the BMA, indicating a proposal to restructure the BMA, particularly affecting country areas. The people who alerted me to this made it very clear that it was due to be implemented. In fact, I was made aware that some of the local officers in Albany had already been told the dates on which they were to be relocated from Albany. Upon being alerted to this I wrote immediately to the Minister. Incidentally, I was criticised because I wrote to the wrong Minister but I think that is a very insignificant thing. In fact, when I rang one of the officers in the BMA to confirm that the proposed restructuring was fact and not fiction, I asked who the Minister was, given that it was following a reasonably recent Cabinet reshuffle, and it was the BMA who told me the wrong Minister. So I was not the only one who was not aware of which Minister was responsible; however, that is quite incidental.

They proposed to restructure the country areas by establishing branches in Geraldton, Bunbury, Kalgoorlie, Northam, Karratha and Port Hedland and for this to be achieved in part by removing two of the three supervisors from Albany and relocating them to Northam. They have attempted to justify that by saying in part that the Albany based mechanical and electrical supervisors have to travel to Esperance, which is 478 kilometres away, Norseman, which is 685 kilometres away, and as far as Eucla, which is 1 410 kilometres away. In its simplicity that sounds fine, but in fact it is a nonsense argument because the supervisors go to Eucla only once a year and usually fly there by aircraft in any event. The whole premise upon which they have based this restructuring as it affects Albany is grossly misleading in many areas. I was also particularly annoyed about being criticised by the Minister for doing what I believe was doing my job properly and responsibly, and that was to write to her and also issue a Press release on the subject. I would borrow money and bet, although I am not a gambling man, that if I had not done that, if the Mayor of the town had not done that and if other people who were concerned about it had not also bought into the argument, it would have been a *fait accompli* by now. So I do not accept the criticism of the Minister as in any way valid.

I also want to raise the concerns of the community about the local bus service. We have a privately run bus service in Albany, Love's Bus Service. The bus service has been privately run in Albany for a long time, but it is very poorly patronised indeed. In fact, recently the company decided to discontinue one of its afternoon schedules in the Spencer Park area because not infrequently there were one or two or sometimes even no passengers on that service. I suppose the odd person who used that afternoon service was bound to be disappointed by that decision, but the fact is that the company has a commercial operation to run and in the absence of passengers that becomes very difficult. I should add that the same company has a contract for a considerable number of school bus services and they subsidise the town bus service.

Members should compare the bus service in Albany, which has a privately run company battling to make ends meet, with Bunbury, where the Government has provided a very expensive bus service which would obviously run at a very substantial loss. They also have recently restructured the Kalgoorlie bus service and I would be surprised if it did not also run at a loss. In Geraldton the local bus service receives a subsidy from the Government.

Mr Carr: A small subsidy, I might say.

Mr WATT: Nevertheless, it receives a subsidy. The last I heard, it was in the order of \$70 000 a year.

Mr Carr: It is not that much. It is probably about half that, plus the concession for pensioner passengers and so on.

Mr WATT: I did not quote the figure because I was not sure of its accuracy. However, whatever the subsidy, it is a fact that the Geraldton service receives one and the Albany service does not. The company in Albany approached the Government for a subsidy and was knocked back. I want the Government to reconsider granting a subsidy for the Albany bus service. This matter has also been taken up by the Great Southern Development Authority, which I welcome. It can use its resources in researching this matter and making a submission to the Government, and I hope the Government will respond favourably to it.

I could go on and talk about a number of other issues, including the schools of the area. I simply want to mention the Mt Lockyer Primary School. It has a number of concerns which need attention. It has made submissions to the local district superintendent of education, but the trouble is that minor works maintenance in the schools is now being decided on a priority basis.

The formula is that priority number one is for jobs that concern health, security or safety; priority two is for jobs that affect the classroom environment; priority three is for jobs that affect the administrative environment; priority four is for jobs concerning school grounds; and priority five is for jobs that do not fall into categories one to four. The problem is that the minor work programs are so starved of funds that it is very rare indeed that a job is funded in any priority other than priority one. Not only are the schools starting to fall into disrepair, but also increasing pressure is being placed on the parents and citizens' associations to fund the maintenance programs for the schools. We need to look carefully at the situation of maintenance in schools. It is clearly going backwards. If the Government does not bite the bullet sooner or later, it will be faced with an enormous cost to catch up with the lack of maintenance in schools in recent times.

MR P.J. SMITH (Bunbury) [9.31 pm]: In adding a few words to the Budget debate, I congratulate the Government on its Budget. It is a good Budget that keeps the election promises, firstly, of looking after the environment and the family and, secondly, keeping the increases in taxes and charges below the rate of inflation. I will refer to the taxes on fuel in a few moments. I was pleased to see the promises made in relation to the educational allowance honoured, with \$50 to go to primary school students, and \$100 to secondary school students. That is one area in particular in which many people were feeling the strain prior to the election; the money will be paid at the beginning of the school year when there is pressure for school uniforms, books and so forth. I know that it will be appreciated.

I am pleased to see the money continuing for the Family Foundation. It is an excellent source of funds for small groups to add to a family facility such as a playgroup, equipment for schools, library books and so forth. I know that groups within my electorate used the funds to the full last year. People still come to me who have not heard about it and are making applications for funding. It is an excellent source of funding for family activities.

Another area of interest is that of the seniors. I know that the new concessions for Seniors' Card holders will be appreciated, because many of these people have incomes just above the cut off point for pensions of any sort and these concessions are available to them. I was pleased to see an allocation helping to house the frail and the aged. Although I know this is a joint State and Commonwealth program, there is a need for this in the State, particularly in my electorate. As "Bunbury 2000" proceeds, there are more and more people looking to see whether the facilities available in the metropolitan area are established in the south west. We certainly have a need for frail aged beds. I have been puzzled, as have most members of the community, about the Federal Government's formula for allocating frail aged beds at nursing homes, because every time we apply for them in the Bunbury area, we are told that we have too many to start with. Eight to 13 beds in the regional hospital cannot be used for normal hospital patients as they are occupied by the frail aged. I can assure the Federal Government that Bunbury needs extra beds, and those who do their homework will know that we are below the quota. We will keep pushing and I hope that some money will come into the Bunbury area and the south west for nursing home beds.

I make special mention of the Alzheimer's disease support group which has recognised the needs of Alzheimer's disease sufferers. At present these sufferers are spread throughout the numerous nursing homes in Bunbury, and those who know something about this disease know how distressing it is as the mind of the patient wanders, and the patient physically wanders; they are a real concern to their carers. A group set up at the insistence of Ford Campbell, who, I think, was WA Anzac of the Year last year on the nomination of the RSL, made this his project and worked very hard to get others involved. He is quite a tenacious man and many Ministers have had long letters from him. I also mention Ray Bosustow, who was my opponent in the last election; he has joined this group as secretary and is doing an excellent job. I have known Ray for many years and he has always been interested in helping disabled people.

I also mention many of the voluntary groups and the people who devote time to set up

support groups. These groups include the victims of post poliomyelitis syndrome group. This group was set up as the disease came more and more to the fore as polio suffers from the 1930s, 1940s and 1950s - before the Salk vaccine was found - are reaching old age and the disease is catching up with them and their muscles and nerves are starting to deteriorate; although some of them are only as old as I.

Mr Read: That is old.

Mr P.J. SMITH: That is old for this side of the House.

I recognise the people who help the intellectually handicapped in the south west. PLEDGE is doing an excellent job, not just in Bunbury, and people are doing a good job in supporting this group of disadvantaged people. I pay tribute to the Lotteries Commission for the money it makes available to these groups. Members of the south west association for the physically handicapped are helping physically handicapped persons, but have a problem with the Morrissey Homestead day care centre and are applying for funds, and look like getting funds to build a new facility. Although this is not quite as big as the one at Collie, it will be an improvement on the present homestead which has many problems, such as white ants.

Silver Chain has operated under difficult circumstances in recent years and has an allocation of \$500 000 to set up the regional headquarters at the regional hospital. I pay tribute to the committee that raised the other \$200 000 and to counsellor Judy Jones who is the committee president. I know that it will be a happy day for Judy when the headquarters is completed. I know of many groups operating in similar circumstances because of assistance from the Lotteries Commission. We have the senior citizens centre which is bursting at the seams. There is almost a need for another BEADS centre - the Bunbury elderly and disabled service. The meals on wheels service, which provides a great lift to the lives of people with disabilities, or the elderly, also is in serious need of funds.

A substantial amount of money is allocated in the Budget to health - with the taxes from cigarettes - for the Quit campaign and the health promotion campaign which will improve access to medical services for patients. I also refer to the Patients' Travel Assistance Scheme. I commend the Department of Health and the Minister for Health for the changes made over the last couple of years to the travel scheme. At one stage most Bunbury people were regarded as being close to Perth and it cost them a lot of money to come to Perth for regular treatment. There has been a reasonable amount of change and a lot of assistance to these disadvantaged patients and people are very glad of that.

I was disappointed that the Bunbury Regional Hospital did not get funding in the Budget this year. Apparently, the reason for that is a report which has come to the fore and which is featured in the *South Western Times* today. I have not seen the report, but a copy of it is on its way to me. Without quoting from the newspaper or the report there are substantial deficiencies at that major regional hospital. I will take a punt and say that Bunbury has the major regional concentration of people outside the metropolitan area and its hospital should be the major regional hospital. I hope swift action will be taken to provide that hospital with the sorts of facilities that the people of the south west deserve.

The Budget allows for the recruitment of an extra 168 police. I hope that we can get one or two of them in the south west. I also see an increase in the funds for the expansion of Neighbourhood Watch. That has been very successful in the Bunbury area. However, the policeman in charge of coordinating it has been transferred. I hope that a new coordinator for the region will be appointed in the near future. Half of Bunbury has Neighbourhood Watch and there has been a substantial reduction in household crime in those areas.

I was particularly pleased to see an allocation of substantial funds for the environment, including an amount of \$8 million for land care management and the improvement of degraded areas. The member for Albany said that he felt more money should have been allocated to estuarine management in his area. I agree that more should have been given to areas like Bunbury. However, I pay tribute to the Leschenault Inlet Management Authority meetings of which I attend every three or four months. That is an excellent group as are all the river management groups in the State. That group is headed by Sir Donald Eckersley and its dedication to the protection of the Leschenault Estuary at all costs has impressed me. I also congratulate that group for the program it has set up for educating school children about the inlet.

An amount of \$40 000 has been allocated for coordination of ways to solve the greenhouse effect. The Islands of Green project, which was set up by Julian Grill when he was the Minister for The South West, is now continuing under the new Minister for South-West. That program has been so successful this year that we ran out of trees before we ran out of people to plant them. We had a tremendous input from school children, including the pupils from the Picton, Withers, Carey Park and St Joseph's Primary Schools who have helped in major tree planting programs. I hope they will see the fruits of their plantings next year after the winter rains when those trees will be three or four feet in height. Next year we hope to involve all of the other schools and various youth groups including cubs, scouts and guides in planting larger areas of the Bunbury region including the Harvey, Dardanup and Capel Shires. I am sure that will go a long way towards our doing our bit to absorb the greenhouse gasses.

An amount of \$30 000 has been allocated for the examination of recycling projects. That does not sound like as much as I would like. I think the Government has been tardy in this area because the demands for recycling projects by the community have been such that councils in my area are introducing their own recycling systems. I have spoken to recycling groups and experts and it is possible to recycle almost anything.

Mr Cowan: You will set up more groups to give your failed politicians more jobs.

Mr P.J. SMITH: I do not care who gets jobs as long as they can do the job and come up with solutions because it is now possible to recycle anything.

Mr Kierath: Did you say you want to recycle "has been" politicians?

Mr P.J. SMITH: I do not think we should talk about "has been" politicians because we will all be that one day.

Our rubbish dumps, particularly in the metropolitan area, are filling up rapidly. It is important that we find some way of recycling materials that cost such a lot to produce and which we bury when we finish with them.

I congratulate the Harvey Shire as it was the first in the south west to get started with this project. I know other groups in country areas such as the Albany Council that are well ahead of us. The Bunbury and Collie Shire Councils are looking at having a fortnightly collection of glass, bottles, cans, paper and some plastics, but there is still a long way to go.

Recycling is a start and planting trees will help the environment. However, I am worried about the pseudo greenies who say that they can combat the greenhouse effect by planting trees and that is all they need to do. Perhaps they might recycle a few cans, but when it gets too hot, they turn on the air-conditioners, and when they get too cold they turn on their heating. They should learn to put on and take off jumpers to save our natural resources. We are a consumer society and a small population but we use far too much energy and we do not recycle enough.

I do not have any objection to cutting down trees provided they will be used. I do not see any point in our saying that we should not cut down our timbers in the south west because that will add to the problems associated with the greenhouse effect. The important thing is that a tree that has been cut down should be used or buried so that it does not rot away. It is important also that as many as four, five or more trees should be planted in its place because it is young, vigorous growth that absorbs the CO₂. The sooner that people begin to recycle and conserve, the sooner we will begin to combat the problems of the greenhouse effect.

Perhaps the biggest problem for the greenhouse effect in WA is transport. Forty-two per cent of the gases that are causing the greenhouse effect are from our transport systems, mainly cars. I believe that we should use public transport more. We have to get out of our cars. I am not referring to those who have to use their cars all day. I am talking about the workers who jam our freeways and car parks, even in Bunbury, who drive to work past bus and train routes, park their cars, work all day and then hop back in their cars when they knock off and drive home. I congratulate this Government on its support for public transport, the electrification of the metropolitan rail system, and its support for the Bunbury City transit system. The member for Albany is not here at the moment. I hope that, in the near future, Albany will have an improved bus service of the sort that Bunbury has.

There is a need to improve roads so that the wear and tear on cars does not increase fuel

consumption. However, I am disappointed that of the \$30 million that the Government will raise by way of fuel taxes increases will go only on roads. If we are dinkum about cutting down on emissions, we should be putting 50 per cent of the increase, as was proposed, into public transport. There is plenty of room on public transport in the Perth metropolitan area. I travel from Scarborough each morning. There are only two buses on which standing room only is left, with plenty of room left on the others. We need to get people out of their cars.

I turn now to the effects of the Budget on Bunbury. As we all like to say, Bunbury is progressing very well. The redevelopment of the old harbour in the northern area of Bunbury has been allocated an amount of \$1 million. That will help with the upgrading of the beaches, landscaping, and improving some of the conservation areas. The money will go a long way towards helping to relocate the oil tanks and sewerage works, and to demolish some of the silos so that there will be clear land on which to build. With regard to the silos, some weeks ago I presented a petition signed by more than 1 400 people urging the retention of the historic silos. It is important that they be preserved. I will not go into the full history, but they were built in 1937 and were the first silos built in a port in Western Australia. They are of a particular design which is important; also they were built by the Government which makes it even more important that they be preserved. I was interested to note that Hon Phillip Pental has introduced a Bill in another place recently which provides that Government buildings of historic worth will be preserved and the Government will provide the necessary funds. I advise him and other members of the Liberal Party that the silos to which I referred need to be preserved. Provided the building is strong enough we would like it to be made into a regional museum for the south west. I remind members of the Liberal Party that their whole campaign in Bunbury was based on the demolition of the silos, and the Opposition was not successful in gaining a seat in Bunbury. That is also a factor in favour of retaining the building.

Mr Fred Tubby: Why are you flogging off the cars in the Percy Markham collection?

Mr P.J. SMITH: I am a member of the historical society in Bunbury and other heritage groups and I am very much a history buff. There are many car museums and car collectors in this State who would like to have those cars. Museums are places in which to house the heritage of Western Australia. There are small museums all over this State which have collections which are important to the heritage of Western Australia. Many of them are in poor condition and need funds. I would rather that these cars were in the community where they are available for all to see than being tucked away under cover in the museum.

Mr Shave: Surely museums should have more than just heritage? A museum has to be a living thing.

Mr P.J. SMITH: I agree entirely that museums must be living things. When people go to a museum they should feel that it is a living thing. However, it is not appropriate for a heritage museum depicting the story of Western Australia to contain only cars. I collect antique bottles, but I cannot think of anything worse than going to a museum containing 1 000 antique bottles. The same could be said of the stamp and coin collections owned by the museum. They are stacked away out of sight. The same is true of the cars and I would rather they were in collections where they could be seen every day by the public.

Mr Fred Tubby: There is an organisation that wants to do that and cannot buy them.

Mr P.J. SMITH: I still think they should be sold.

Mr Shave: What about if they are sold overseas?

Mr P.J. SMITH: That is a problem for the Government and the Western Australian Museum.

An amount of \$3.3 million has been allocated for inner harbour extensions and that will gear up the port for the expansions in the mineral sands industry. I understand that Barrack Silicon has applied to almost double its production, SCM Chemicals Ltd wants to double its production of pigment, and the alumina industry is also considering increasing production. Those and other projects mean the inner harbour extensions can proceed.

An amount of \$1.8 million has been allocated to the Bunbury Concert Hall together with \$2.5 million in low interest loans. That is making good progress. It does not quite dominate the skyline, because it is next to the Austmark tower, but it is six storeys high and when finished it will be a great credit to the Government, the Bunbury City Council and the people

of Bunbury for their vision. It has been supported by the community which so far has raised more than \$2 million. I must admit that I thought the community would be doing well if it raised \$1 million, but it has exceeded that figure. I congratulate the fundraisers in the community and I know it will be a great success in the south west.

An amount of \$200 000 has been allocated to provide for an increase in the number of places for four year old children in a family centre at Withers. The committee has chosen the name Balunginy - a Nyoongah word meaning rising or starting. Some people may expect a centre with that name to be located in the north of the State, but it is located in Withers, south of Bunbury.

I will briefly run through other projects in my electorate that have received funding; the Waratah Sexual Assault Referral Centre and the Women's Refuge, townscape enhancement and creative playgrounds, and homeless youth. The Bunbury community group has been very active and was able to get supporting funds to preserve a building at 99 Victoria Street. That houses the Citizens Advice Bureau, Calvary counselling, St Vincent de Paul, and the SCM Mesh Theatre. It is a community centre for community groups. Many other groups are seeking accommodation and I hope also that the building at 101 Victoria Street, which is another historic building which needs preservation, can be obtained. These groups will certainly bring those buildings back to life. Both buildings are on the heritage trail, a bicentennial project of the Bunbury joint heritage group.

The new headquarters and storage facilities of the Bunbury Surf Life Saving Club (Inc) are almost ready, and the club has been assisted by a grant of \$120 000 from the Ministry of Sport and Recreation. The Cooina and Adam Road Primary Schools' covered assembly areas are nearing completion and the preprimary centre in central Bunbury is nearing completion. I express my disappointment that no further funding was made available for the Cooina and Adam Road Primary Schools which need upgraded facilities. The schools were built about 19 years ago, the nurse does not have adequate facilities, and staff have a very cramped staff room. Interview rooms are needed and both deputies require separate rooms.

Newton Moore Senior High School is close to capacity as far as students are concerned. It has seven transportable buildings at the moment but does not have the amenities that many other schools have, particularly those in the metropolitan area, such as drama and music facilities. That school needs funding for those areas, which I hope will be included in next year's Budget. I also commend the year 12 law students and the student executive of that school. This morning I presented a petition from them. In the course of their studies they have looked at ways of democratically changing the law. As young people who have seen their older brothers and sisters drinking and driving they expressed concern at the number of deaths and accidents in which alcohol played a part. On an annual basis alcohol is involved in between 25 and 35 per cent of road accidents in which young people are injured or killed. The students felt it was time that the permissible level of alcohol consumption be reduced from 0.08 to 0.05. They circulated their ideas to all year 12 students in the State and were disappointed that they received a response from only 19 schools, but nevertheless they learned a valuable lesson in the democratic process. I shall present some of those petitions, as will my colleagues, in the next couple of days. I also commend their teacher Judy McVeigh and their school-based policeman, Constable Jeff Mann, for providing the students with the relevant information.

I refer finally to the South West Development Authority.

Mr MacKinnon: Give them advice about their accounts.

Mr P.J. SMITH: One of the things that worries me particularly about the South West Development Authority is the way the Liberals keep attacking it. I do not know whether they are attacking it because they are scared it is doing a good job, or because they think that by doing so they can get back at the Government.

Mr Fred Tubby: We are attacking it because you are using it as a political tool. If you did not use it as a political tool you perhaps would not get as much flak.

Mr P.J. SMITH: Whether or not we are using it - in the opinion of members opposite - as a political tool, members opposite should not attack the South West Development Authority or the Great Southern Development Authority, or any other authority; they should attack us.

Mr Fred Tubby: It was set up as a political tool, and you are using it very effectively.

Mr P.J. SMITH: Is the member saying that the Water Authority and the State Energy Commission, which were set up by previous Governments, were set up as political tools? Development authorities were set up for the benefit of the people of the rural and country regions, and they do their job very well. Members opposite, and particularly members of the Liberal Party, may not like that, but they should not stand up here and attack the members of the South West Development Authority.

Mr Kierath: What about their salaries?

Mr P.J. SMITH: Members opposite should not be asking about their salaries when they are not prepared -

Mr Fred Tubby: Why not?

Mr P.J. SMITH: Because members opposite are not prepared to have their own salaries and incomes made public.

Several members interjected.

Mr P.J. SMITH: Members opposite should be prepared to cop it themselves. They should leave the public servants alone. They should attack us if they do not like it, but leave them alone. They are doing a great job for the south west and the country regions, because that is where the money needs to go. So whether or not these authorities are political, they are accessible to all members of Parliament, and what I like most about them is that groups in the community can go to them, and they are able to provide funding to some areas which do not fit into pigeon holes. We all have problems when groups come to us with a worthwhile cause, and it does not matter which Minister we direct them to, they do not seem to fit. I have found the South West Development Authority is able to assist those groups, and I commend it for its work. I do not commend the Opposition for continuing to attack it.

I would like to give advice to country members, because I have from time to time heard the statement that the Bunbury or the Geraldton region gets everything because they are marginal seats. We are there as trial horses. We are trying to get those things which the country people deserve out of the metropolitan area and into the rural areas. Those of us who represent country areas know that we get little enough as it is. We must forget about comparing ourselves with Geraldton, Bunbury and Albany; we must look to the metropolitan area and say, "They have it in the metropolitan area; why can't we get it here?" We cannot accept the excuse that the metropolitan area has more people.

Mr Wiese: What about some of the central agricultural areas? Why not set up an authority there?

Mr P.J. SMITH: I would go along with that. Irrespective of what members opposite might think about a political side of the South West Development Authority -

Mr Kierath: That is an admission that it has a political side!

Mr P.J. SMITH: Members opposite are the ones who see a political side to it.

Mr Kierath: You just admitted there was a political side.

Mr P.J. SMITH: I did not admit that at all. I was referring to what members opposite think.

Mr Bradshaw: We will see *Hansard*.

Mr P.J. SMITH: I said, "Irrespective of what members opposite think"; that is what I said.

The decentralised program of the Labor Party has been successful, and it will continue to be successful. I support that program, and if members opposite do not like what is happening, they should attack the Government but leave alone the public servants, who are doing a great job.

MR KIERATH (Riverton) [10.04 pm]: I would like to focus on two areas: First, the Government's losses; second, the lack of spending in my electorate.

Mr Pearce: I thought you were going to talk about Riverton and Cockburn, the two areas in which you have a particular interest.

Mr KIERATH: I am glad the member for Armadale interjected because he is so well versed he does not know whether he lives north or south of the river. He wrote to me in response to a letter, and said "the residents of Kingsley" - even though I am asking for a bus service in

Riverton! I inform the member that Kingsley is about 10 kilometres north of the river. So that is how clued up the member is.

Mr Pearce: There is a school called Kingsley in Armadale. That is how much you know.

Mr KIERATH: If I were in Government, I would make the member the Minister for industrial relations; that is how I would punish the union movement. He has messed up everything he has ever been associated with, and he has been a disaster. The only bit of sympathy I have for the Minister for Education is that she had to clean up his mess.

Members opposite have been absolutely preoccupied with and scared by what the Bond Corporation has said. Certain accusations were made, so I thought I would phone up Bond Corporation and ask for a copy of everything that it has ever released about this matter. There is some amazing stuff in there, if one has the time to read it. It is interesting that it was Bond Corporation which had the courage and the guts to make its statements in public, where it can be sued if those statements are incorrect. I know that members opposite are nowhere near as brave. They have to make all their allegations within the confines of parliamentary privilege.

I want to focus on the most disgraceful, disgusting, deceitful and devious deal which has ever been done in the history of this State. I will try to make it interesting. In October 1987 I was a councillor at the Town of Kwinana. The member for Armadale cannot even get his facts right. He keeps referring to Cockburn. I have never lived in Cockburn, and I have never been a councillor in Cockburn. I have never been associated in any way with Cockburn. The member for Armadale cannot get anything right. We on this side have to tolerate many things, and we will tolerate him, but we wish we did not have to.

I was at that time a councillor at the Town of Kwinana, and I ran a small business. I was not involved in the high finance circles of Perth, but even I had heard about the run that was happening on Rothwells. So when I got down to the council meeting, I asked if we had any funds invested in Rothwells. I had never seen so many red faces and embarrassed people. The answer came back to me that \$1.25 million was invested in Rothwells. I said that we had better call a special meeting over this matter because we should get our money out. I was told that we could not get the money out because the Government had asked us to keep the money in. They called a special meeting, and I have to say that certain council officers phoned me privately, and said they were petrified over what they had done, because they knew deep down that the money should not have been invested with Rothwells.

There was one person in this State who held a very high office, and he was actually soliciting local government bodies to invest their funds in Rothwells and to keep them there. Do you know, Mr Speaker, that he even had to stoop to such depths as to ring councillors on the Town of Kwinana to plead with them not to take their money out of Rothwells Ltd? Do you know, Mr Speaker, who that person was?

The SPEAKER: No.

Mr KIERATH: Would you like to know, Mr Speaker?

The SPEAKER: Yes.

Mr KIERATH: It was the Premier of Western Australia -

The SPEAKER: Goodness me!

Mr KIERATH: - Mr Brian Burke. Now, what on earth has the Premier of Western Australia to do with telephoning councillors and asking them to maintain their funds in a bank? I would have thought he had better things to do than rustling up funds for a bank that was going downhill fast.

As a result of this meeting, all of a sudden we were told that last resort Laurie would meet us the following night and talk to us about keeping our funds there. But poor Mr Connell had more important things to do; he cancelled at the last minute and sent along another director of the company, Mr Burgess. I must tell you, Mr Speaker, that I was bitterly disappointed at what was said at that meeting. All I wanted to do was to safeguard the funds of the people of Kwinana and I believe that would best have been done by pulling out those funds. At the very suggestion of pulling out funds at that time, it was indicated to me that I - one councillor - would cause a run on the financial system of Western Australia and it would all be my fault if it collapsed. One councillor! Can members believe that?

Mr Pearce: Not if you tell us. If we had witnesses we might come a bit close.

Mr KIERATH: More than half of the councillors on the Town of Kwinana are card carrying members of the ALP, so the Leader of the House should not tell me that. Every time I tried to do something on that council the councillors would get a call from Brian Burke.

Mr Pearce: Don't you think it is right for a Premier to try to stop a run on a financial institution?

Mr KIERATH: Not if it is in serious trouble. All the mess the Government is in now is because it tried to save that institution. The Government went in further and further. It does not know when to stop; that is the trouble with this Government. If it had fiddled a little bit and then stopped it might have got away with it, but it just did not know when to stop.

At about the same time, on 20 October 1987, the Petrochemical Industries Co Ltd project was presented to the Town of Kwinana. It was presented as a project and the support of that council was sought. At the special meeting that was called, I did not understand what I was asking at the time but I asked a question: Why was this project being given to the two parties? Inadvertently I asked another question and found out that, as part of the PICL deal, an exclusive right for 10 years had been given to that company - the exclusive right to any petrochemical project in Western Australia for 10 years. I asked this question: If that is being done, and it has some value, would they not call expressions of interest, or tenders, or at least have tried to ascertain if it had any commercial value at this stage? To my great surprise I found that none of those things had been done. In fact, the Department of Resources Development had spent some years, since the suggestion was first made by members on this side of the House, researching a petrochemical project. It had spent a substantial sum of money on getting it to that stage - I believe that sum was in the vicinity of \$250 000. Not only that, but also the Department of Resources Development had had a contact from a company overseas that was willing to buy the end product. So we find that a Government department has researched the project, done a limited feasibility study and secured a buyer at the end of the day - and do we sell it? Do we tender it? No, we give it away! We gave it away for nothing - not one cent. Is this the same project that, some months later, all of a sudden had a value of \$400 million?

Mr MacKinnon: This is the one.

Mr KIERATH: But we gave it away. Surely if it was worth some money we would have called tenders. At the very least we could have called for expressions of public interest to see if other people were interested; but that exclusive right for 10 years was given away. Now, at an intermediate stage along the way, we have had to buy it back for \$400 million. If that were the extent of the cost it would be bad enough, but it is not. The waste of money goes even further and I find it very difficult to reconcile that waste of money when my electorate is screaming out for money to be spent on it.

I want now to read from the *The Australian Financial Review* of 10 October 1988 because it gives a brief history of this PICL project. An article headed "WA money magic fuels petro project" reads in part -

An extraordinary exchange of money between them in the past four months has led to a new petrochemical plant for Western Australia, the impending retirement of the WA Government's Rothwells' \$150 million guarantee and the capacity of Laurie Connell to pick up \$350 million worth of Rothwells' problem loans. Magic.

And Dallas? Well, he apparently got \$50 million for pushing the petrochemical project for two years until it became apparent the international banks would not lend him and Laurie the finance needed to build the plant.

That is really interesting, because I have just indicated that the company in which Mr Dempster was involved was given the exclusive rights to this project, plus all of the preparatory work, for nothing. He sold his 50 per cent interest in the project for \$50 million. A little further on, the article continues -

... the Government announced it was paying Bond Corporation \$175 million to buy into the petrochemical project.

I had better read that bit again. It says that the State Government was going to pay \$175 million to buy into the petrochemical project. But it gave the project away, so members

opposite have missed the point. The Government actually owned the project in total before it gave it away. The article continues -

But while this solves one nasty problem -

And this is getting to the heart of it, Mr Speaker. The article continues -

- for the WA Government, it creates another. They have to explain why the State Government helped Laurie Connell and Dallas Dempster get \$400 million for their company, Petrochemical Industries Company Limited, split \$350 million to Laurie and \$50 million to Dallas.

When is 50 per cent worth several times another 50 per cent? The school that I went to told me the maximum was only ever 100 per cent. The article goes on -

Deputy Premier David Parker dismisses the details of this division as irrelevant to the Government.

Members will love this next comment. The articles continues -

"It is like buying a house where the couple has been divorced," he says. "Who receives what is of no interest to the purchaser."

But it is of interest to me, I can assure members. The article continues -

The catch is that this project, even on the Government's figurings, is only worth that amount if the Government is involved.

That is important, Mr Speaker. The article continues -

Connell and Dempster could go no further without finance and, as a government report states, there was no precedent in the international petrochemical industry for a major complex to be established by entrepreneurs who had no industry experience.

... the Government has to defend its \$175 million purchase of 43.75 per cent of the company, valued now at between \$380 and \$500 million.

Its argument is based on a valuation by the First Boston Corporation of New York ...

However, the bank has valued the current state of the project with the Government committed to be a joint venture partner, a factor which increases the project's worth and attracts the bankers who were not otherwise interested.

That is the key: Without the Government's involvement and the guarantee that project also would have been worth nothing. It would not have been worth the \$400 million that the Government paid for it. The article goes on to say -

No-one else was interested in trying to set up the project a few years ago, he says, except for Connell and Dempster.

I cannot help ask the question why. Further on it states -

It was horribly clear to a Government bedevilled by the image of Burke's business dealings that it needed to extricate itself from Rothwells fast.

The solution was for Laurie to buy a \$350 million portfolio of Rothwells' non-performing debts and balance the books so the National Australia Bank would allow the guarantee to be retired. He arranged to get the money from Bond.

But about all Laurie had left to sell to fund this was his share in Petrochemical Industries Co Ltd, the company he and Dallas had set up in 1985 to build the petrochemical plant.

... The Government's decision to fund its stake through the State Government Insurance Commission -

I repeat, the State Government Insurance Commission; I make that distinction for members opposite. The quote continues -

- is a delicate one given the political sensitivity of the various dealings that the SGIC has had with Bond - most notably their simultaneous 19.9% purchase of Bell Group shares.

... "All the SGIC is doing is lending - on a commercial basis, WA Government Holdings Ltd money," Parker says.

A Press statement put out by Petrochemical Industries Co Ltd states the following -

By "the investment cost" I refer to the \$400 M ultimately paid to acquire PIL by Bond Corporation/WAGH.

At the time negotiations on the project commenced (June 1988) Rothwells was in extreme financial difficulties and required immediate further funds, notwithstanding the financial support that had been put in place for it previously, including, relevantly, -

The Government Indemnity to national Australia Bank of \$150M.

Loan of \$50M by Bell Resources.

... Bond Corporation was persuaded by the Government to lend a further \$100M to Rothwells... on the understanding that a subsequent joint acquisition of PIL by Bond/Government would provide the means of extricating the Government and Bond Corporation from all of their respective Rothwells exposure.

Accordingly by July 1988 Government exposure to Rothwells stood at \$150M and Bond Corporation exposure stood at approximately \$175M.

PIL was owned 50/50 by Dempster/Connell interests. It was ascertained that Dempster was willing to sell his stake in PIL for \$50M.

I repeat, "It was ascertained." The quote continues -

Rothwells required injection of at least a further \$25M. Rothwells held a portfolio of "non performing loans" having a face value of \$350M. Connell, for his own unrelated purposes, had offered to purchase those loans at their face value but lacked the funds to complete.

I should not wonder. The quote continues -

The deal as structured, and as has been widely reported, was that Connell would buy in the Dempster/PIL shares and on-sell all PIL shares to Bond/Government for \$400M; Connell to apply those funds in settling first with Dempster and secondly with Rothwells; Rothwells to discharge its indebtedness to NAB and Bond.

I also quote from a newspaper article on 22 July 1989 in which David Parker gave evidence. I quote from the article -

Alan Bond was named in court yesterday as the man who ran the show when the Rothwells rescue was put together.

Deputy Premier David Parker told the Supreme Court that Bond did most of the talking and was very much in control during a meeting on Saturday, October 24, 1987.

"Bond said to us that he had come back from overseas in order to put together a mission to rescue Rothwells," Parker said.

... Parker - with Western Australian Development Corporation chairman John Horgan and finance director Tony Lloyd - went to a meeting at Rothwells' offices about 3pm on the Saturday.

All the way through these negotiations this Government opposite has been diddled. It has been outsmarted; in the terms of business dealings, it has been the bunny. It has been outsmarted on every deal it has entered, and it has come off second best. I quote from a statement by Mr Zoltan Merszei at the time he was brought in to try to save the project. In the statement he talked about the changes to the petrochemical project, and I quote -

The recommendation resulted in a 24% increase in product for sale and the lowering of unit costs of some 11%.

It was always agreed that changes were needed. . . But these changes, which greatly improved the plant's viability, were always rejected by the Government.

The statement refers to the benefit to the economy if the project had gone ahead. In another statement Mr Merszei stated, and I quote -

... I have repeatedly requested the opportunity to educate the Premier about the detailed aspects, both technical and economical, of this project.

One of these requests was made at the urging of the Deputy Premier. My last request was made shortly before the Premier's departure for his European vacation.

I assumed that as chief executive of this State's Government he would be interested to learn from experts, each with at least 40 years of successful experience in this field, about the details of the \$1.2 billion project. . .

Why would the Premier not want to hear from experts unless he had ulterior motives? The answer given in Mr Merszei's statement is as follows -

It is obvious, at least to me but for reasons unknown to me, that this has been done to undermine the project.

The cost of the original project has not blown out. In fact the considerably optimised project is, cost wise, in the same ballpark as the estimate of the original project was.

. . . Because of difficulties created artificially for reasons totally unrelated to the project itself, Western Australia is facing the loss of an opportunity which possibly only comes once in a life time with a project of this scope and potential. This would be a great tragedy.

In a similar statement put out by the Bond Corporation on 31 October the following was stated -

Both the Premier, Mr Dowding (who was then also Treasurer) and the Deputy Premier and Treasurer, Mr Parker (then Minister for Economic Development and Trade) agreed, in writing and orally, to provide the financial guarantees we sought.

Despite repeated requests to honour their undertakings they have so far refused.

. . . The Government has set out in the past few weeks to blame Bond Corporation for delay to the PIL project's progress.

It has used as its excuse the claim that Bond is responsible for a cost increase of some \$370 million and asserts that the project is now unviable.

The truth is very different.

I heard on the radio on the same day this statement was made the Deputy Premier say that due to the Bond Corporation the cost had blown out by \$370 million.

The quote continues -

For \$70.4 million, or 7.6%, above the October 1988 budgeted cost of the project, WA would get a petrochemical plant employing state-of-the-art technology, with unit operating costs cut by 11% and production increased by 24%.

I would have thought that anybody with an ounce of business acumen would have recognised that as a very good deal. The quote continues -

The Government has set out to depict Bond as obstructive to proposals that we surrender the PIL project management and reduce our shareholding in the project to 25%.

In fact we have been, and remain, willing to do both.

. . . The real result of these manoeuvres by the Government has been to damage Western Australia's reputation with industrialists and financiers not only in this State but throughout Australia and around the world.

These are very serious allegations, Mr Speaker. In another editorial in *The West Australian* it is stated that -

The Government should end the fiction that losses on its business activities are not a direct slug on the public. It is outrageous that people have had to forego the benefits of a booming WA economy, such as improved services and lower taxes and charges to enable the Government to pay its debts.

It brings me to the allegation made in this House about the blocking of Supply and again I read from the following statement by Bond Corporation which was released publicly -

We absolutely refute the Premier's statements implying that we have had any discussions, or said we have had any discussions, with the Opposition parties in relation to Supply. The Premier's assertions are wrong.

In another Press release Bond Corporation said -

We only became involved in the project at the behest and urging of the government to assist them with Rothwells.

Further on it states -

Guarantees and undertakings from the government, the Premier and Deputy Premier were therefore sought and granted. But since the government's re-election these obligations have never been honoured.

Further on it states -

The Premier's claims of some planned joint action between Bond and the Opposition to block Supply are absurd and a figment of his apparently vivid imagination.

We challenge the Premier to repeat those fictions outside Parliament, without the cloak of privilege.

Mr Speaker, I ask you whether I have 19 minutes or nine minutes remaining?

The SPEAKER: The member has 19 minutes in which to complete his speech.

Mr KIERATH: Another statement said -

Faced with the State government's repeated refusals to honour its joint venture contractual obligations and to provide interim financing for the day to day activities of Petrochemical Industries Limited (PIL) Bond Corporation has today elected to terminate the joint venture and to pursue the government through the courts for substantial damages.

Bond Corporation estimates that the damages claimed will be in excess of \$225 million.

I notice an allowance, in any shape or form, has not been made for that in the Budget papers.

I now reach the point where the guarantees actually existed and I quote from *The West Australian* of Wednesday, 2 August in which it stated -

The Government has consistently denied that it had or would guarantee the project for the petrochemical company.

Further on it states -

The documents, lodged in the Supreme Court on Friday, show the late January agreement - called a second deed - replaced undertakings agreed to by Bond and the Government in October.

The second deed was arranged because the banks . . . were not happy with the first agreement.

Further on it states -

And as late as March 30, the Deputy Premier and current Treasurer, Mr Parker, had indicated that neither the project finance nor the \$74 million interim finance arranged by WAGH would require a government guarantee.

The SPEAKER: I have been taking note of the member's debating tactic for some time and I am concerned he is infringing on what is the accepted practice of the House in that he is continuously reading from statements in newspapers and from letters. The appropriate tactic in respect of debating in this place is that if a member wants to use a reference he reads a few lines only and then paraphrases the remainder of the reference. I understand the member has probably prepared his speech and I will not sit him down, but on another occasion it might be a course of action I will have to consider.

Mr KIERATH: Thank you, Mr Speaker. The problem is that some of the sources to which I have referred explain the situation better than I can. I was trying to establish, for the record, the significant series of events.

Several members interjected.

Mr KIERATH: Members opposite may laugh, but the Opposition is treating this matter seriously. People in my electorate have missed out because of the incompetence of members on the other side of this House.

Mr Graham: Of their local member.

Mr KIERATH: This deal took place before I became a member of Parliament.

I refer now to the statement by Peter Beckwith which reads as follows -

The Government's involvement in PIL and its shareholding by the SGIC in the Bell Group, were from day one enmeshed in that the Government having acquired the stake in Bell Group proposed to this company that the cash strength of Bell Resources be used to buy what was then PICL for a sum sufficient to enable Mr Connell to fund Rothwells to retire the Government guarantee before the Government faced the electorate.

I am getting to the heart of the problem. Further on he said -

... the Government induced us into lending \$100M to Rothwells secured against Mr Connell's interest in PIL, supported by a Letter of Assurance from Mr Grill as further means of ensuring our participation using as a lever the SGIC's agreement to be excluded from our bid for Bell Group.

The PIL agreements that were finally entered into had the Government, (by way of Treasurer's Guarantee of the performance of Western Australia Government Holdings in agreement with SECWA) ...

The important words are, "the Treasurer's guarantee", and "WA Government Holdings Ltd". Further on he said -

... the Government agreed to provide a Treasurer's Guarantee and produced the written opinion of the Solicitor General to convince us that such guarantee was legal, binding and effective. The Premier wrote to us acknowledging his personal concurrence and that the agreements and promises of the Government would be honoured. The Deputy Premier wrote to me and reconfirmed the Government's commitments to the Treasurer's Guarantee.

It brings me to two letters which I will not read because they have already been tabled in this House. One letter is in the Treasurer's handwriting and is dated Monday, 17 October. The first paragraph of the letter states -

... concerning the Treasurer's guarantee to WAGH to back up the funding for P.I.C.L. in the "credit enhancement".

Those words are important because another letter tabled by the Premier states -

I confirm that WAGH is to undertake its obligations under that deed ...

Further on it states -

... and as the proposed guarantor of WAGH's financial obligations under the deed.

On page 835 of *Hansard* dated 12 April 1989 the Minister for Resources Development said -

There has been no guarantee issued with respect to any of these matters, either by the former Treasurer -

Which I pointed out previously was the Premier. He continued -

- the Premier - or by me since I have been Treasurer, ...

To make sure we are left in no doubt the Minister explained as follows -

... and there will not be any guarantee.

Further on he said -

... no guarantee is in place because of the automatic nature of the operations of WA Government Holdings Ltd in respect of the Treasurer or the Northern Mining Corporation (Acquisition) Act. No guarantee is in place in respect of any of these matters.

He also mentioned WAGH and said -

No guarantee will be put in place by me as Treasurer or by anybody else, or automatically under any legislation by me, or by the Petrochemical Industries Authority, if it becomes law. That is about as categorical as we can get. There is no

guarantee, there will be no guarantee; no guarantee was issued by the former Treasurer; no guarantee was issued by me. None of those things will happen; WA Government Holdings has not entered into any form of de facto guarantee . . .

What can I say after that? This was the most disgraceful deal done by any Government. In this year's Budget an amount of \$62 million has been allocated to finance this project.

Some members opposite queried my motives for raising this issue. A school in my electorate was promised \$6 000 for the installation of ceiling fans. It did not involve a huge amount in the order of \$400 million, but a measly \$6 000. The sad thing is that the amount required was allocated and not spent. One of my first duties as a member of Parliament was to write to the Treasurer regarding this matter. The letter states -

It has been brought to my attention that the programme of works scheduled for the Kinlock Primary School has not yet commenced.

In your letter of 13/12/88 to the P&C Association you stated that the funds had been set aside for the ceiling fans to be installed over the summer vacation.

That was a letter promising that the fans would be installed. It continues -

The work has still not been started and conditions at the school remain appalling. Would you please advise me as soon as possible when the work is to be carried out.

The covered area programme is also urgent, but I understand this will not be ready when needed in the winter.

I want to read a letter dated 3 July 1989 from the Kinlock Primary School P & C Association -

We have been advised . . . that the fans which were to be erected in our school buildings January 1989 will go ahead January 1990 if funds become available. I would like to refer you to your letter to us dated 13/12/1988 . . . in which you advised an amount of \$6,000 had been allocated. No matter who or how long department members are on holidays surely we can rely on that \$6,000.

That was the excuse as to why the money had not been spent. The letter continues -

I believe we have been patient long enough and have withstood paper work and financial priorities by our department.

Our children should not have to withstand the horrendous heat conditions next summer and I am sure many parents will take action so that their children won't need to be in the hot classrooms.

Our P & C is an energetic and active organisation. We continually fund raise to finance resources of all natures within the school education system. We are proud that we can help the staff where they need it. Sometimes it is disheartening that we can't do more. It is even more disheartening when we thought the fans were going to be installed and we have gone on spending on other priorities only to find it is still only a possibility.

In another letter from the acting Minister for Education to the school the last paragraph states -

I am informed that a job request form requesting the provision of ceiling fans is being held at the district office awaiting consideration for funding at the next meeting of the Willetton District Minor Works Committee. The installation of ceiling fans will depend upon the decisions taken by that Committee.

In another letter dated 10 August the Minister for Education explains -

In such circumstances, it is usual practice for a District minor Works Committee to reconsider the outstanding items of work when decisions are being taken in respect of the next year's allocation of funds.

I understand that this is the situation regarding the request for ceiling fans from Kinlock Primary School.

The primary school is in a state of absolute desperation because this matter has been continuing for more than 12 months. A letter was sent to the Premier as follows -

I know you are a busy person and I'm sorry I feel I have to write and express our dissatisfaction with the Education Department.

That is how desperate they are. The letter continues -

We are an energetic and enthusiastic P&C group working with and for the staff and students of our school. Our school is old, in fact 23 years old so it is an ongoing battle to upgrade areas within it.

We desperately need overhead fans in our classes. We've been requesting these for some time and last December we received correspondence from Dr Lawrence (copy enclosed) advising that \$6000 had been allocated to our school for the fans.

We still don't have the fans however and once again summer '88 our staff and students suffered. We were told the fault was in employees being on long service leave (and that's not our problem) and now we are told that the 1988 funds have been spent. But still no fans. After many letters Dr Lawrence explained how the minor works operates and I appreciate that but at the same time we are frustrated that a promise to Kinlock has been broken.

That is like many other promises that have been broken. The letter concludes -

We would appreciate if you could give this problem your immediate attention and perhaps get us our fans which were promised to us over eight months ago by one of your ministers.

I want to read from the minutes of a P & C Association meeting held on 20 September. Item 4.1 reads -

Fans: As we are still battling with our request for fans a strong plan of action needs to be implemented.

- * Does every family know school conditions are poor?
- * Phone survey. . . 8 out of 12 schools in our area have ceiling fans. The other 4 have fans mounted to walls as their ceilings are too low.
- * Request we do a petition.
- * Request in November we ask every family to write a letter regarding appalling conditions with particular reference to fans.
- * WACSSO President is following the fans up with Dr Lawrence after their State Council meeting.

That is how desperate they are. It continues -

- * Request next February we take students from classes at a specified time each day and have TV and newspaper involved.

It is a simple matter of \$6 000 for fans in a school with low ceilings to make conditions more bearable in the summer, bearing in mind that this House does not sit at that time of year because it is too hot. The children in that school suffer because the \$6 000 which was promised has not been made available.

Dr Lawrence: I was advised by the district minor works committee that the funds had been allocated, and hence my reply. For reasons not clear to me that money was not spent.

Mr KIERATH: How much money is allocated to district committees for minor capital works funding?

Dr Lawrence: It depends on the size of the district. They typically deal with projects of up to \$10 000.

Mr KIERATH: The amount is approximately \$40 000. Does the Minister know how many schools are covered by the Willetton district minor works committee?

Dr Lawrence: About 15 I think. They vary in size.

Mr KIERATH: There are 22 in that district and \$40 000 does not go very far in those circumstances. Every answer we get in response to requests for projects suggests that we should ask for the funds through the minor works committee.

Dr Lawrence: Previous Governments did not even do that.

Mr KIERATH: In the short time available to me I want to refer to a couple of other primary schools in my electorate. I have mentioned them in the House before, and again I indicate that a disgraceful situation exists with regard to Parkwood and Rostrata Primary Schools. Prior to the election the Minister indicated in various Press releases her support for two schools to be built. On one occasion in December I was at a school assembly at Parkwood Primary School when she told the meeting she hoped that within two weeks she would be able to announce a second school site in Parkwood.

Dr Lawrence: They said they did not want it.

Mr KIERATH: The Minister promised two schools would be built, one in Willetton and one in Parkwood. After the election she reneged on that promise and said only one school could be built in Willetton south of Collins Road. The parents said they were not prepared to send their children to a school which involved their crossing a busy road where they ran the risk of being run over. The parents are concerned about the safety of their children. They were not prepared to allow their children to cross Willeri Drive, a dual carriageway, and Collins Road which is a major feeder road into the Canning Vale industrial area because the Government has not proceeded with the Roe Freeway. Two schools were originally promised, but the Minister has now said that only one school can be built south of Collins Road. That was not acceptable to the parents of the Parkwood Primary School children. They said they had waited for 12 months.

Dr Lawrence: Do you know how much has been spent at Rostrata?

Mr KIERATH: And why should it not? That school is bursting at the seams. Has the Minister been to that school?

Dr Lawrence: Of course I have.

Mr KIERATH: The Minister will know that it is bursting at the seams. Rostrata and Parkwood will be mega schools; they will be two of the largest primary schools ever in the history of Western Australia. Do members know what enrolments are predicted for those schools in the next two years? More than 1 100 students in each school. That is an absolute disgrace. Do members know that this Government allowed two school sites in the area to be sold off?

Mr MacKinnon: How many kids are at that school?

Mr KIERATH: At Parkwood there are more than 900 students and the figure is close to 1 000. Projected enrolments within two years are more than 1 100 in each of the primary schools. They are primary schools, not high schools; there are high schools with enrolments of less than 1 100. This is an absolute disgrace!

I conclude my remarks by referring to two matters: Firstly, one of the Government's problems is that it is trying to get out of the PICL or PIL project as it is now called and it is trying to restructure the whole proposal. The whole basis of the Government's credibility is that at some time in the future there will be a petrochemical project that the Government can say is similar to the North West Shelf gas project. It has to liquidate PIL to get back the exclusive right that it gave away.

Secondly, and on a lighter note, if the Premier can do film reviews on a Sunday morning I can also do them. There was a film I saw the other day called *Fatal Attraction* starring Peter Dowding and Alan Bond. Another film was called *Total Strangers* and starred Peter Dowding and a new pop group "The Truth".

Debate adjourned, on motion by Mr Clarko.

DECORUM OF THE CHAMBER - NEWSPAPERS

Reading - Bad Impression

THE SPEAKER (Mr Barnett): I take this opportunity before the House adjourns to say that this evening I observed a particularly bad example of a practice which has been concerning me for some time. At 10.21 pm there were 21 members in this Chamber and of those 21 members no less than 14 whom I could see from the Chair were hidden by *The West*

Australian newspaper. I believe this to be a particularly bad practice and one which is certainly not condoned in other Parliaments.

I have long been concerned that people visiting us in the Public Gallery should leave with a far better impression of this place than that with which they are left when two thirds of the members sitting in the place are reading newspapers. After asking members for their cooperation I will read to them two lines from page 440 of Erskine May's *Parliamentary Practice*, for those members who care to sit down later and look up the reference. Erskine May refers to the reading of books, etc in the Parliament and says the following -

Members must not read any book, newspaper or letter in their places except in connection with the business of the debate.

Of course, Erskine May was referring to the mother of Parliaments and not to the Western Australian Parliament, but I think, nonetheless, that it applies here as well. I accept that to apply that strictly in this Chamber would be foolhardy and would not achieve a great deal. However, I seek the cooperation of members in improving the image of this place by asking that in future that sort of situation does not arise again. I do not think it is unreasonable to say to members that if they want to read newspapers - and I know it is their duty to know what is in them - an appropriate place for doing that is behind the Speaker's dais or in their offices. I seek the cooperation of members in future to try to achieve this.

House adjourned at 10.53 pm

QUESTIONS ON NOTICE

PRISONS - DEATHS IN CUSTODY

Wardle, Stephen - New Legislation

791. Mr HASSELL to the Minister representing the Attorney General:

- (1) Concerning deaths in custody, black deaths in custody, and in particular the case of Stephen Wardle, has the Premier and the Government considered -
 - (a) a change in the law or procedures;
 - (b) an inquiry or study generally; and
 - (c) a specific inquiry on the Stephen Wardle case?
- (2) What current inquiries or investigations are proceeding on the Wardle case?
- (3) If none, what conclusion has been reached?
- (4) What action has been taken on the views expressed by the Coroner on this case?

Mr D.L. SMITH replied:

- (1) (a)-(c)
Yes.
- (2) The Minister for Police and Emergency Services has advised that there are no further police inquiries or investigations proceeding in the Wardle case.
- (3) The Commissioner of Police has advised that investigations have established that police did not assault Mr Wardle in custody, nor was there any evidence to suggest the denial of necessities to maintain life.
Mr Wardle's parents have been advised in writing of the results of police investigations. It has also been suggested that it is open to them to request further investigations by the Ombudsman.
- (4) With respect to the Coroners Act, consideration is being given to a report recently prepared by a committee, chaired by the Coroner, recommending changes to the coronial system, including the powers of the Coroner.

HOUSING - SOUTH WEST

Budget Allocation - Expenditure

832. Mr BRADSHAW to the Minister for Housing:

- (1) How much money was allocated for housing in the south west for 1988-89?
- (2) How much was spent and where?
- (3) How much has been allocated for the south west for 1989-90?
- (4) How and where is this money to be spent?

Mrs BEGGS replied:

- (1) \$15 490 900.
- (2) \$12 649 741.
Albany region: \$3 937 046.
Bunbury region: \$8 712 695.
- (3) \$22 700 926.
- (4) Albany region -

Housing Construct	Upgrade/Improve	Land dev. Redevelop	Maint-enance	Home O/ship	Sub total
1 994 362	65 000	25 000	1 494 283	1 327 000	4 905 645

Bunbury region -

Housing Construct	Upgrade/ Improve	Land dev. Redevelop	Maint- enance	Home O/ship	Sub total
11 133 339	98 963	1 365 000	1 524 979	3 673 000	17 795 281

STATE FINANCE - ESTIMATES OF EXPENDITURE

Special Sales - Details

893. Mr MacKINNON to the Treasurer:

- (1) Would the Treasurer detail the special sales as listed on page 4 of the Consolidated Revenue Fund Estimates which total \$39 466 955 in 1988-89?
- (2) Would the Treasurer detail the special sales which are expected to return \$9 825 000 for the same sales in 1989-90?

Mr PARKER replied:

- (1) Payments totalling \$39 466 955 were received in 1988-89 and credited to Territorial Revenue (Land: Crown grants - special sales). Crown grants revenue basically represents proceeds from the sale of Crown land to private individuals and Government departments and agencies like LandCorp and Homeswest. The following summary for 1988-89 revenue identifies major individual items -

	\$ 000
Leda subdivision	4 200
South West Development Authority (Westrail land)	3 500
Alkimos	3 450
Parmelia Residential Land	2 841
Clarkson	2 500
Sale of 1-3 Havelock Street, West Perth	1 824
St John's Wood Estate, Mt Claremont (portion)	1 775
Noalimba Reception Centre	1 590
Sale of surplus Health Department land (Duncraig) and Main Roads Department holding (Greenwood)	1 245
Armadale Sites	1 215
R & I Bank Joint Venture	1 160
Canterbury Court (portion)	950
Jandakot Agricultural Lot 169	850
Fisheries Department Property (Fremantle)	720
Rockingham Land (Homeswest)	572
Morley Shopping Centre (portion)	542
	28 934
Other Items (various locations)	5 764
Department of Land Administration Special Sales Revenue (normal daily trading)	4 769
	<u>39 467</u>

- (2) It is not possible to do so. Revenue in 1989-90 is dependent on prices for individual land and property sales which are subject to ongoing negotiation.

PETROCHEMICAL INDUSTRIES CO LTD - WESTERN AUSTRALIAN
GOVERNMENT HOLDINGS LTD*Guarantor Obligations - Premier's Confirmation, Undated Letter
Tabling*

952. Mr COWAN to the Premier:

With reference to the letter from the Premier to the directors of Petrochemical Industries Co Ltd in which the Premier confirmed Western Australian Government Holdings' obligations to PICL as a proposed guarantor -

- (a) is the Premier aware that the copy tabled recently in Parliament is undated;
- (b) why is it undated; and
- (c) is the original letter dated;
 - (i) if yes, what date; and
 - (ii) if no, was the Premier aware of the legal implications of a commercial letter that is signed but not dated?

Mr PETER DOWDING replied:

- (a) Yes;
- (b) the original letter was never delivered and remains undated; and
- (c) (i) see (b); and
 - (ii) this matter may become the subject of litigation and I do not intend to comment.

PETROCHEMICAL PROJECT - WHITLAM TURNBULL,
Western Australian Government Holdings Ltd - Marketing Prospectus

964. Mr COWAN to the Premier:

- (1) Is it true that Whitlam Turnbull is currently preparing a prospectus or similar document to be used by Western Australian Government Holdings -
 - (a) to market the petrochemical project; and/or
 - (b) to find shareholders to buy out the Bond Corporation's share?
- (2) Is it true that recently laid-off staff of Petrochemical Industries Ltd are assisting in this endeavour?

Mr PETER DOWDING replied:

- (1) (a) No;
- (b) no.

The Department of Resources Development has asked Whitlam Turnbull to advise it on the feasibility of establishing a petrochemical industry in Western Australia, having due regard for current events.

- (2) No.

ROTHWELLS LTD - CONNELL, MR LAURIE
Assets Commitment - Written Undertaking

972. Mr HASSELL to the Deputy Premier:

Further to question 507 (2) of 1989, was this undertaking in writing?

Mr PARKER replied:

A detailed inventory of all of Mr Connell's personal assets was not contained in a written undertaking.

ROTHWELLS LTD - COLLAPSE
Government Payments - National Australia Bank, Recoupment

974. Mr HASSELL to the Treasurer:

- (1) Further to question 517 of 1989, as the State paid \$33 million to the provisional liquidator of Rothwells and it is said \$10.5 million is "to be recouped" from the National Australia Bank, when is the \$10.5 million to be recouped?
- (2) Has the \$10.5 million been written off in the National Australia Bank accounts?
- (3) What is the form of the recoupment?

Mr PARKER replied:

- (1) The \$10.5 million will be recouped when certain legal conditions are satisfied and when the Supreme Court of Queensland approves the provisional liquidator's scheme of arrangement.
- (2) These accounting arrangements are a matter for the National Australia Bank.
- (3) By way of cheque.

TOURISM - WESTERN AUSTRALIAN TOURISM COMMISSION
Miriad Tours, Sydney - Usage Basis

982. Mr OMODEI to the Minister for Tourism:

- (1) On what basis has the Western Australian Tourism Commission used Sydney based booking company Miriad Tours?
- (2) Is the Minister aware that the Western Australian Tourism Commission, a Western Australian Government instrumentality, was using Miriad Tours as a booking company?
- (3) Is the Minister aware the Miriad Tours has gone into liquidation?
- (4) If yes to (3), is the Western Australian Tourism Commission going to reimburse Miriad Tours clients who have been left stranded in all parts of Western Australia and are being forced to pay further costs to complete their tours or return home?
- (5) Is the Minister aware that Miriad Tours travel vouchers have been declared invalid on collapse of that company?
- (6) (a) Was Miriad Tours required to give proof of company structure or financial backing before the Western Australian Tourism Commission became associated with this company; and
(b) if not, why not?

Mr GRILL replied:

- (1)-(2) The Western Australian Tourism Commission, through its tourist centres, has acted as an agent for the company's Western Australian tour products.
- (3) Yes.
 - (4) No. The avenue for compensation is through the travel compensation fund established under the Travel Agents Act 1985.
 - (5) Yes.
 - (6) (a) No; and
(b) the company had the appropriate registration under the Travel Agents Act 1985.

STATE FINANCE - CONSOLIDATED REVENUE FUND
Asset Management Task Force - Assets Sale Details

983. Mr MacKINNON to the Treasurer:

Would the Treasurer detail for me the main assets which the Government expect to sell to return the \$55 million listed under the Asset Management Task Force as revenue on page 14 of the Consolidated Revenue Fund for the year ending 30 June 1990?

Mr PARKER replied:

The process involved comes at the end of a three year exercise aimed at identifying underutilised assets in all agencies of government. Several major properties have already been earmarked for sale, including the Heathcote site and the Aston Clinic site. The timing and nature of all future sales is subject to decisions of Cabinet.

WESTERN AUSTRALIAN EXIM CORPORATION - ANNUAL REPORTS 1988
Actual Revenues or Expenditures - Significant Variations
Explanation Failure

989. Mr MacKINNON to the Treasurer:

Why did Western Australian Exim Corporation fail to provide an explanatory statement providing details of, and reasons for, any significant variation between actual revenues or expenditures in the current and previous financial years as required by Treasurer's Instruction 945 and as reported by the Auditor General in Exim accounts for 1988?

Mr PARKER replied:

WA Exim Corporation was established on 6 February 1987. Management had not been required previously to submit estimates under the pre-existing legislation and the oversight occurred in the very first few months following the proclamation of the new Act governing Exim.

PETROCHEMICAL PROJECT - FIRST BOSTON CORPORATION
Written Advice - Additional Advice

1007. Mr LEWIS to the Deputy Premier:

- (1) In connection with the petrochemical project and the written advice of First Boston tabled last year and this year -
 - (a) was any other written advice given;
 - (b) if so what advice; and
 - (c) why was it not tabled?
- (2) Was any oral advice given as to whether the Government should become a partner in the project, or invest in it?
- (3) If so, what was that advice?

Mr PARKER replied:

For the reasons given in my comments on question 953(b), I do not propose to answer this question.

PARLIAMENTARY PRECINCTS COMMITTEE - DISBANDMENT
Responsibility

1015. Mr HASSELL to the Minister for Planning:

- (1) Further to question 585 of 1989, who directed that the Parliamentary Precinct Committee be disbanded and replaced?
- (2) In particular, was the matter discussed with the Minister prior to the event occurring?
- (3) Why was the committee abandoned?
- (4) Why was there no reference to Parliament in relation to the abandonment of a committee concerned with Parliament?
- (5) Was the matter discussed with the President of the Legislative Council before the committee was disbanded?
- (6) What was the background to the matter?
- (7) What representations had been made to the Government concerning developments which it was expected would be stopped or delayed by the previously constituted Parliamentary Precincts Committee?

Mrs BEGGS replied:

(1)-(2)

This matter was determined by the previous Minister for Planning after discussion with the Chairman of the State Planning Commission.

(3) With the formation of the joint Perth City Council - State Planning

Commission - now Department of Planning and Urban Development - central area committee, a small Parliamentary Precincts Committee reflecting the views of Parliament was considered to be a more efficient and less time consuming system.

- (4) No reference was necessary given that the interests of Parliament are still being protected by the considerations of a new Parliamentary Precinct Committee, comprising the Speaker of the Legislative Assembly, the Rt Hon the Lord Mayor of Perth, and the Chairman of the State Planning Commission.

- (5)-(6) No, but following discussions between Mr Speaker, the Chairman of the State Planning Commission, and the President of the Legislative Council, the President was invited to join the newly constituted Parliamentary Precincts Committee.

- (7) It is not known what the previously constituted Parliamentary Precinct Committee may or may not have stopped or delayed.

PETROCHEMICAL PROJECT - GOVERNMENT INVOLVEMENT

Premier's Decision - Cabinet Decision

1016. Mr HASSELL to the Premier:

- (1) Was the decision of the Premier to enter into the petrochemical project in 1988 -
- (a) a Cabinet decision; and
 - (b) endorsed by Cabinet?
- (2) Did Cabinet authorise in advance, or ratify subsequently, the letters of undertaking in relation to the petrochemical project given by -
- (a) the Premier;
 - (b) the Deputy Premier; and
 - (c) the now Minister for Economic Development and Trade?
- (3) Was such decision or any of the said letters referred to or endorsed by the Executive Council or did the Executive Council make any decision in relation to any of those matters?

Mr PETER DOWDING replied:

- (1) The Government's decision to enter into the petrochemical project was endorsed by Cabinet.
- (2) The detail of Cabinet decisions is confidential.
- (3) It is not customary to refer Cabinet decisions or endorsements to Executive Council for decision or endorsement, except where there is a legislative requirement to do so.

VRISAKIS, ALECO - NATIONAL CORPORATIONS REGULATORY AGENCY, FEDERAL

Member Suitability - Attorney General, Representations

1017. Mr HASSELL to the Minister representing the Attorney General:

Has the Attorney General made any representations to the Federal Government as to the suitability of Aleco Vrisakis, a former director of Rothwells, to be a member of the Federal Government's proposed National Corporations Regulatory Agency to which he has been appointed by the Federal Labor Government?

Mr D.L. SMITH replied:

The Attorney General has drawn the attention of the Commonwealth Attorney General to the fact that Mr Vrisakis is a former director of Rothwells Ltd.

JUVENILE OFFENDERS - "STREET KIDS LEAVE \$45 000 BILL" REPORT
Youth Sentence - Community Services Detention Centre Riverbank

1021. Mr HASSELL to the Minister for Community Services:

- (1) Further to question 702 of 1989, how long has the youth remained in and how long will he remain in Riverbank?
- (2) Did the youth have a previous record?
- (3) If so, what in summary was that record?

Mr D.L. SMITH replied:

- (1) The youth has been serving a six month sentence in Riverbank since 26 July 1989. His release date is between 22 November 1989, and 25 January 1990 depending on behaviour.
- (2) Yes.
- (3) Providing this information would be contrary to the intent of section 126B of the Child Welfare Act.

PRISONERS - EHLERS, ROSS ALLAN
Prison Leave - Appeal

1022. Mr HASSELL to the Minister representing the Minister for Corrective Services:

- (1) Further to question 907 of 1989, on what date was Ross Allen Ehlers given leave or will he be given leave from prison by way of -
 - (a) work release;
 - (b) any other release under the prisons legislation; and
 - (c) any other form of release?
- (2) If leave of any form has commenced, what is its form and what are its conditions?
- (3) Who advised the Attorney General on the matter of an appeal?

Mr D.L. SMITH replied:

- (1) Other than participation in approved activity programs under section 94 of the Prisons Act, any form of leave or release from prison is subject to consideration of the individual case at, or near to, the date of eligibility for the particular leave or release. I am not able to speculate as to if, or when, Mr Ehlers may be approved to participate in any other leave program.
- (2) Mr Ehlers has participated in an approved program under section 94 of the Prisons Act on two occasions to date.
- (3) The Attorney General was not involved or advised on the matter of an appeal.

EL CABALLO BLANCO - CORRECTIVE INSTITUTIONS
Commercial Laundry Service

1024. Mr LEWIS to the Minister representing the Minister for Corrective Services:

- (1) Do any corrective institutions carry out a commercial laundry service for the establishment known as the El Caballo Blanco?
- (2) If yes, is such a service carried out at commercial rates comparable to the private sector?

Mr D.L. SMITH replied:

- (1) Yes.
- (2) When last reviewed the rates were comparable with those charged by the Hospital Laundry and Linen Service of WA.

HOUSING - HOMESWEST
*Orrong, Roberts, St Kilda, Chamberlain Roads, Rivervale -
Tenancies*

1025. Mr LEWIS to the Minister for Housing:

- (1) How many Homeswest tenancies exist within streets bounded by Orrong Road, Roberts Road, St Kilda Road and Chamberlain Road, Rivervale?
- (2) How many Homeswest tenancies have been demolished within this area, specifically during the financial years -
 - (a) 1987-88; and
 - (b) 1988-89?
- (3) How many Homeswest tenancies have been built on land within this area, where Homeswest tenancies have been demolished during the financial years 1987-88 and 1988-89?
- (4) How many Homeswest tenancies within this defined area have had extensive renovation or maintenance work in excess of \$1000 during the 1988-89 financial year?
- (5) What was the total value of the renovation or maintenance work referred to in (4)?
- (6) Have any of those tenancies which had extensive renovation work done in excess of \$1000 during the 1988-89 financial year since been demolished?
- (7) If yes, how many tenancies?
- (8) What was the total value of maintenance or renovation work done during the financial year 1988-89 on these Homeswest tenancies which have since been demolished?

Mrs BEGGS replied:

- (1) 251 tenancies.
- (2) (a) Three; and
(b) thirty-eight.
- (3) 1987-88 - 15 dwellings completed.
1988-89 - 96 under construction.
- (4) Twenty-one.
- (5) \$43 471.73.
- (6) None.
- (7) Not applicable.
- (8) Nil.

HOUSING - HOMESWEST
Perpetual Trustees WA Ltd - Financial Advances

1026. Mr LEWIS to the Minister for Housing:

- (1) During the financial year 1988-89 or during this financial year, did Homeswest place or has it placed any of its moneys on deposit or otherwise advance any moneys whatsoever as loan advances to Perpetual Trustees WA Ltd, or any of its other subsidiary or affiliated companies, for their own specific use, or otherwise the on-lending to other corporate entities or financial institutions?
- (2) If yes, what is the aggregate amount of money advanced?
- (3) What is the current aggregate amount of advances still un-repaid or outstanding?
- (4) What was the extent of the security given against default of repayment of these moneys?

- (5) Were there directions or requests made from Treasury or any other Government ministry or agency to Homeswest that such advances be made?
- (6) If yes, what Government ministry or agency made such request or gave such direction?

Mrs BEGGS replied:

- (1) Perpetual Trustees is the trustee of the Keystart scheme. All moneys for Keystart, both incoming and outgoing, emanate through the trustee. Funds which are surplus to requirements are invested by the trustee, and the choice of investment is determined on a commercial basis, in consultation with Homeswest.

It is inappropriate for any investment moneys to be lodged with Perpetual Trustees or any of its subsidiaries or affiliated companies, for their own specific use, on-lending or any other purpose not consistent with the role of the trustee.

- (2)-(6) Not applicable.

STATE FINANCE - FUNDING ALLOCATIONS

Mandurah Cultural Centre and Ocean Marina, Dawesville Cut, TAFE Facilities, Western Australian College of Advanced Education Campus

1033. Mr NICHOLLS to the Treasurer:

- (1) Has there been any funding allocation, which will result in a commencement of construction within this financial year, for the following projects -
 - (a) Mandurah Cultural Centre;
 - (b) Mandurah Ocean Marina;
 - (c) Dawesville Cut;
 - (d) technical and further education facilities; and
 - (e) Western Australia College of Advanced Education campus/facilities?
- (2) If yes -
 - (a) how much has been allocated; and
 - (b) when will this funding be made available?
- (3) If no -
 - (a) why not; and
 - (b) will these projects attract funding in the following financial year 1990-91?

Mr PARKER replied:

- (1) (a) An amount of \$1.9 million is provided in 1989-90 for the Mandurah Senior Citizens Centre, which is the first stage development of the Mandurah Cultural Centre complex; and
 - (b)-(c) no; and
 - (d)-(e) no, assuming the member is referring to projects in Mandurah.
- (2) See reply to (1).
- (3) (a) Many worthwhile projects have had to be deferred due to financial constraints; and
 - (b) all projects will be considered during the 1990-91 Budget process.

MOSMAN BAY TEAROOMS - DEVELOPMENT
Submissions

1034. Mr NICHOLLS to the Minister for Transport:

- (1) (a) How many submissions were received regarding the Mosman Bay Tearooms;
- (b) what number in support; and
- (c) what number against?
- (2) When was approval given for this development?
- (3) Was it understood that this development would be used as a restaurant?
- (4) Are there any further additions planned for this development, to the Minister's knowledge?
- (5) Does this development approval set a precedent for similar structures to be erected on similar sites in Western Australia?

Mr PEARCE replied:

- (1) (a), (b) and (c) Not applicable. The tearooms were already in existence and so was the lease for a tea rooms kiosk. However, the structure was closed due to the condition of the premises. The structure was rebuilt by the owners.
- (2) The State Planning Commission gave its approval on 21 March 1986 to commence development.
- (3) No. It was understood that the structure was to be used as tearooms, kiosk and caretakers' quarters. However, applications for functions at the tearooms were to receive approval from the Minister for Transport on a case by case basis.
- (4) No.
- (5) No. This structure was a rebuilding of existing premises.

MOSMAN BAY TEAROOMS - DEVELOPMENT
Environmental Inquiry

1035. Mr NICHOLLS to the Minister for Environment:

- (1) Have there been any environmental issues surrounding the Mosman Bay Tearooms which required investigation by the Environmental Protection Authority or any other Government authority or agency?
- (2) Will the Mosman Bay Tearooms contribute to any deterioration of the surrounding environment?
- (3) Was this development originally assessed with the understanding that it would be used as a restaurant?
- (4) With the granting of approval for this development, would similar developments be acceptable in other parts of the Swan River?

Mr PEARCE replied:

- (1) In October 1986 the development was referred to the Environmental Protection Authority by the Minister for Environment. It was determined that the proposal was fully within the jurisdiction of the Waterways Commission.
- (2)-(4) It is therefore appropriate for these following questions to be referred to the Waterways Commission.

MEREDITH, NICHOLAS - ASSAULT CHARGE
Hearing Day Reservation - Fremantle Magistrates' Court

1038. Mr HASSELL to the Minister representing the Attorney General:

- (1) Is it correct that a reservation of one day was made last Thursday, 14 September for the hearing of charges against Nicholas Meredith in the Fremantle Magistrates' Court?

- (2) Is it correct that the charge was assault occasioning bodily harm?
- (3) Is it correct that the charge had previously been remanded for hearing on at least one occasion?
- (4) Why was the matter not dealt with last Thursday?
- (5) Why has it been remanded to 12 and 13 February 1990 for hearing?
- (6) Did the Crown oppose further delay?
- (7) Has the Attorney General been advised as to whether an attempt is being made for the hearing of these charges to be delayed until after the expiry of the period of parole of Nicholas Meredith.
- (8) What advice has the Attorney General received in this regard?

Mr D.L. SMITH replied:

- (1) Yes, however other matters were brought before the court at short notice.
- (2) Yes.
- (3) No.
- (4) The magistrate adjourned the matter as he was of the view it would not have been finalised in the time available that day.
- (5) They are the first two consecutive days available for the trial.
- (6) The police prosecutor opposed the adjournment.
- (7) No. I understand that the parole period does not expire until 16 April 1990.
- (8) None.

GOVERNMENT GUARANTEES - JGC ENGINEERS AUSTRALIA PTY LTD
Clough - Outstanding Commitments

1040. Mr COURT to the Premier:

- (1) What financial commitments are currently outstanding in relation to those direct guarantees given to JGC and Clough?
- (2) What will be the additional expense over and above the \$62 300 000 provided for in this year's Budget to go into Western Australian Government Holdings Ltd?

Mr PETER DOWDING replied:

- (1) All WAGH's commitments are detailed in documents already tabled.
- (2) Outlays by WAGH additional to the amounts provided for in the Budget, if any, have yet to be determined.

LEGISLATION - GOVERNMENT REGULATIONS
Explanatory Notes - General Public Facility

1042. Mr MENSAROS to the Minister representing the Attorney General:

- (1) In order to make it easier for the general public, particularly for affected small businesses, and also to ease the work of the Standing Committee on Delegated Legislation, will the Minister cause to be provided every Government regulation and generally all delegated legislation with explanatory notes similar to second reading speeches explaining the provisions of primary legislation introduced in Parliament?
- (2) If so, when?
- (3) If not, why not?

Mr D.L. SMITH replied:

- (1)-(3) The Government has agreed to this matter in principle. Steps are being taken for its implementation.

WATER RESOURCES - WATER CONSUMPTION BEYOND ALLOWANCE
Proportional Calculation Recommendation - Shore, Mr, Letter

1043. Mr MENSAROS to the Minister for Water Resources:

- (1) Has the Minister received a letter dated 5 September 1989 from Mr J.E. Shore, jointly addressed to the Minister and me, and recommending proportional calculation of water consumption beyond allowance in case of occupancy changes with domestic residences?
- (2) If so, is the Minister prepared to introduce such a system, which appears to be fair and in the interests of consumers?

Mr BRIDGE replied:

- (1) Yes.
- (2) In 1982 the authority moved to an owner-based system of rendering accounts. That is, the account goes to the owner and the owner is responsible for payment of the accounts. This is irrespective of the arrangements that he may have entered into with the tenant/occupier.

The reasons behind the change are -

- huge savings in computer time;
- savings in staff required to maintain the data base - only changes made are on sale of the property; and
- savings by recovery section in not having to trace tenants before action can be taken.

Therefore the suggestion by Mr Shore that a change to proportional calculation of water consumption will be in the interests of consumers is not the case.

THOMSON LAKE - HOUSING DEVELOPMENT
Ground Water Utilisation - Safety Assurance

1044. Mr MENSAROS to the Minister for Water Resources:

In regard to the proposed Lake Thomson housing development, can the Minister assure the House that the Minister will agree to such development only if it can be absolutely guaranteed that the ensuing domestic and/or industrial use of buildings to be erected will not adversely affect the utilisation of ground water resources in the area for public use?

Mr BRIDGE replied:

Before any development can proceed, environmental consideration must be satisfied to ensure that utilisation of ground water resources in the area for public use are not put at unacceptable risk and continue to meet guidelines for drinking water quality in Australia.

PLANNING EVALUATION - MINISTERIAL COUNCIL
Members - Meetings

1045. Mr MacKINNON to the Minister for Planning:

- (1) Who are the members of the Ministerial Council established by the Government to evaluate the planning process as announced in Press statement P89/170 of 20 May 1989?
- (2) How many times has the Ministerial Council met?
- (3) What decisions has the Ministerial Council made as a consequence of those meetings?

Mrs BEGGS replied:

- (1) Premier.
 Minister for Planning; Housing.
 Minister for Transport; Environment.

Minister for Conservation and Land Management.
 Minister for Water Resources.
 Minister for Budget Management.

- (2) There have been two formal meetings, and numerous informal meetings of council members.
- (3) The purpose of the Ministerial Council is to expedite and streamline the consultative processes between the Ministers involved in planning and housing issues. As such it was never intended to supplant the decision making role of Cabinet or individual Ministers.

TRANSPORT - SCHOOL HOLIDAYS
College Difficulties - Government Action

1052. Mr OMODEI to the Minister for Transport:

- (1) Is the Minister aware of difficulties being experienced by colleges throughout Western Australia in organising transport home for students for the school holidays, particularly by air?
- (2) If yes, what immediate action is the Minister taking under the Transport portfolio to alleviate this problem?
- (3) Is the Minister aware that transport options other than by air will mean that many students from country towns in Western Australia will spend up to half of their holiday in transit?
- (4) Will the Minister give an assurance that this urgent matter will receive immediate priority?

Mr PEARCE replied:

- (1) Yes.
- (2) We are liaising continually with Ansett WA to determine whether there will be sufficient capacity to cater for students. The alternative is coach services and I understand large numbers of children have already booked with the coach operators.

Subject to Ansett WA's ability to meet the demand, the Government may consider the chartering of light aircraft. Unfortunately, due to the very limited capacity of such aircraft, only the most needy children can be considered eligible, such as primary school children and those requiring escorts.
- (3) I am aware that children in the Kimberley region face a possible long bus journey and it is the primary age school children and handicapped students in this area that I am particularly concerned about.
- (4) This matter will continue to receive a high priority.

INDUSTRIAL ACCIDENTS - WORKPLACES
Death Inquiries - Perth Coroner, Adequate Resources

1055. Mr KIERATH to the Minister representing the Attorney General:

- (1) Is the Minister satisfied that the resources made available to the Perth Coroner for investigation of workplace deaths are adequate for efficient, accurate, and prompt inquests?
- (2) What is the average time delay between the fatal workplace accident and the date of inquest?
- (3) Is the Minister aware that the Perth Coroner made statements that the system for investigation of non-natural death is under stress?
- (4) (a) Does the Minister support the Coroner's call for workplace deaths to be investigated immediately, although the inquest may not take place until a later date; and
 (b) if yes, what resources will the Minister make available to the Coroner?
- (5) (a) Has the laying of any charges of manslaughter been considered

against any company or individual involved in the 1989 St John of God Hospital extensions, on which a 3rd year apprentice was killed in March 1989;

- (b) if not, why not;
- (c) if yes, will the charges proceed; and
- (d) if not, why not?
- (6) Is it usual practice to allow interested parties to be represented by a Queens Counsel at the Coroner's inquest?
- (7) In such cases, would consideration be given to providing legal aid to allow other interested parties to be represented by a QC?
- (8) (a) Are there any avenues for compensation available to parents of a son/daughter killed in a workplace accident;
- (b) if not, why not; and
- (c) if yes, what are these avenues?

Mr D.L. SMITH replied:

- (1) Generally speaking, yes. In addition to police resources, access is available to specialist services, such as those of the State Energy Commission, as may be appropriate to inquire into the circumstances of any workplace death. The Attorney General is aware of the Coroner's concern that on occasion there has been insufficient coordination of inquiries. Recommendations for changes to the Coroner's Act are being considered, and the question of the resource needs of the Coroner will be considered in the light of those proposals.
- (2) Statistics are not available. However, papers relating to four inquests into such deaths this year indicate an average interval of five months.
- (3) Yes.
- (4) (a) Yes; and
- (b) answered by (1).
- (5) As I have previously indicated, questions of this nature are improper. Inquiries, whether by police, corporate affairs, or any other investigating authority are inappropriate for public comment unless proceedings are initiated, or, where proceedings are not initiated, the matter is the subject of official report.
The Coroner has not yet delivered his reasons in respect of his finding of accidental death.
- (6) Any person or company is entitled to engage counsel - including Queens Counsel - to represent their legal interests. The permission of the Coroner is required for counsel to appear and represent a party at an inquest.
- (7) The grant of legal aid is a matter for the Legal Aid Commission.
- (8) Depending on the circumstances, claims might be made under the Workers' Compensation Act or the Fatal Accidents Act.

PLANNING - METROPOLITAN REGION SCHEME

Roleystone Land - Amendment Application

1056. Mr TUBBY to the Minister for Planning:

- (1) Has either the Minister or the State Planning Commission received an application to amend the metropolitan regional scheme for land in Roleystone bordered by Raeburn, Holden and Chevin Roads?
- (2) If yes, has a decision been made on this application and if so what decision was made?

Mrs BEGGS replied:

- (1) Yes.
- (2) No decision has yet been made.

TRADE FAIR - HONG KONG
Cost - South West Development Authority

1059. Mr BRADSHAW to the Minister for South-West:

- (1) How much did the recent trade fair in Hong Kong cost?
- (2) What is the break down of that cost?
- (3) Did the South West Development Authority pay for the whole cost or did any other Government department contribute and, if so, which?

Mr D.L. SMITH replied:

- (1) More than 20 companies and 29 participants were involved in an Expo-type promotional fair from 14 May until 28 May this year in Hong Kong. Participants included those representing the fishing, dairying, floriculture, fashion, fruit and vegetable and meat industries. Promotional people from Western Australia were also involved. The total cost for this trade fair was \$71 354.
- (2)

Promotion and publicity	\$15 425
Airfares, accommodation, meals	\$43 719
Freight, customs, handling, cartage	\$ 9 998
Product costs	\$ 2 212
- (3) The costs were shared equally between the South West Development Authority and the Department of Trade Development.

**WESTERN AUSTRALIAN TREASURY CORPORATION - GOVERNMENT
AUTHORITIES**

Business Undertakings - Loan Funds

1065. Mr MacKINNON to the Treasurer:

- (1) What amounts have been loaned by the Western Australian Treasury Corporation to Government authorities and business undertakings since Western Australian Treasury Corporation's establishment to the present date?
- (2) Which corporations or business undertakings have received these loan funds, how much, and when?

Mr PARKER replied:

The amounts lent to each authority since establishment of the corporation on 1 July 1986 are listed each year in the corporation's annual report, which is tabled before Parliament. It is planned to table the annual report for the year ended 30 June 1989 next week.

Since the end of June 1989, the following loans have been made -

<u>Authority</u>	<u>Date</u>	<u>Amount</u> \$
Curtin University	4 August	3 100 000
Fremantle Port Authority	28 July	3 000 000
	23 August	3 500 000
General Loan and Capital Works Fund	3 July	63 361 000
Metropolitan Market Trust	1 July	1 007 300
State Energy Commission of Western Australia	3 July	50 000 000
	31 July	1 678 100
	1 August	24 311 740
	31 August	10 000

	1 September	3 000
	15 September	500 000
Western Australian Fire Brigades Board	3 July	280 000
Water Authority of Western Australia	1 September	132 700
Western Australian Development Corporation (LandBank)	30 August	2 000 000

**PETROCHEMICAL PROJECT - WESTERN AUSTRALIAN GOVERNMENT
HOLDINGS LTD**

*State Energy Commission - Supply Agreement, Payments Guarantee,
Deputy Premier's Approval*

1067. Mr COURT to the Premier:

Why did the Premier not seek the approval of the Deputy Premier - as the Minister responsible for the State Energy Commission of Western Australia - before the Premier wrote a letter on 23 January 1989 confirming that the Government would guarantee payments due by Western Australian Government Holdings to SECWA under the supply agreement they had entered into for the petrochemical project?

Mr PETER DOWDING replied:

It was not necessary for me to do so. The SECWA supply agreement is a commercial contract within the normal business of SECWA.

**PETROCHEMICAL PROJECT - WESTERN AUSTRALIAN GOVERNMENT
HOLDINGS LTD**

State Energy Commission - Payments Guarantee, Governor's Approval

1068. Mr COURT to the Premier:

In relation to the Premier's letter to the State Energy Commission of Western Australia on 23 January 1989 confirming Western Australian Government Holdings's commitment to guarantee payments to SECWA in relation to the petrochemical project, on what date was the Governor's approval given, as mentioned in the letter and required under the Northern Mining Corporation (Acquisition) Act 1983?

Mr PETER DOWDING replied:

24 January 1989.

LAMB - WESTERN AUSTRALIAN MEAT MARKETING CORPORATION

*Private Meat Trader Carcase Delivery - Local Market Supply, Total
Carcasses*

1071. Mr McNEE to the Minister for Agriculture:

- (1) Does the total of 149 850 lamb carcasses supplied by the Western Australian Meat Marketing Corporation to the local market in 1988-89 include lamb that was delivered by private meat trade operator - that is, butcher/wholesaler - to an export works without an agency agreement, such as Robb Jetty, and returned to that operator after slaughter and the WAMMC's distribution schedule has been met?
- (2) If such lambs were delivered by such a private meat trade operator mentioned in (1), what was the total?

Mr BRIDGE replied:

I am advised by the Western Australian Meat Marketing Corporation that -

(1)-(2)

Except for 67 lambs contained in lines of sheep submitted by Robb Jetty export operators, which the WAMMC purchased, no private meat trade operator - that is, butcher/wholesaler - delivered lambs to an export works during 1988-89 for return to the operator after slaughter.

SPORT AND RECREATION - ARTIFICIAL SURFING REEFS
Feasibility Committee - Meetings Schedule

1076. Mr STRICKLAND to the Minister representing the Minister for Sport and Recreation:

- (1) What has been the schedule of meetings for the committee to investigate the feasibility of artificial surfing reefs since its inception?
- (2) Who are the members of this committee and what body does each represent?
- (3) What is the mission statement or designated purpose of the committee?
- (4) Will the Minister supply me with a copy of all relevant minutes of the committee?
- (5) Has any testing of prototypes been conducted by the University of Western Australia's engineering research station?
- (6) If yes to (5), what are the results?
- (7) Have car tyres been ruled out as a possibility as a material for the construction of the reef?
- (8) What recommendations have been put to the Government for the establishment of the first artificial reef?
- (9) Has the Government made a decision to any location or priority of locations for the reef?
- (10) What funds have been budgeted for artificial reef construction for 1989-90?
- (11) Will the first reef be in place by the end of this year?
- (12) Is there a sunset clause on the work of this committee or has a time frame been set for it to report?

Mrs BEGGS replied:

- (1) Formal meetings of the artificial surfing reef committee and metropolitan and country on-site meetings commenced Tuesday, 7 June 1988.
- (2) The members of the committee are as follows -
 - Graham Burkett (Chairperson).
 - Barry Britton, past local government councillor.
 - Angus Horwood, Chairman of the Western Australian Recreational and Sportsfishing Council.
 - Keith Campbell, President of the Western Australian Surfriders' Association (Inc).
 - John Stringfellow, life member of the Swanbourne Nedlands Surf Lifesaving Club.
 - John Balgarnie, State Surfboard representative.
 - Dr Ian Eliot, Senior Lecturer Department of Geography, University of WA.
 - John Fuhrmann, Assistant Director of the Ministry of Sport & Recreation.
 - Captain David Oliver, Department for Marine and Harbours.
 - Nelo Seragusa, Engineer from the Department of Marine and Harbours.
- (3) The terms of reference for the artificial surfing reef committee are -
 - (a) An assessment of present and future needs.
 - (b) Advising on the existence and success of such reefs elsewhere in Australia.

- (c) Recommending on engineering aspects of artificial reef construction.
 - (d) Recommending on possible metropolitan artificial reef locations.
 - (e) assessing the impact on the environment of the establishment of an artificial reef at the possible locations.
 - (f) Costing of the above.
 - (g) Other related matters.
- (4) No, considerations of the committee are confidential to the committee.
- (5)-(6) No testing of artificial reef prototypes has been conducted by the University of Western Australia at the request of the committee. However, second year geography students at UWA, under the supervision of Dr Ian Eliot, who is a senior lecturer and a member of the committee, are working on a practical assignment connected with the project at Cable Station Beach, Leighton. The results of the students will be welcomed by the committee.
- (7) A final decision on this question will rest with coastal engineering experts. However, it is probable the strength of wave motion required to develop good surf would negate the use of tyres.
- (8) A number of proposals are being considered.
- (9) Cable Station Beach is the preferred location in the event that engineering investigations substantiate the decision.
- (10)-(11) The issues of funding and timing of construction will be considered after all information has been evaluated and decisions made.
- (12) The committee will operate as required to monitor the project.

HOUSING - HOMESWEST
Towns - Building Statistics

1077. Mr McNEE to the Minister for Housing:

- (1) How many Homeswest homes were built in the towns of -
- (a) Moora;
 - (b) Dalwallinu;
 - (c) Wongan Hills;
 - (d) Coorow;
 - (e) Jurien Bay;
 - (f) Lancelin;
 - (g) Dowerin; and
 - (h) Goomalling
- for the years 1983 to 1988 inclusive?
- (2) Which of the above towns have a current waiting list?
- (3) Has any accommodation for single people been provided in the following towns -
- (a) Moora;
 - (b) Dalwallinu;
 - (c) Wongan Hills;
 - (d) Coorow;
 - (e) Jurien Bay; and
 - (f) Lancelin?
- (4) If no to (3), why not?

Mrs BEGGS replied:

(1)-(2)

	Number of homes built 1982-83 - 1988-89	Rental waiting list as at 1.9.89
Moora	12	20
Dalwallinu	nil	5
Wongan Hills	4	4
Coorow	nil	4
Jurien Bay	nil	3
Lancelin	nil	nil
Dowerin	nil	3
Goomalling	nil	2
(3) Moora	4 x 1 b/r pensioner units for single pensioners	
Dalwallinu	nil	
Wongan Hills	nil	
Coorow	nil	
Jurien Bay	nil	
Lancelin	nil	
(4)	The towns outlined are low demand areas compared with other areas in the State. In areas where demand for family accommodation is low, Homeswest does allocate family homes to single people.	

WOOL - TRANSPORT
Deregulation

1078. Mr McNEE to the Minister for Transport:

- (1) Has the transport of wool been deregulated?
- (2) If yes -
 - (a) why; and
 - (b) will the necessity for contractors to obtain a permit to carry wool be removed?
- (3) If the answer to (2)(b) is no, why not?

Mr PEARCE replied:

- (1) Yes.
- (2) (a) A choice of mode was deemed to be more efficient for the transport of wool.
- (b) The Transport Co-ordination Act requires the licensing of commercial goods vehicles. A review of the licensing system is planned to be undertaken by the Department of Transport.
- (3) See above.

EQUAL OPPORTUNITY ACT - IMPLEMENTATION
Local Government - Problems

1080. Mr COURT to the Minister for Justice:

- (1) Have any local authorities experienced problems in relation to the implementation of the Equal Opportunity Act?
- (2) If yes, what are the major areas of concern?
- (3) What action is being taken by the Government to overcome these problems?

Mr D.L. SMITH replied:

- (1) No local authority has indicated that it has experienced problems in relation to the implementation of the Equal Opportunity Act or its equal employment

opportunity management plans, though some authorities were slow in providing management plans and two required a stern reminder of their obligation to do so.

- (2) Not applicable.
- (3) In the event of a local authority experiencing problems the officers of the Directorate of Equal Opportunity in Public Employment are available to offer assistance and advice.

LAMB - WESTERN AUSTRALIAN MEAT MARKETING CORPORATION
Old Season Lamb - Schedule Publication

1081. Mr McNEE to the Minister for Agriculture:

- (1) Does the Western Australian Meat Marketing Corporation no longer publish a schedule for old season lamb and, further, has it stated that any producer delivering old season's lamb to the WAMMC will be recompensed at the mutton values only?
- (2) Is it also correct that, by contrast, country abattoirs slaughtering old season lamb still must adhere to the corporation's schedule prices - that is, producer and distributor prices?
- (3) If the answer to (1) and (2) is yes, what justification can the Minister give for the WAMMC's depressing producers' old season's lamb prices by insisting that country abattoirs meet WAMMC charges as in (2), when the WAMMC is not willing to handle that lamb, leaving the producer with no other outlet than country abattoirs?

Mr BRIDGE replied:

- (1) The WAMMC still produces schedules for old season's lamb for country abattoir operators who are agents of the corporation and elect to continue dealing in old season's lamb.

The schedules are provided to the rural media and are generally published. One weekly journal, however, has elected not to publish the old season's schedule values at all this year.

The WAMMC in a Press release dated 1 September 1989 advised producers that, because producers were seeking slaughtering spaces at the export works for sucker lambs in quantities which vastly exceeded the abattoir spaces being made available for lamb, "effective Friday, 8 September 1989 the corporation would not be accepting bookings for old season's lambs at export abattoirs until further notice".

The Press release went on to say that, as a consequence of this decision, "the corporation will cease to offer a schedule of prices for old season's lambs at export works after 8 September 1989 and, should any old season's lambs appear in sucker lamb or mutton consignments, mutton prices will prevail".

During 1988, because lamb supplies to abattoirs never exceeded available capacities, the WAMMC offered schedules for both sucker and old season's lambs until mid-November. Few, if any, old season's lambs were slaughtered after 1 October.

In 1987 the old season's price schedule was discounted from 27 September for similar reasons to those prevailing this year, and in 1986 the date was 6 October.

- (2) The WAMMC has determined that it will not deal itself as a wholesaler of old season's lambs for the domestic market until after the sucker lamb demand excess had ceased. Country abattoirs may decide to continue to deal in old season's lamb for their own commercial reasons.

The schedule for old season's lambs has been adjusted to assist any country abattoir operator who elects to continue to purchase old season's lambs.

With the maintenance of these schedules there is an obligation upon the

WAMMC to pay its abattoir agents the published price, regardless of the price the abattoir operator has paid the farmer for the old season's lamb.

- (3) The WAMMC does not accept the assertion that the issuance of schedules of prices at which it is prepared to purchase old season's lambs for slaughter and at which it is prepared to sell old season's lamb carcasses either constitutes a charge or depresses producer prices.

The corporation, to maximise the throughput of new season's lambs on the domestic market, is currently conducting an extensive retailer/consumer based promotion for WA produced spring lamb.

Spring lamb is new season's sucker lamb and not old season's lamb.

Were the corporation to accept old season's lambs at export abattoirs at the expense of trade preferred sucker lambs, it would, for the reasons stated in (1), be delinquent in its duties to producers as a whole to operate the corporation as efficiently as possible and to maximise returns to producers overall.

STATE GOVERNMENT INSURANCE COMMISSION - INVESTMENTS

Companies Schedule - Shares Purchase

1082. Mr MacKINNON to the Treasurer :

- (1) Has the State Government Insurance Commission made an investment in the shares of any of the companies listed in the schedule below since its inception?
- (2) If so, when was the investment made, how many shares were purchased, and at what cost?
- (3) Of those shares that were purchased, when were the shares sold, at what price, and how many shares are held at present by the SGIC?

SCHEDULE:

49 Nominees Pty Ltd
 Abaya Pty Ltd
 Agrifeed International Limited
 Alemoth Pty Ltd (previously Barrier Shelf Co. No 30)
 Allied Asian Securities Pty Ltd
 Alresford Pty Ltd
 Amazone Pty Ltd
 Aquarius Holdings Limited
 Augus Pty Ltd
 Aust Cane & Pulp Ltd
 Austasia Insurance Brokers Limited
 Austasia Finance Pty Ltd
 Austasia Investments Limited
 Austasia Investments Pty Ltd
 Australian Basic Industries Ltd
 Australian Index Linked Mortgage & Investment Company Pty Ltd (AILMIC)
 Australian Peat Resources Pty Ltd
 Auvis Pty Ltd
 Avonbard Pty Ltd previously Barrier Shelf Co No 25)
 Barrier Pacific Resources Ltd
 Barrier Shelf Co. (No 3) Pty Ltd
 Barrier Shelf Co. (No 6) Pty Ltd
 Barrier Shelf Co. (No 21) Pty Ltd
 Barrier Shelf Co. (No 24) Pty Ltd
 Barrier Shelf Co. (No 26) Pty Ltd
 Barrier Shelf Co. (No 27) Pty Ltd

Barrier Shelf Co. (No 30) Pty Ltd
 Barrier Shelf Co. (No 41) Pty Ltd
 Barrier Shelf Co. (No 42) Pty Ltd
 Barrier Shelf Co. (No 49) (Re Freemasons Hotel)
 Barrier Shelf Co. (No 54) Pty Ltd
 Barrier Shelf Co. (No 60) (Teo Nominees Pty Ltd)
 Barrier Shelf Co. (No 61) Pty Ltd
 Barrier Shelf Co. (No 66) Pty Ltd
 Barrier Shelf Co. (No 68) Pty Ltd
 Barrier Shelf Co. (No 69) Pty Ltd
 Barrier Shelf Co. (No 77) Pty Ltd
 Bayete Pty Ltd (previously Barrier Shelf Co. No 15)
 Beltech Corporation Ltd
 Bemly Pty Ltd (previously Barrier Shelf Co. No 42)
 Beverage Holdings Pty Ltd
 Blixen Pty Ltd (previously Barrier Shelf Co. No 42)
 Borain Investments Pty Ltd (previously Barrier Shelf Co. No 23)
 Bouvardia Holdings Pty Ltd
 Breona Holdings Pty Ltd
 Burlatta Nominees Pty Ltd
 C.W.B. Pty Ltd
 Calm Nominees Pty Ltd
 Canrell Pty Ltd (previously Barrier Shelf Co. No 43)

Cater-King Pty Ltd
 Cavlec Electrical Engineering Services Pty Ltd
 Central Kalgoorlie Gold Mines NL
 Cetera Pty Ltd
 Chunurd Spray Painters Pty Ltd
 China Link Pty Ltd
 Clifford Holdings Pty Ltd
 Clive Lowe Pty Ltd
 Commercial Bloodstock Services Pty Ltd
 Company Management Services Pty Ltd
 Concord Holdings Pty Ltd
 Contralto Pty Ltd
 Cullina Pty Ltd
 CWB Pty Ltd
 Dalleagles Pty Ltd
 Dashmere Pty Ltd
 Datum Nominees Pty Ltd
 Donner Pty Ltd
 Doolan Pty Ltd
 East Murchison Mining Pty Ltd
 Edgecliffe Mews Pty Ltd
 Ellingham Nominees Pty Ltd
 Emu Hill Gold NL
 Falcon Films Pty Ltd
 Ferngate Pty Ltd
 Frampton Pty Ltd
 Friewood Pty Ltd
 Great Western Films Pty Ltd
 Gwydir Pty Ltd
 Halifax Nominees Pty Ltd
 Hancey Pty Ltd
 Handoub Pty Ltd
 Hannans Gold Ltd
 Hatherm Pty Ltd
 Havtor Pty Ltd
 Hawser Pty Ltd
 Hayhillock Pty Ltd
 Hermanus Pty Ltd (previously Barrier Shelf Co. No 24)
 I.M.A.M. Research Pty Ltd
 Intellect Electronics Ltd
 Julyn Pty Ltd
 Kajiva Pty Ltd
 Katanning Holdings Ltd
 Keltid Pty Ltd
 Krona Management Pty Ltd
 Kwela Pty Ltd (previously Barrier Shelf Co. No 27)
 Laser-Tech Australia Ltd
 Lawley Securities Pty Ltd
 Lenoc Pty Ltd
 Leonora Gold Mines NL
 Levassor Pty Ltd
 Liberty Holdings Pty Ltd
 Liquor Holdings Pty Ltd
 Lothian Investments Pty Ltd
 LRC Nominees Pty Ltd
 Lymlore Pty Ltd (Hume Trout Farm)
 Lyntij Pty Ltd (Lake Hume Resort)
 Magnet Industries Pty Ltd
 Mairlm Pty Ltd
 Marmin Pty Ltd
 Murpa Pharmaceuticals Ltd
 Matherton Pty Ltd
 Matrix Properties Pty Ltd
 Media Portfolio Ltd
 Mezuri Pty Ltd (previously Barrier Shelf Co. No 40)
 Mid Western Properties Pty Ltd
 Mid Western Finance Pty Ltd
 Molyneux Pty Ltd (previously Barrier Shelf Co. No. 20)
 Monand Pty Ltd
 Moresby Investments Pty Ltd
 Molo Securities Pty Ltd (previously Barrier Shelf Co. No 5)
 Murard Pty Ltd
 Nolest Investments Pty Ltd
 Oakhill Pty Ltd
 Oceania Holdings Pty Ltd
 Omco Holdings Pty Ltd
 Omicron Grazing Pty Ltd
 Overdale Holdings Pty Ltd
 Paragon Resources NL
 Paragon Nickel Pty Ltd
 Petrochemical Industries Company Limited
 Pier Street Nominees Pty Ltd
 Portfolio Securities Pty Ltd
 Portman Mining Ltd
 Princeton Nominees Pty Ltd
 Protective Research Industries Limited
 Queensland Drilling Limited
 Quirindi Pty Ltd
 Ready Credits Ltd
 Regal Motors Pty Ltd
 Remote Televisio Service (WA) Pty Ltd
 Resman Pty Ltd (previously Barrier Shelf Co. No. 21)
 Ritson Nominees Pty Ltd
 Rorke Staircases Enterprises Pty Ltd
 Rothwells Resources Pty Ltd
 Rothwells Investments Pty Ltd
 Rothwells (Canberra) Pty Ltd
 Share Capital Pty Ltd
 Soils Ain't Soils Limited
 Spiral Pty Ltd
 Stars Technology Pty Ltd
 Statton Management Pty Ltd
 Statton Development Corp. Pty Ltd
 Stim Pty Ltd
 Storrington Pty Ltd (Surfers Royale)
 T.A.S.K. Investments Limited
 Taimac Video Corporation Pty Ltd
 Tamanga Limited
 Tavola Pty Ltd
 Telbase Pty Ltd
 Town House Nominees Pty Ltd
 Trio Appliances (1985) Pty Ltd
 Tristram Holdings Pty Ltd

Trusmore Pty Ltd
 Turondale Nominees Pty Ltd
 United Leisure Australia Ltd
 University Development Corporation
 Australia Pty Ltd
 V N Pty Ltd
 Vapac Limited
 Vehlow Holdings Pty Ltd
 Velon Pty Ltd
 Velon Holdings Pty Ltd
 Village Investments Pty Ltd
 Vital Technology Australia Limited
 Vital Technology Research & Development
 Pty Ltd
 Watrain Pty Ltd (previously Barrier Shelf Co.
 No. 31)
 Weld Holdings Pty Ltd
 West Coast Training & Motivation Services
 Pty Ltd
 Westralian Gold Mines Ltd
 Wet & Wild Pty Ltd
 Zeron Pty Ltd

ALSO -

Dallhold Ltd
 Bond Corp Holdings Ltd
 Bond Brewing Ltd
 Bond Corporation Ltd
 Bell Resources Ltd
 J.N. Taylor Ltd
 Bond International Gold Ltd
 Bond Media Ltd
 Spedley Securities Ltd
 Spedley Holdings Ltd
 Greater Pacific Investments Ltd
 GPI Leisure Ltd
 Chequecard Ltd
 Australis Mining NL
 Leader Resources NL
 Leader Mines NL
 Nationwide Indemnity Corp Ltd
 Eie Corporation (Japan)

Mr PARKER replied:

- (1) Yes.
- (2) The SGIC has advised me of the following investments.

BELL RESOURCES

Date	Number of Shares Purchased	Total Cost
01.01.87	200 000	\$876 000.00
17.08.87	200 000	\$1 083 288.15
18.08.87	60 000	\$322 358.40
26.10.87	100 000	\$260 215.35
11.09.87	100 000	\$544 320.00
1 for 5 bonus June 1987	40 000	\$0.00

BOND MEDIA

Date	Number of Shares Purchased	Total Cost
29.04.87	250 000	\$387 500.00
29.04.87	250 000	\$387 500.00
14.05.87	266 500	\$413 075.00
14.05.87	266 500	\$413 075.00
12.06.87	50 000	\$55 495.00
12.06.87	200 000	\$226 016.00
12.06.87	200 000	\$226 016.00
12.06.87	50 000	\$55 495.00
12.06.87	413 600	\$416 908.80
19.06.87	500 000	\$504 000.00
29.06.87	85 900	\$86 587.20
29.06.87	500	\$488.93

PARAGON RESOURCES

Date	Number of Shares Purchased	Total Cost
26.08.88	3 000 000	\$2 040 000.00
16.09.88	3 500 000	\$2 379 940.50
31.10.88	2 044 393	\$1 427 558.75

acquired as security on Rothwells deposit (valuation at 31.10.88, 0.69 cents using current market price)

INTELLECT

Date	Number of Shares Purchased	Total Cost
01.11.88	2 832 000	\$90 048.83

J.N. TAYLOR

Date	Number of Shares Purchased	Total Cost
21.10.87	15 900	\$84 944.25
	24 100	\$131 624.70

purchase contributing shares

06.10.87	100 000	\$514 080.00
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call 42 cents/share

14.12.87		\$420 000.00
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call 0.41 cents per share

12.05.88		\$41 000.00
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(3)

BELL RESOURCES

Currently held	700 000	\$3 086 181.90
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BOND MEDIA

Currently held	2 533 000	\$3 172 156.93
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PARAGON RESOURCES

Currently held	8 544 393	\$5 847 499.25
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INTELLECT

Currently held	2 832 000	\$90 048.83
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J.N. TAYLOR

Sold

06.12.88	140 000	\$305 536.00
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Zero shares held

STATE FINANCE - ESTIMATES OF EXPENDITURE

"Hansard", Legislative Assembly Computerisation - Anticipated Savings

1086. Mr TRENORDEN to the Speaker:

Further to question 280 of 1989, where in the Estimates of Expenditure, tabled as part of this year's Budget papers, is -

- (a) the anticipated saving of \$500 000 achieved by computer production of *Hansard*; and
- (b) the anticipated net saving of \$52 000 in the Legislative Assembly budget, due to computerisation?

The SPEAKER replied:

- (a) Traditionally, the cost of printing *Hansard* was borne by the State Printing Division. In 1987-88 this responsibility was transferred to the Joint Printing Committee vote of the Parliament. This coincided with the introduction in the Hansard Office of computer assisted production and the elimination of the phototypesetting process. Therefore no saving as such is identifiable in the Parliament's budget; however, the allocation for *Hansard* printing costs is approximately \$500 000 a year less than that which would be required for phototypesetting.
- (b) The \$52 000 saving in the Legislative Assembly's budget, as expressed in 1989 dollars, represents the projected savings made by the department using information technology in the preparation of both Chamber and other related documents. This is based on savings made when the State Printing Division ceased to set the documents.

If the department were to revert to the previous practice where the State Printing Division prepared all copy from hand written manuscripts, the notional savings would be lost and it is estimated that the Legislative Assembly would incur additional printing charges of approximately \$55 000 to \$56 000 per annum.

PETROCHEMICAL PROJECT - DOCUMENTS TABLING

Beckwith, Mr - Premier's Correspondence

1087. Mr COWAN to the Premier:

- (1) Further to question 962 of 1989, will the Premier now table all the correspondence he, as Premier, entered into with Mr Beckwith of Bond Corporation in relation to the petrochemical project?
- (2) If not, why not?

Mr PETER DOWDING replied:

(1)-(2)

The Government has tabled more than 1 800 pages of documents relating to the petrochemical project. If the member has a specific request I will examine it. However, I reiterate I will not cooperate in any action that may prejudice the State in terms of litigation.

STATE FINANCE - WHITE PAPER, FINANCIAL GUIDELINES FOR DEVELOPMENT

*Hardcastle & Co Ltd, International Consultants Ltd,
SRI International - Consultancy Payments*

1089. Mr COWAN to the Premier:

- (1) With reference to the White Paper on financial guidelines for development, tabled recently in the House, were consultancy fees paid to -
 - (a) Hardcastle and Co Ltd, London;
 - (b) International Consultants Ltd, Canada; and
 - (c) SRI International, Singapore?
- (2) If yes, how much?

Mr PETER DOWDING replied:

(1)-(2)

Normal consultancy arrangements were entered into with the organisation which provided information for the Government's review of financial assistance packages offered overseas.

FISHING - KALBARRI

*Mooring and Berthing Facilities - Marine and Harbours Department,
Improvements Study*

1097. Mr MINSON to the Minister for Transport:

- (1) Has the study which has been undertaken by the Department of Marine and Harbours into possible improvements to mooring and berthing facilities for the fishing industry at Kalbarri been completed?
- (2) If so, what are the major recommendations contained in that report?
- (3) Will the report be made public?
- (4) If so, when?
- (5) If not, why not?

Mr PEARCE replied:

- (1) Yes.
- (2) The report contains a number of recommendations directed at improving boating operations in the lower reaches of the Murchison River. Implementation would be dependent on agreement being reached with the Shire of Northampton and the professional fishermen at Kalbarri on an appropriate management plan.
- (3) I am considering the report's recommendations. A copy has been forwarded to the Geraldton Mid West Region Authority for its consideration and a further copy will be sent to the Shire of Northampton. I shall decide what further action should be taken when I have received comments on the report from these representative community bodies.
- (4)-(5) See (3) above.

SWAN BREWERY SITE - CONSTRUCTION

Commencement - No Work Undertaking

1101. Mr HASSELL to the Minister for Planning:

Further to the answer to question 928 of 1989 -

- (a) to whom was the undertaking given;
- (b) who is dealing with and assessing the application; and
- (c) when is it expected to be dealt with?

Mrs BEGGS replied:

- (a) A written assurance was given to the Prime Minister.
- (b) The application is being dealt with and assessed by those responsible under section 18(2) of the Aboriginal Heritage Act.
- (c) As soon as those responsible have come to a decision.

GOVERNMENT ADVERTISING - BUDGET

Total Cost - Advertisement Placements

1103. Mr HASSELL to the Treasurer:

- (1) What was the total cost of Government advertising of the recent Budget?
- (2) What advertisements were placed and in what media; and if in print media, what number of consecutive pages were used on each occasion?

Mr PARKER replied:

- (1) \$20 419.09.
- (2) The information about the Budget appeared in *The West Australian* newspaper. It ran for four consecutive pages, 21 to 24, on 2 September 1989.

Three small insertions appeared in *The West Australian* on 8, 11 and 13 September 1989 to advertise the availability of the "Budget Outlook" publication.

COMMITTEES FOR THE SESSION - LEGISLATIVE REVIEW AND ADVISORY COMMITTEE

Budget Allocation - Final Year

1108. Mr MENSAROS to the Minister representing the Minister for Budget Management:

What was the total budgetary allowance appropriated to the now defunct Legislative Review and Advisory Committee for the last full financial year of its existence?

Mr PARKER replied:

\$10 000 (1986-87).

MINES REGULATIONS ACT - AMENDMENTS

Occupational Health, Safety and Welfare Act - Mine Workers' Coverage

1111. Mr COWAN to the Minister for Mines:

- (1) Is the Minister aware that the Premier, as the former Minister for Labour, made a public commitment in 1987 to introduce amendments to the Mines Regulation Act to ensure coverage of all mine workers by the Occupational Health, Safety and Welfare Act principles?
- (2) Is it a fact that State Cabinet approval was given in December 1988 for the Minister to introduce those amendments?
- (3) Is it now the Minister's intention to renege on the Premier's commitment?

Mr CARR replied:

- (1) Yes.
- (2) No. Cabinet approval was given to draft legislation.
- (3) The subject of administration and control of health and safety in the mining industry is currently being considered by Cabinet.

STATE FINANCE - ESTIMATES OF EXPENDITURE

Public Service Commission - Information Services, Consultants

1113. Mr MacKINNON to the Premier:

- (1) Would the Premier detail for me the amounts which comprise the \$649 000 paid to consultants as stated in the Premier's answer to question 882 of 1989?
- (2) To whom were the bureau service charges of \$2 200 000 paid in the same question during the year ending 30 June 1989?

Mr PETER DOWDING replied:

- (1) The expenditure details for consultants for the year ending 30 June 1989 are as follows -

Australian Technology Resources	\$458 000
Execom Pty Ltd	\$ 64 000
Fundi Software	\$ 65 000
Development Support systems	\$ 38 000
People in Computers	\$ 18 000
Regal Bay Pty Ltd	<u>\$ 6 000</u>
Total	<u>\$649 000</u>

The fees were charged for management consulting, project management, database administration, analysis and programming for the personnel information management system (PIMS) and Government payroll system (GPS) developments.

- (2) The bureau service charges of \$2 200 000 for the year ending 30 June 1989

were paid to the Department of Computing and Information Technology for use of computing facilities and services provided.

PETROCHEMICAL PROJECT - INTERIM FINANCE
*Western Australian Government Holdings Ltd - New South Wales
Treasury Corporation Loan*

1118. Mr COURT to the Treasurer:

As the Government has said that the interim finance for the petrochemical project was to be \$100 million, why did Western Australia Government Holdings borrow \$125 million from the New South Wales Treasury Corporation?

Mr PARKER replied:

The total stock of commercial paper issued at any one time by Western Australia Government Holdings Ltd to raise funds to be on-lent to Petrochemical Industries Ltd as project interim finance has never exceeded \$75 million.

PETROCHEMICAL PROJECT - STATE ENERGY COMMISSION
*Supply Agreement - WA Government Holdings Ltd,
Commitments Guarantee, Premier's Letter, Cabinet Approval*

1119. Mr COURT to the Premier:

Did the Premier receive Cabinet approval for the letter he sent on 23 January to the State Energy Commission of Western Australia guaranteeing all of WA Government Holding's commitments under its supply agreement with SECWA for the petrochemical project?

Mr PETER DOWDING replied:

Cabinet decisions and discussions have always been accepted as being confidential.

PARLIAMENT - PROROGATION
Four Year Term

1123. Mr MENSAROS to the Premier:

- (1) Is it a fact that the Government is not going to recommend prorogation of Parliament between two general elections, resulting in -
 - (a) one session of Parliament with a maximum of a four-year term;
 - (b) no foreshadowing of a legislative program of the Government by the Governor; and
 - (c) one only Address-in-Reply debate within four years, thus restricting the time available for unrestricted debate?
- (2) If the answer is no, will the Premier assure the House that Parliament will be prorogued every year as is the age-old custom here and with the House of Commons in the United Kingdom?

Mr PETER DOWDING replied:

- (1) No.
- (2) Yes.

ROTHWELLS LTD - COLLAPSE
Premier's Information Tabling - Howard Santler Program

1125. Mr MacKINNON to the Premier:

- (1) Will the Premier table the information he has provided to the special investigator into the Rothwells affair relating to the circumstances of Rothwells' failure as referred to by the Premier in his Howard Santler program of 11 August?
- (2) If not, why not?

Mr PETER DOWDING replied:

- (1) No.
- (2) The information was provided to Mr McCusker in the course of his investigation. How much of it becomes public, if any, is a matter for Mr McCusker.

PETROCHEMICAL INDUSTRIES LTD - UNPAID CREDITORS
Outstanding Amounts - Government Responsibility

1126. Mr COURT to the Deputy Premier:

- (1) Will the Government provide a list of the unpaid creditors of Petrochemical Industries Ltd, including the amounts to be paid, which are outstanding at 20 September 1989?
- (2) If yes, to what extent will the Government accept responsibility for these amounts?
- (3) What is the date after which the Government believes it was not responsible for accepting any financial commitments entered into by PIL?

Mr PARKER replied:

- (1)-(2) All questions about the affairs of PIL should be addressed to Mr Kevin Karlson, official liquidator of that company.
- (3) 30 June 1989.

QUESTIONS WITHOUT NOTICE

STATE GOVERNMENT INSURANCE COMMISSION - BELL SHARES
Bond Corporation - Indemnity Extension Agreement, Premier's Agreement

164. Mr MACKINNON to the Premier:

- (1) Did the Premier meet Mr Bond on the morning of Sunday, 23 October 1988 and agree to an extension of Bond Corporation's indemnity agreement with the State Government Insurance Commission in relation to the Bell shares held by the SGIC?
- (2) When did the Premier direct the SGIC to agree to that arrangement?
- (3) Was the direction given verbally or in writing?

Mr PETER DOWDING replied:

- (1)-(3) The Leader of the Opposition is very good at these "When did you stop beating your wife" questions. I do not believe the statements put to me by the Leader of the Opposition are correct. However I must say that I have taken the view from the speech of the member for Cottesloe last week on that very subject, where he made some assertions and referred in particular to a letter which was written to Bond Corporation, and which was given by Bond Corporation to the Leader of the Opposition or the member for Cottesloe pursuant to Bond Corporation's indications that it would use the Opposition to pursue its own legal position, that this is inappropriate. If the Opposition does not know that it is wrong for it to act against the interests of the State for some company that has litigation on with the State, it must at least know that it would be wrong for me to enhance the litigation by answering in detail -

Points of Order

Mr HASSELL: On a number of occasions in the course of recent debates, Mr Speaker, you have drawn attention to the Standing Order which prohibits members imputing improper motives to other members, and you have forced a number of members to withdraw on that basis. Not for the first time the

Premier is now imputing to members of the Opposition - and he referred to me - the motive that the actions we are taking in this House do not relate to matters of public importance, as they do, but in fact are in some way acting on behalf of a corporation outside this Parliament. In my view nothing could be more clearly an imputation of improper motives than the discharge of the duties that we have than these repeated statements by the Premier, and I ask that he be directed to withdraw under the Standing Order.

The SPEAKER: If I were to agree with the comments of the member for Cottesloe, we would, I am sure, have a situation where every time a member in this place took offence at something which was said about him or his colleagues, he would stand and ask for a withdrawal. I am not about to agree with that point of order because if I were to do so I would set a precedent whereby all I would be doing is asking for withdrawals all day long. I think the member for Cottesloe has drawn rather a long bow.

Mr LEWIS: I take personal exception as a member of the Opposition to the imputation that I am trying to work against the State of Western Australia in favour of Bond Corporation in order to enhance its case in the litigation. I find that personally offensive, as probably the Premier felt offended when I suggested he created a run on Bond Corporation shares. In a similar vein I ask that he withdraw those remarks.

The SPEAKER: I think I have given you an opportunity to make your point of view well known.

Questions without Notice Resumed

Mr PETER DOWDING: This is like Alice in Wonderland. There has never been an Opposition which has thrown so much invective under parliamentary privilege as this Opposition, not only against people on this side of the House but also against anyone who does not produce their Liberal Party card credentials and swears never to have anything to do with the Government of the day. The fact is that the Opposition is doing the bidding of Bond Corporation and it is doing it day after day. In respect of the speech last week by the former Leader of the Opposition, the fact is he produced a letter which could only have come from Bond Corporation. Let me make it quite clear that I will not disadvantage the State in favour of Bond Corporation at the behest of the Liberal Party and I think it is a disgrace that the Opposition should try to do so. However, let me make it also clear that in October 1988 my relationship with the SGIC was to have the highest respect for the board and the chairman of the board, and to treat them with the highest respect and to ensure that if they made decisions, they made decisions based on commercial necessity or commercial opportunity. That is the basis of any meetings which occurred between myself and anyone else during October 1988, and I stick by that absolutely.

As for the rest of the question, if the Leader of the Opposition wants to help Bond Corporation with its litigation, I will do this: I ask him to put the question on notice and I will refer it to the people who are representing the State in its litigation, and they can advise me on whether the answer should be given.

FURNITURE - CONSERVATION AND LAND MANAGEMENT DEPARTMENT
New Low Cost Wood Process - Quality Furniture Production

165. Mr RIPPER to the Minister for Conservation and Land Management:

Could the Minister outline to the House details of the revolutionary new process which has been developed by the Department of Conservation and Land Management with assistance from industry and the Federal Government, which will enable the production of high quality furniture from Western Australian timber that normally would have low value uses or be wasted?

Mr Blaikie: That has been going on for about five years.

Mr TAYLOR replied:

Yes, I am delighted to outline that to the House - and it is not a process that has been going on for five years as the member for Vasse said. This process was developed by officers from CALM based at Harvey using a grant from the Federal Government, the State Government and industry in an endeavour to make better use of Western Australian hardwoods in particular. I am delighted that this process has now resulted in a new product called "valwood" which is now being made available on a tender basis throughout Australia. As well as some 30 000 cubic metres of special logs - not the member for Vasse - this particular process is one that I think members in this House who are interested in forestry production in Western Australia, and certainly people involved in the furniture industry in Western Australia, would say is the best thing which has happened in relation to the furniture industry, and in some cases I think even the timber industry in Western Australia. The process itself involves harvesting forest thinnings and cuttings which undergo a lamination process; the product is then bonded together to produce -

Several members interjected.

Mr TAYLOR: Members opposite say it goes back to 1982, but the fact is that people have been working since then to come up with this process to make certain that we in Western Australia have something which will be good not only for the State but also for Australia. It is something we can sell to the rest of the world, and this process will enable us to make far better use of the thinnings in the forestry industry and also better use of some of the younger trees that would otherwise have gone to waste.

It is an exciting process, as Valwood is a wood that will not shrink, warp or split and it is a strong way of putting wood together to make the best use of it. I am very pleased to be able to show members, including the doubting Thomas's, like the member for Vasse, that this is not only a good process, but it also results in a product which can look very beautiful indeed. Mr Speaker, with your approval, I would like to table a table which is the result of the process. Members will have the opportunity of looking at the table later and I am sure they will agree that it is a superb product from the Valwood process; the table is a superb example of Western Australian craftsmanship made from jarrah thinnings; as it comes from very young jarrah, it is a light colour which is very appropriate in terms of what people want in furniture. I am sure that the tender put out by the Government in relation to the process and the 30 000 cubic metres of wood that go with it will be of great benefit to Australia in utilising the wood in Australia today.

The SPEAKER: I direct that the table lie on the Table for the balance of today's sitting.

STATE GOVERNMENT INSURANCE COMMISSION - BELL SHARES
Bond Corporation - Indemnity, Change Agreement

166. Mr HASSELL to the Treasurer:

It is clearly a very nice table, but I wish I could afford to buy one. I ask -

Has there been any negotiation or agreement which would have as its effect the release or change of Bond Corporation's obligations under the Bell shares indemnity?

Mr Grill: Why don't you just send over the interrogatories?" It would be far easier.

Mr PARKER replied:

I could do little else than repeat the words of my colleague, the Minister for Economic Development and Trade, as he has put in a nutshell exactly what the Premier has been saying all afternoon, and what has been evident from the Opposition all along. There is no agreement of the type referred to by the member for Cottesloe.

HOUSING - SOUTH WEST*New Homes - Government Funding Failure, Opposition's Claims*

167. **Mr P.J. SMITH** to the Minister for South-West:

- (1) Can the Minister comment on the published claims by the Opposition that the Government has failed to set aside a single cent for new homes in the south west?
- (2) How does the Government determine priorities for new housing capital works?

Mr D.L. SMITH replied:

- (1) I am aware of the comments by the member for Warren, which were published in the *Warren/Blackwood Times* of 20 September 1989. His claim that the Government had failed to set aside a single cent for new homes in the south west is absolute nonsense - as are the catcalls from the member for Vasse and the Leader of the Opposition. As a matter of fact, the Government will spend \$13 million on new housing in the south west and the great southern this year, compared with \$3.5 million in 1988-89. The \$13 million will build 257 new homes. Other works will include \$3 million worth of maintenance and improvements, \$1.4 million worth of land development and redevelopment, and home purchase assistance of \$5 million.
- (2) The issue of whether that money will go to towns in the member for Warren's electorate will be of interest to him. Homeswest's priorities are solely determined by demand, on a completely non-political basis. It is always possible for a politician to pick out towns where waiting lists exist, but it needs to be borne in mind that Homeswest's experience is that many such people, when offered accommodation, decline it because they prefer to stay where they are, or to live elsewhere.

For example, the member for Warren stated that there is a waiting list of 16 for Bridgetown. In fact, the waiting list is 17 and consists of four aged pensioners; two single people; one childless couple; one working family; one unemployed family, and eight supporting parents. Bridgetown is the first choice of 14 of these applicants, five of whom are multi-listed for other towns. Ten of those listed are locals, and another seven have Perth addresses. Rental stock in Bridgetown consists of 28 three-bedroomed and two-bedroomed houses. There have been six vacancies since January this year.

Another example quoted is Nannup, where there are currently three applications from families and supporting parents. In the last few months, however, Homeswest has actually had difficulty finding tenants for vacant two and three-bedroomed houses in Nannup. The fact is that towns like Margaret River, Nannup, Northcliffe, Pemberton and Walpole are relatively low demand areas. Emphasis in building new accommodation has been placed on towns like Manjimup, where six one-bedroomed units are under construction, and Augusta where three one-bedroomed and three two-bedroomed units are under way.

PETROCHEMICAL PROJECT - STATE ENERGY COMMISSION*Supply Agreement - Western Australian Government Holdings Ltd Payments, Government Guarantee, Governor's Approval*

168. **Mr COURT** to the Premier:

Why did the Premier write to the State Energy Commission on 23 January 1989 saying that the Governor had given his prior approval under the Northern Mining Corporation (Acquisition) Act 1983 for the State to irrevocably unconditionally guarantee WA Government Holdings Ltd payments to SECWA due under their petrochemical project supply agreement when the Governor had in fact not given his approval?

The SPEAKER: I want to get through as many questions as possible, so I will not dwell on this matter for a long time. I will allow this question to be asked, but

it is out of order in that it is not the proper way to ask questions in this House. I ask all members to consider this when considering questions and when they complain afterwards about not getting enough answers.

Mr PETER DOWDING replied:

The correspondence which was signed by me was prepared by Treasury officers, and, on advice from those Treasury officers, any documents that were required to be executed were so executed, and letters required to be written were written. I will give some consideration to the member's question.

Mr Lewis: You are caught out again.

Mr PETER DOWDING: I am not caught out again. I went to my doctor the other day; he looked at my thigh and said that I had what he called a Leader of the Opposition. I asked him what he meant and he said, "A little pimple that is easy to remove."

Several members interjected.

Mr PETER DOWDING: The Opposition will not advance its cause by asking a question with a proposition that, quite frankly, it knows should not be in the question. I will give the question some consideration and give an answer in due course.

EMERGENCY SERVICES, KWINANA - DALE, DR DAVID

Civil Defence Emergency Management - Secret Government Report Allegations

169. Mr MARLBOROUGH to the Minister for Police and Emergency Services:

Can the Minister comment on the allegations in today's *The West Australian* attributed to Dr David Dale about a so-called secret Government report on the management of a civil defence emergency in Kwinana?

Mr TAYLOR replied:

I have with me the report referred to by Dr Dale which is all of half a dozen pages long and came about as a result of a major urban disaster-civil defence study held in 1986 in the Eastern States. This study was attended by 65 people from throughout Australia and part of the exercise was to break people into teams, and each team had a job to do in terms of putting forward scenarios in a particular set of events. One of the scenarios, which involved a team from Western Australia, was a series of events which may, under some circumstances, occur in the Kwinana area. I inform the House that in the conclusion of this report that syndicate had this to say -

In order to accommodate the Civil Defence tasks, the syndicate decided to escalate the situation through three stages to the point whereby all resources were taken to the point of an impossible level of destruction, damage and casualties suffered. However, although the impracticability (sic) factor was recognised, this process presented the opportunity to consider the review of counter-disaster plans for the Kwinana industrial complex.

For Dr Dale to suggest in this report, which is not a secret report or a Government report but is something that is floating around the place, that that is the ultimate disaster scenario in relation to Kwinana, is a nonsense. This Government has tackled the issue of emergency management in the Kwinana area and it has completed stage one of a special study in relation to that issue. Cabinet has agreed to fund the second stage of the study which will get under way as a result of a meeting which is taking place today and which is being chaired by the Commissioner for Police. If people like Dr Dale want to scare the hell out of people by what he had to say this morning, I do not agree with him. It is atrocious. The only thing that missed out was a scenario for the end of the earth, and what would they do then?

Mr Blaikie: I ask that the paper from which the Minister quoted be tabled for the benefit of members.

The SPEAKER: Paper tabled.

[See paper No. 445.]

PORK - CANADA

Frozen Imports Proposal - Gastroenteritis Concern

170. Mr HOUSE to the Minister for Agriculture:

- (1) Is the Minister aware of concern throughout the industry of the potential introduction of transmittable gastroenteritis through the proposed importation of frozen pork from Canada?
- (2) Is he also aware that these imported products are heavily subsidised and will put local producers at a considerable disadvantage?
- (3) Has the Minister made any representation to the Federal Minister for Primary Industries protesting against these decisions?

Mr BRIDGE replied:

(1)-(3)

I have not made any representation to anybody simply because the matter has not been brought to my attention. I am not aware of this proposal's being considered.

Mr Lewis: Didn't you go to Watson's pig day?

Mr BRIDGE: Yes, I did.

Mr Lewis: Didn't they tell you there?

Mr BRIDGE: No, they did not.

I am not aware of the matter and therefore I have not made approaches to the Federal Minister, but certainly in light of the member's question I will be keen to pursue the issue. If the industry has any concerns about this proposal I would want to know about them and I would want to know how the project will impact on the industry in Western Australia. Despite the interjection by the member for Applecross I am not aware of this proposal.

Several members interjected.

Mr BRIDGE: The member for Warren knows only too well that I am very happy to discuss these issues. Members may or may not accept my statement that I am not aware of this proposal. I will undertake to investigate the matter and I will be keen to follow up the concerns of the industry and, indeed, to protect the industry in Western Australia.

PERTH ROYAL SHOW - SHOW BAGS

Inspections

171. Mr READ to the Minister for Consumer Affairs:

A recent media report indicated that a survey of show bags prior to the Royal Melbourne Show resulted in 11 types of bags being rejected as containing products which could cause injury to children. Does the Minister intend to carry out a similar survey prior to the Perth Royal Show?

Mrs HENDERSON replied:

I thank the member for his question. I am sure members will be interested to know that the product safety officer from the Ministry for Consumer Affairs has carried out inspections on 115 types of show bags which will be sold at the Perth Royal Show. Of that number only five types of bags were found to contain items which led to their rejection. Those items were toys and other products which posed ingestion or inhalation risks to young children and included bags that did not have included on them a recommended age for children. The Inspector Gadget bag contained disappearing ink which the Victorian Ministry for Consumer Affairs had found to be too acidic and this item will be removed from that bag to be sold at the Royal Show. I am sure

parents will be pleased to know that during the course of the Royal Show, the product safety division of the Ministry for Consumer Affairs will continue to examine products on sale to ensure they are safe and suitable for the age group for which they are labelled. Last year some 97 different types of show bags were submitted for inspection and seven of them were rejected or had items in them changed.

ROTHWELLS LTD - LATE NIGHT MEETING

Minister for Economic Development and Trade - Attendance

172. Mr MacKINNON to the Minister for Economic Development and Trade:

I refer to the following comments by Miriam Borthwick on "The 7.30 Report" on Monday 11 September and to the Premier's comment that agents for Bond Corporation were also in attendance at the meeting -

There was a late night meeting at Laurie Connell's office. Present were Tony Oates and other Bond representatives, Julian Grill, Solicitors for Connell and Rothwells, and by phone contact from Melbourne - Peter Beckwith.

I ask -

- (1) Was the Minister in attendance at that meeting?
- (2) For what purpose was he in attendance at that meeting?

Mr GRILL replied:

(1)-(2)

The Leader of the Opposition knows that I am an obliging person and whatever I can do to help the Opposition I will do. However, it is really going beyond the pale to expect I would help the Opposition in its endeavours to bolster the court case for Bond Corporation. On that basis these questions should be dealt with in court. However, if the Leader of the Opposition wants an answer to a specific question and because I am obliging, I guess I could give an answer. The answer is no.

POLICE - RANDOM BREATH-TESTS

Independent Review - Responsibility

173. Mr COWAN to the Minister for Police and Emergency Services:

Has he determined who will conduct the independent review of random breath testing in Western Australia?

Mr TAYLOR replied:

Yes, that was determined some time ago, and Dr Ian Smith, who was then working for the Alcohol and Drug Authority and who is now working with "Road Watch" which the Government set up, is now working on that review. As I said when I introduced the legislation nearly a year ago, he would, and he has been, conducting the review from the time the legislation was proclaimed. It was certainly the agreement we came to in this House at that time. I continue to receive reports of the results of the work he is doing and, as the Leader of the National Party would be aware, those results have been made public. Over the past few months the results have been very positive indeed.

GOVERNOR - NEW APPOINTMENT

Government House Accommodation

174. Mr COURT to the Premier:

- (1) Will the Government give an undertaking that the new Governor will live at Government House?
- (2) If that undertaking cannot be given what alternative arrangements are proposed?

Mr PETER DOWDING replied:

(1)-(2)

Those matters would be for discussion with the people concerned. I would not want to give an answer one way or another. There has been plenty of discussion over the years about the role of Government House and whether people should or should not live there. There has also been discussion about having a series of Governors throughout the States and about the way in which they should interact with the community. It is very much a personal decision for the appointee. Since the appointee - man or woman - may have a spouse it is a matter for personal discussion between the appointee and his or her spouse and the Premier of the day.

Mr Hassell: Do you have plans for Government House?

Mr PETER DOWDING: I have a firm view about that. I am happy to take the Opposition into my confidence about a range of issues, but it has taken the view that it does not want confidential discussions. When I have had them in relation to matters concerning the Governor the Leader of the Opposition has been less than frank and honest and has let me down. If the Opposition comes to me and wants to discuss that issue on a confidential basis, I will be more than happy to do that, but that sort of trust must be a two way street. To date the Opposition has failed the test.
