Legislative Council

Tuesday, 23 June 1987

THE PRESIDENT (Hon. Clive Griffiths) took the Chair at 11.30 am, and read prayers.

PIGMENT FACTORY (AUSTRALIND) AGREEMENT AMENDMENT BILL

Second Reading

Debate resumed from 18 June.

HON. V. J. FERRY (South West) [11.36 am]: This Bill seeks to amend the Pigment Factory (Australind) Agreement Act 1986. Honourable members will recall that the Act, which was passed in December 1986, allowed SCM Chemicals Ltd to construct a chloride process technology pigment plant at its industrial establishment at Australind, just north of Bunbury. The Act also cancelled the 1961 Laporte Industrial Factory Agreement, leading to the shutting down of the present process, which was a sulphate process. The Bill we are dealing with today concerns a change in technological processes in that establishment and is brought to the House to enable the construction of a titanium dioxide manufacturing plant, using chloride technology, on Government-owned land at Kemerton, approximately 15 kilometres north of Australind.

Laporte established its factory at Australind in 1961, and at that time the Government of the day and the Labor Opposition applauded its establishment. I have spoken before in this House regarding that particular circumstance. This industry had the blessing of all sides of Western Australian politics, notwithstanding it had a topical history, particularly with regard to the disposal of effluent from the plant.

We must remind ourselves that in accordance with the original agreement made in the early 1960s the State was held responsible for the disposal of effluent from the plant. That advantage was given to the company at the time to encourage the establishment of the industry and as an incentive to have the industry placed in the south west of the State. It was seen to be a very appropriate move at that time, and at this stage, in 1987, I still believe it was the right move at the right time. Maybe the method could have been different, in hindsight, but the principle remains a very laudable one.

The Laporte factory brought considerable employment opportunities to the Bunbury area because the factory is based on the mineral sands industry, which has been of tremendous value to the south west and, indeed, to the State. One can talk of goldmining, the alumina industry, the nickel industry, and a number of other mining industries around the State, including the coalmining industry, but the mineral sands industry has been somewhat overlooked in the scheme of things. It has been, and still is, a very valued industry in this State and therefore it is appropriate that we support the Bill before the House to ensure that the mineral sands industry continues to have the advantage of upgrading its products in Western Australia.

The problem of the disposal of effluent from the existing plant at Australind has been well documented and is well known. The effluent has been pumped across the Leschenault estuary to the peninsula; and under the agreement this was a State responsibility, and still is. With the new arrangements, that will cease and the effluent will be disposed of in another manner.

When the Bill was discussed in this House in December last year I raised the issue of the Government's handling of the proposed new chloride process at the Australind site. More especially I referred to the buffer zone being implemented as a protective area which would have involved several houses at Australind and a farm property across the Collie River, and in addition a large portion of the Clifton Park Golf Course, which is the Bunbury golf course. The Government failed miserably to consult the owners of any of those properties at the time and caused a great deal of local concern.

The Bill now before the House proposes to move the processing plant from Australind to the Kemerton site. I will say a little more about that in a moment. The need to remove this process from Australind is well recognised, and I support the arrangement being entered into by the Government and the company because the processing will include potentially hazardous toxic chemicals such as chlorine and titanium tetrachloride. Normally they are fairly safe to handle, but in the event of something extreme happening, people nearby would be at some risk. That is why originally the local residents, the Hough family, and the operators of the Clifton Park Golf Course were so irate that the Government proposed to proceed without what they considered appropriate regard for their interests.

Under the Bill enacted in 1986 it was proposed that some 51 000 tonnes would be processed per annum at Australind. The company has since advised recently that that

tonnage would not give it sufficient throughput to make it financially viable. The company now considers that a throughput in the region of 70 000 tonnes would be more appropriate. Accordingly, with Government assistance, the company is proposing to shift its operations from Australind to Kemerton.

The site at Kemerton has been selected because it so happens that the Government owns the land. The land was purchased a year or two ago for the possible purpose of establishing an alumina smelter. Whether a smelter will be ultimately established on this site remains to be seen. Personally I believe there are better sites for a smelter than at Kemerton, but that is another story, except that a considerable area of land is set aside for industrial purposes, and it is into this general area that the new SCM Chemicals Ltd chloride processing factory will be established. The site has the advantage of not being near any already established built-up area, and therefore the safety factor is far better than at the site proposed at Australind.

I refer to the siting itself. As I said, the industry is based on the mineral sands industry which has its operations from the Capel Shire to Waroona, and there could well be other areas too. If land were available in the Capel Shire I have no doubt the Government and the company would have preferred the new processing plant to be sited there. That is not the case and therefore it is expedient to place it on the Kemerton site where the Government already owns the land.

I am mindful of keeping the industry in the near vicinity of the Bunbury Port and the City of Bunbury because many of the workers involved do live nearby and therefore it is appropriate that it be retained in the area. Notwithstanding that, the plant probably would be more ideally located close to Collie because it would be further away from some of the coastal agricultural land and would not be subject to some of the pressures of people-use along the coastal strip. The site at Kemerton will be in the future, as Australind has proved to be, an impediment to development along the coastal strip. That is a little unfortunate and something that must be very carefully monitored because as time goes by the coastal strip will come under enormous pressure, not only from the urban sprawl but also from recreational purposes, the growing of vegetables, water supplies, agricultural pursuits nearby in the irrigation areas, and so on. So we must be very careful about where we establish industry, especially heavy industry, in this coastal belt. Therefore, given more time, it may have been appropriate that this industry be relocated near Collie, but that is another matter. For the time being I guess this is the best we can do.

There is one minor down side regarding the resiting of this plant, inasmuch as raw titanium dioxide pigment produced by the chloride plant at Kemerton will be transported by road to the finishing plant at Australind. The finishing plant will remain there, probably until 1990; in the meantime the pigment will be transported along public roads. It is more appropriate that the total plant be relocated at Kemerton, and in the fullness of time one would expect that to happen.

The Government has a commitment to provide an adequate road to the plant at Kemerton, and that is another cost which will be appropriately dealt with by it. I do not believe that cost will be exorbitant and it is quite reasonable that the Government should meet it. The Government is also required to provide gas and electricity to the plant gate, which is also a reasonable and normal procedure.

To enable the company to make the move to Kemerton, the State will provide $6 350 000 to it in a long-term interest-free loan. I support that arrangement in the interests of the State. The State will also purchase for $650 000 the plant site at Australind when the new plant is in use.

I take the opportunity of showing my appreciation to the company for expanding its production to enable it to remain viable and provide approximately 36 additional jobs for the people in the area. It has the potential to produce export revenue of over $50 million per annum, which the State could well do with, as well as providing stable employment for the work force in that area.

Recently, I spoke on the unemployment situation in the south west, which is far from good. Any employment in that area must be based soundly on the natural resources of the area. This industry will cause that to happen.

The Environmental Protection Authority has a vital role in an industry of this nature. When the new processing plant at Australind was mooted, the EPA was called upon to produce a report which gave qualified support for the new process which will now be located at Kemerton. It did have a number of concerns. I look forward to the EPA's report on the site at Kemerton. I do not believe the same number of

serious problems will arise at the Kemerton site compared with the Australind site; nevertheless there are matters to be looked at.

I am concerned that the EPA may be rushing to give its findings on the new site. No doubt many factors will need to be examined by the EPA. It has been proved that it is better to move slowly on these matters. I hope the EPA has sufficient time to do the job it would like to do, and that the State appreciates its work.

I note the company has notified the State of its acceptance of the conditions and procedures detailed in the EPA report. Essentially, those conditions are that the company will accept whatever conditions are imposed on it.

The Kemerton site is located within the Harvey Shire Council area. That shire has voiced its concern over a period of time with regard to this industry being located at Kemerton. I understand the Government and the shire had wide-ranging discussions to try to resolve matters that had been raised. I can appreciate the concern the shire might have, because this industry will be the first in the Kemerton area, bearing in mind that the Government owns a considerable area of land zoned for industrial use. It is appropriate that the shire would want to protect its own ratepayers and residents from any down side of this activity.

The shire recognises there needs to be employment in the area, but it does have grave fears that the Kemerton area might become another Kwinana strip where there is already heavy industrial development. We must also bear in mind the rural nature of the Harvey Shire. It is not hard to understand the shire's concern that its natural industries are likely to be disadvantaged through heavy industrialisation. I hope the Government and the shire council will resolve these difficulties to their mutual satisfaction.

That particular strip of country in the south west is unique. We have very little arable land in the south west, and there is always an argument as to the financial viability of this land with respect to dairying, vegetable growing, and a number of other things. The fact remains that we have a very small corner of the State where a number of industries can be put in place. In the future that small corner will become extremely crowded.

I refer to the Bill more directly. I note that the Harvey Shire has every reason to raise a number of queries at this time bearing in mind that proposed section 4B does indicate—

> (1) Notwithstanding anything in the Local Government Act 1960 or the Town Planning and Development Act 1928, by-laws made under section 248 of the Local Government Act 1960 as read with the Second Schedule to the Town Planning and Development Act 1928 do not apply to or in relation to the Kemerton works site.

It is appropriate to have specific conditions listed in the Bill. Subject to an agreement, it does cut across the normal process of local government and town planning. The shire recognises that now is the time to raise its voice on any concerns it has to ensure that the people of the area are not disadvantaged under this new arrangement. I indicate my support for the Bill, having raised those matters of interest.

I refer again to the Australind factory, which was sited there in good faith in the 1960s under the Liberal-Country Party Government of the day. It was strongly supported by the Opposition of the day, especially by John Tonkin who had a lot to do with negotiations to try to bring that industry to the State in the late 1950s when he was the responsible Minister. Negotiations have continued despite changes in Government, and it is appropriate that we remember the valuable efforts of both the Labor and Liberal-Country Party Ministers over those years.

It has been a joint effort and the Leschenault estuary will be much improved for the ultimate removal of the industry from Australind. The land associated with the plant at Australind will eventually revert to urban development that will connect the dormitory developments of Australind and Clifton Park, which lie on either side of the site. It will make for a much better and harmonious community. There will be a small area of land on the site which may take a very long time to rehabilitate because of contamination. Nevertheless, it will be a relatively small area and the rest of the land will be used for the benefit of the people there.

I support the Bill.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Hon. Mark Nevill) in the Chair; Hon. J. M. Berinson (Leader of the House) in charge of the Bill.

Clause 1: Short title—

Hon. V. J. FERRY: I record my appreciation to Mr Barry Carbon of the Environmental Protection Authority and to the Government for their cooperation in arranging a briefing recently in respect of this industry and its ramifications. I also express my appreciation to Hon. David Parker, the Minister for Minerals and Energy, and some of his departmental officers who recently made a briefing available to explain the latest developments in re-establishing this industry at Kemerton. It is very appropriate that we all—not only the Government members, but the members of the Opposition who concern themselves with this sort of development—should be appropriately briefed.

Clause put and passed.

Clauses 2 to 7 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Leader of the House), and passed.

SUPPLY BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon. J. M. Berinson (Minister for Budget Management), read a first time.

Second Reading

HON. J. M. BERINSON (North Central Metropolitan—Minister for Budget Management) [12.07 pm]: I move—

That the Bill be now read a second time.

This measure seeks the grant of Supply to Her Majesty of $2 050 000 000 for the works and services of the year ending 30 June 1988 pending the passage of Appropriation Bills during the Budget session of the next financial year.

The Bill seeks an issue of $1 850 million from the Consolidated Revenue Fund and $200 million from moneys to the credit of the General Loan and Capital Works Fund. The amounts sought are based on the estimated costs of maintaining services and works at existing levels, and no provision has been made for any new programmes which must await the introduction of the 1987-88 Budget.

Before dealing with the formal requirements of the Bill, I would like to comment briefly on the current year's budgetary position. The 1986-87 Budget, presented to Parliament on 16 October 1986, planned a balanced Budget with revenue and expenditure estimated at $3 278.8 million. Given the magnitude of the total figures involved there will be, not surprisingly, variations to the estimates of both revenue and expenditure. Indications are that outlays on the one hand will be below budget while, on the other hand, revenues are expected to exceed the estimates and the Government is confident of a surplus being achieved for the third year in succession.

On the expenditure side every effort is being made to contain overall outlays to the amounts appropriated by Parliament. Savings are expected in salary and wage costs, attributed mainly to the lateness of the national wage decision, and this is the main reason for expected expenditure savings against the Budget.

So far as 1987-88 is concerned, members would be aware of recent announcements by the Commonwealth Government to remove the two per cent real increase guarantee from the general revenue grants formula and to review other cost-sharing arrangements as part of that Government's commitment to reduce public sector outlays. Though it is not possible to comment at this early stage on the outcome of the review of Commonwealth-State funded programmes, removal of the two per cent guarantee will result in lost revenue of about $31.8 million to Western Australia.

In addition, the State's global borrowings programme for 1987-88 has been substantially reduced in real terms along with the State Government's borrowing allocation, which we have drawn upon to make unprecedented funding efforts in the area of public housing.

Although from a budgetary viewpoint it would make our task easier to see the present Commonwealth funding levels continue into 1987-88, the need for restraint in public sector outlays and Government borrowings is acknowledged in order to provide room for private sector growth and to ease upwards pressures on interest rates. For our part, therefore, some adjustments will be necessary to accommodate the macro-economic realities confronting the nation and to expedite a soundly-based and sustained economic recovery.

At the same time it needs to be realised that Western Australia's mining revenues are expected to decline in real terms for the second year in succession in 1987-88, and there is a limit to which Commonwealth funding cutbacks can be responsibly made, given that there is a baseline commitment for essential State services in health, education, and law and order.

The forthcoming financial year will also see the completion of a further review of State relativities by the Commonwealth Grants Commission. In view of the importance of the review, which relates to 40 per cent of our revenue, the Government is sparing no efforts to ensure the State's case is comprehensively presented in an endeavour to gain improved recognition by the commission of the State's expenditure disabilities. I think no more need be said than that.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. G. E. Masters (Leader of the Opposition).

TREASURER'S ADVANCE AUTHORIZATION BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon. J. M. Berinson (Minister for Budget Management), read a first time.

Second Reading

HON. J. M. BERINSON (North Central Metropolitan—Minister for Budget Management) [12.10 pm]: I move—

That the Bill be now read a second time.

In accordance with established procedures, the Bill now before the House seeks to authorise the purposes for which the Treasurer's Advance Account may be applied and to specify a limit from that account during the financial year commencing 1 July 1987.

Members will be aware that the Financial Administration and Audit Act 1985 formalised the Treasurer's advance arrangements by establishing a statutory account to record drawing from the public bank account for approved purposes. The Act also provides for the authorisation for the Treasurer's advance to be included in an annual Treasurer's Advance Authorization Act. Members will recall the passing of the 1986 enabling legislation. The monetary limit prescribed with the Treasurer's Advance Authorization Bill is simply authorisation to draw on the public bank account.

Where payments are made in respect of new items or for supplementation of an appropriation, those payments will be chargeable against the Consolidated Revenue Fund or General Loan and Capital Works Fund pending parliamentary appropriation in the next financial year. Payments for other purposes by way of advance are repayable by the recipient.

The monetary limit of $175 million represents an increase of $25 million over the 1986-87 authorisation and is mainly necessary to accommodate revised accounting arrangements introduced during 1986-87 for the operation of suspense stores for railways, and printing and supply services.

The previous accounting arrangements which have operated for many years are not strictly covered by parliamentary authorisation, a matter commented on by the Auditor General. The changed arrangements will rectify that position.

I commend the Bill to the House.

Debated adjourned, on motion by Hon. G. E. Masters (Leader of the Opposition).

IRON ORE (HAMERSLEY RANGE) AGREEMENT AMENDMENT BILL

Second Reading

Debate resumed from 17 June.

HON. N. F. MOORE (Lower North) [12.13 pm]: The Iron Ore (Hamersley Range) Agreement Act deals with the agreement between the State and Hamersley Iron Pty Ltd with respect to its obligations in the north west of Western Australia. The main purpose of this amendment Bill is to broaden the scope of the investments which may be undertaken by Hamersley Iron to satisfy the contract requirements that it has with the State.

Since Hamersley Iron began production in the early 1960s in Mt Tom Price there have been various changes to the economic circumstances facing the company, the nation and, in fact, the world, which have meant that the obligations which were contained in the initial agreements between the company and the State have not been able to be implemented.

The initial agreement basically required that the company would, down the track, change from an iron ore mine to a processor of iron and steel as an ultimate continuation of the process of mining. Obviously, when the mines were first established, it was not feasible to move into steel production in the Pilbarra. It was written into the agreement rightly that, when the time appeared to be right, the

company would be required to go into further processing. There have been a couple of examples of further processing which have been undertaken, the first of which was the building of the pellet plant at Dampier in 1968 to produce iron ore pellets. It was eventually closed because of the high cost of oil required to operate that plant. To the best of my knowledge, that plant has not been reopened.

The second example involved a similar situation at Cape Lambert with Cliffs Robe River Iron Associates. I understand that plant is lying idle. A concentrator was built at Mt Tom Price to concentrate the iron ore on site and to increase the grade of the product sent from the site. I understand that the concentrator is still operating. Those examples have resulted from the changed economic circumstances that have faced the iron ore industry since it was first established.

However, the agreements between the company and the Government require the company to involve itself in further processing. The Bill before the House seeks to restructure the agreement so that the company is not in effect bound by the previous agreement.

The amendment agreement before the House has been negotiated with the company with a clear expectation that, in enabling the company to continue its mining operations, it will come forward in due course with a variety of other projects which may fulfil its obligations under the present agreement.

The second reading speech describes the provisions of the amended agreement in some detail. Rather than going through them, I refer members who are interested to that speech. In broad terms, the Government is saying to the company that it understands the company cannot meet its obligations under the existing agreement and alternative arrangements will now be included in the agreement.

The more interesting of these new arrangements is that the company is required to investigate potential alternative investments which are formally referred to it by the Minister. Apart from being required to look at the alternative proposals of its own, the company will be required to investigate proposals put to it by the Government.

The second reading speech includes the following understatement—

> The House will appreciate that this provision was not won easily and the company has rightly sought the inclusion of provisions . . .

It then explains the provisions. Even though I am not aware of the circumstances of the negotiations, I am sure that the company would have resisted those provisions strongly. I believe that the Government, by requiring a company such as Hamersley Iron to investigate potential investments put to it by the Government, is intruding into the commercial rights and obligations of the company. However, in order for the company to mine the iron ore in the Pilbara, it has to enter into these negotiations.

Members should think back to the 1960s and understand the circumstances that surrounded the development of the iron ore mines in the first place. They should understand why the companies were prepared to enter into the sorts of agreements they did. Many of those agreements were quite onerous for the companies. The Government of the day held the whip hand in requiring that the companies provide the essential infrastructure, Government services, and Government buildings. The companies were prepared to sign almost anything in order to mine the ore. I believe that today the whip hand is held by the company because of the tremendous competition that exists for iron ore on world markets. I imagine the company, for that reason, would have resisted strongly the request that it investigate potential investments put to it by the Minister. I accept, however, that it has agreed to do that under the requirements laid down in the Minister's second reading speech. One of those provisions requires that the potential investments relate to the type of activities undertaken by CRA Exploration Pty Ltd and that they must be prima facie and feasible projects. These seem to cover the problems raised by the company.

The Bill contains quite a sensible proposal which accepts the reality of the iron ore industry. It takes away from the companies the requirement to go down certain paths and replaces that with a degree of flexibility which will enable the companies to become involved in other activities although, in a sense, related to the iron ore and steel making business.

The Opposition supports the legislation. However, I wonder about the necessity of the clause which requires the company to investigate propositions put to it by the Government. It is more appropriate, in commercial terms, for the company to investigate the sorts of propositions in which it wants to become involved, rather than to use its expertise and funds to investigate proposals put to it by the

Government. However, the companies have agreed to that, and there is no point my arguing about it at this time.

HON. H. W. GAYFER (Central) [12.21 pm]: Evidently, after fairly protracted negotiations between the company and the Government, a consensus has been reached and it has resulted in this Bill being introduced into this Parliament. The Bill certainly broadens the scope of investments by that company compared with the existing agreement. It is interesting to note that Hamersley Iron Pty Ltd already has, in certain avenues and at certain times, gone beyond what is expected of it in regard to investments.

I agree with the previous speaker that the interesting proposal in the Bill is that the company will be required to investigate the potential of alternative investments referred to it by the Minister for Minerals and Energy. I wonder what the parameters of those requests are likely to be and what exactly the Government expects of the company. To what extent will the company have to comply with the wishes and directives of the Minister?

Like Hon. Norman Moore I am surprised that an enormous company like Hamersley Iron has accepted such a proposal. It certainly looks open-ended to me. Knowing how business works, something else must be involved for the company to accept this proposition.

It is certainly quite a sledgehammer that the Minister has used, through a recommendation from either Cabinet, Government advisers, WA Exim Corporation Ltd, or another source, to ask Hamersley to investigate potential proposals and to report on them to the Government. Perhaps this agreement may give Hamersley first crack of the whip at something along the line of the parameters of the Bill, which are rather sketchy. What are the Government's expectations of Hamersley, and exactly what does Hamersley think is required of it?

This agreement and the Mt Bruce agreement, which we will deal with shortly, are very complex agreements and contain a number of cross reference obligations. The steel crisis of 1970 had an effect on the companies' ability to honour their obligations and it has left what has been termed a messy contractual arrangement. This Bill seeks to clarify that position, as will a subsequent Bill.

While the National Party has some reservations about the powers of the Minister to direct alternative investigations by the company, it generally supports the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Leader of the House), and passed.

IRON ORE (MOUNT BRUCE) AGREEMENT AMENDMENT BILL

Second Reading

Debate resumed from 17 June.

HON. N. F. MOORE (Lower North) [12.26 pm]: Perhaps before discussing this Bill, I should make an observation. We seem to be in a hurry to get out of this place by virtue of the response we received from the Leader of the House to the second reading debate on the previous Bill. I thought that in regard to that Bill he might have told the House a little more about the matters raised by Hon. H. W. Gayfer and me with respect to the acceptance by Hamersley Iron Pty Ltd of the conditions that have been attached to the agreement between the Government and the company.

This Bill is similar to the previous Bill. Mount Bruce Mining Pty Ltd is a subsidiary of Hamersley Iron and, essentially, the Bill provides the same provisions for Mount Bruce Mining Pty Ltd. However, as the Leader of the House explained in his second reading speech, there is a significant difference in that this Bill provides that the company must submit to the Minister for Minerals and Energy by 31 December 1991 a proposal for a plant which will, by December 1994, have a capacity to produce 500 000 tonnes of steel and by December 1999 will have increased that capacity to one million tonnes of steel.

A requirement is proposed to be contained within the agreement for Mount Bruce Mining Pty Ltd, in reality CRA Limited, to provide a steel making facility by December 1994. I certainly hope that this has not just been written into the legislation at someone's suggestion that there should be a steel making facility in the future and that we should become enthusiastic about it now, even though we know it may not happen. I hope that it is based on the reality of

the steel making industry throughout the world and that there is some potential for this plant to be brought into operation.

The Bill provides that in the event that this does not happen—other things could happen in the same way as the previous Bill—there is a way out. If, in fact, the technology that is required for the proposed plant is not such that the plant can be established the company will, in effect, be let off the obligation provided under the agreement. That makes a lot of sense.

The Government cannot say to the company, "You must produce a steel making facility using certain technology by 1991", if there is some doubt about whether technology will provide for the implementation of such a facility. The clause is sensible. I hope the Government's proposal for a massive steel industry in the Pilbara in a couple of years' time is not another bit of electioneering material to indicate it is on the ball when it comes to industrial development when, in fact, there may be a possibility of this development not eventuating.

In his second reading speech the Leader of the House described the visit of the Minister for Minerals and Energy to Germany to look at the technology involved in the process that CRA is considering. I hope his enthusiasm will be translated into the development of a steel making facility in Australia, especially in Western Australia. However, I have reservations because of the difficulties faced by the steel industry throughout the world.

The Bill does not specifically state that the facility would be built in the north west or in Western Australia; perhaps the Minister can clarify that point. One of the problems of building a steel facility in the north west is the enormous cost structure which exists in that area. With the development of the Pilbara we allowed a cost structure to develop which is virtually prohibitive for any future development of any magnitude; certainly the development of a steel making facility or petrochemical industry would be severely limited by the enormous cost structure in the Pilbara. A number of factors are responsible for this, not the least of which has been consistent union demands for higher wages and better conditions, and the inability of the companies to resist those demands.

In recent times Cliffs Robe River stood firm in an effort to get rid of the ridiculous work practices in the Pilbara, and some reality is returning to the region. Because of the Prime Minister's enthusiasm for getting rid of restrictive work practices, perhaps we shall see a change in the Pilbara and we may reach a stage at which a facility such as the one envisaged in this agreement will come to fruition. That would be to the great benefit of Western Australia and the nation as a whole.

The Opposition is not opposed to the Bill. We certainly hope that CRA is able to utilise the technology that is becoming available and that in 1994 500 000 tonnes of steel will be produced, and in 1999 one million tonnes of steel will be produced from a plant operating within Western Australia.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Leader of the House), and passed.

BUSINESS FRANCHISE (TOBACCO) AMENDMENT BILL

Assembly's Message

Message from the Assembly notifying that it had agreed to amendments Nos 1 to 4 inclusive and Nos 7 to 10 inclusive, had disagreed with amendments Nos 5 and 6, and had agreed to amendment No 11 subject to further amendment, now considered.

In Committee

The Deputy Chairman of Committees (Hon. John Williams) in the Chair; Hon. J. M. Berinson (Minister for Budget Management) in charge of the Bill.

The Assembly's reasons for disagreeing to the Council's amendments Nos 5 and 6 were as follows—

1. The amendments propose a scheme in relation to investigations which is impractical.
2. The amendments would result in a situation whereby—
   (a) the administrative requirements on investigating officers would be unduly added to by the requirement of having a police officer present; and

(b) the resources of the police force would have further unnecessary demands placed upon them.

3. The procedure proposed in the amendments is inconsistent with the existing powers and procedures of investigators as outlined in this and other Acts.

The further amendment made by the Assembly was as follows—

No 11.

That the amendment be agreed to, subject to the inclusion after "following clause—" of the following:

9. After section 8 of the principal Act the following section is inserted—

Hon. J. M. BERINSON: I move—

That the Council do not insist on amendments Nos 5 and 6 and agree to the further amendment made by the Assembly to amendment No 11.

I remind the Committee that when the Legislative Council first dealt with this legislation a number of amendments were moved, and it now appears from the message from the Assembly that most of those are acceptable to the other House. I also point out that the proposed further amendment to our amendment No 11 involves no substantive change at all to the aims which the Council pursued in first amending the legislation. All that is involved in the further amendment, as I understand it, is a drafting change suggested by Parliamentary Counsel for the purpose of giving effect to the Council's intentions.

This leaves as the only matter for further discussion amendments Nos 5 and 6. These relate to the requirement which the Council sought to impose when we first considered the mandatory use of police officers in certain circumstances. We dealt with this matter at great length on the first occasion, and I do not intend at this stage to cover the whole of that ground again. Suffice it to say that what we are dealing with in amendments Nos 5 and 6 are essentially practical questions.

We have long experience of similar provisions in other legislation, particularly in other revenue legislation. What was proposed in the Bill in its original form was a set of requirements which are in common form and about which there is nothing to indicate any difficulty or any oppressive behaviour against the person affected.

Since our first discussion on this matter I have taken the opportunity to have further discussions with the Commissioner of Taxation, and he confirms that there has been no experience at all of inspectors encountering difficulty in performing their duties in the absence of this requirement to be accompanied by a police officer. Similarly there is no record of any complaint by a member of the public which might have been overcome had an inspector or investigator been accompanied by a police officer.

I stress again now, as I did in the earlier debate, that nothing in the Bill as originally drafted would preclude an investigator from obtaining the assistance of a police officer in circumstances where that was thought to be the proper and cautious way of approaching a particular issue. I have the advice of the commissioner that that course is quite regularly followed.

But there is a difference between inspectors calling for police assistance at their discretion and as an exercise of their judgment based on experience, and a provision in the Bill which makes the presence of a police officer a mandatory requirement and subject presumably to attack on the inspector's activities somewhere further down the line, if an argument can be raised that he should have reasonably anticipated violence, even though in fact he did not.

It is the view of the Government now, as it was in our earlier debate, that the concern at which this original amendment was directed cannot be said to be based on experience. It can also be said that these provisions are not necessary for the protection either of inspectors or the public, and we are fortified in that view by the confirmation from our senior officers of experience with similar legislation with revenue Acts extending over very many years.

On that basis the Government continues to hold the view that we would be unwise to move from our established pattern of legislation to cover such matters, and for that reason this Council should comply with the proposal of the Assembly that our amendments Nos 5 and 6 not be proceeded with.

Sitting suspended from 12.45 to 2.30 pm

Hon. G. E. MASTERS: The Minister drew particular attention to the objections of the Assembly and the Government to the amendment made in this Chamber concerning an inspector who for one reason or another might anticipate having to use force to enter a property. If force were required to be used, we on this side of the Chamber sought to ensure that the inspector

was accompanied by a police officer. I have almost conducted a personal crusade about the protection of people's rights and property from entry without a permit and without the occupier's consent, or without authority from a justice of the peace.

During the original debate, I attempted to introduce into the legislation a provision stating that where an inspector anticipated that the use of force would be necessary, he should be accompanied by a police officer. That amendment was changed by the National Party to read, "Where the use of such force can reasonably be anticipated to involve personal violence, the person exercising the power shall be accompanied by a police officer." The legislation does allow an inspector to enter and search premises at any time, and it gives the inspector strong powers. I put it to the Chamber that if an inspector is required to use force—and force could mean a number of things, such as the breaking down of a door, or forced entry in some other way, or forcing entry past people who are trying to prevent an inspector from gaining that entry—there is always a grave risk that, sooner or later, violence will occur and the inspector can come to some harm.

The Minister said that experience clearly indicated that in this sort of legislation, no harm has come to inspectors. However, in these days, and certainly in areas where there may be an attempt to avoid Government taxes, which could involve quite considerable sums of money, there may always be the risk of violence occurring and of someone literally taking to an inspector with either a fist, a firearm, a knife, or whatever. I urge the Government to consider these matters, particularly where there may be people who are not just breaking the law in a casual way but are perhaps criminals of a high order, in which case there is always a risk faced by inspectors.

The Minister said this sort of legislation had not been abused, but I put it to him that under some Acts, inspectors go far beyond what I consider to be normal bounds. Members of this Chamber have drawn to the attention of the Government and the Legislative Assembly their fears about entry onto people's property without due regard for the people who occupy or own that property, and without due regard for the risk of injury to themselves or to other persons involved.

I will continue to raise these matters, and where possible, to oppose such legislation. I did that when my own Government was in power, and I have not changed that view. Recently we considered an environmental Bill which enables access to be gained to properties without what I would call due regard for the wishes of the occupier, and indeed, which enables forced entry under certain circumstances. We also considered other Bills last week, including the Dog Amendment Bill, which I challenged, but which the Minister at the time did explain to me had certain safeguards. So although I still have reservations, at least that Bill did not go as far as it is proposed to go to in this tobacco legislation.

I am not going to suggest to my members that we insist on the amendment. I do not think it is worth holding up this piece of legislation simply for that reason. The Government has accepted the majority of the Opposition's amendments, and if I do nothing more than draw the fears I have to the Government's attention, it will be worthwhile. However, I would ask the Minister handling this Bill to pass on to the various Ministers, and perhaps to Cabinet, that there is genuine fear and worry in the community over what is happening with some legislation, where inspectors are given powers which are beyond their proper practices and operations in carrying out Government work.

I support the new amendment that the Government has added to the schedule. It does in fact proceed along the lines that I think this Chamber intended to move in. For those reasons, I am disappointed, but I believe the Government will make a decision sooner or later that this sort of legislation has to be brought to an end.

Hon. H. W. GAYFER: The original amendment of the Leader of the Opposition stated that "the person exercising the power is or is accompanied by a police officer". This was amended by the National Party to read "where the use of such force can reasonably be anticipated to involve personal violence the person exercising the power shall be accompanied by a police officer".

We have considered the Minister's explanation of the impracticability of the proposition. It is not necessary to say mandatorily that such a provision should be there, as we believe that if help is required it is available. In summing up, we respectfully wish to withdraw our insistence on the amendment.

As to the Legislative Assembly's further amendments to accept proposed new clause 8A in amendment No 11 subject to the inclusion

of new clause 9, we have no objection to that. In fact, if anything, it improves the position and accordingly we will not be making any further direct opposition to any part of the Bill.

The DEPUTY CHAIRMAN (Hon. John Williams): The question is that the Council not insist on amendments Nos 5 and 6.

Question put and passed; the Council's amendments Nos 5 and 6 not insisted on.

The DEPUTY CHAIRMAN: The question is now that the Council agree to the further amendment made by the Assembly to Council's amendment No 11.

Question put and passed; the Assembly's further amendment to the amendment made by the Council agreed to.

Report

Resolutions reported, the report adopted, and a message accordingly returned to the Assembly.

LIQUOR AMENDMENT BILL

Second Reading

Debate resumed from 18 June.

HON. G. E. MASTERS (West—Leader of the Opposition) [2.43 pm]: The Liberal Party supports the Bill containing proposed amendments to the Liquor Act, with some reservations.

Hon. H. W. Gayfer: Two bottles!

Hon. G. E. MASTERS: Does Mr Gayfer remember? I might make mention of that later; it was not one of my better days.

This legislation shows a complete lack of understanding of the role that hotels and clubs play in the lives of people who live in country areas. I am sure members will recall the old "Sunday swills"—if "swills" is the right word to use.

Hon. J. M. Brown interjected.

Hon. G. E. MASTERS: But I am talking about the Sunday swills. Members will recall that no hotel within 20 miles of the GPO could open on a Sunday—perhaps Hon. Tom Butler can tell me whether that figure is right or wrong.

Hon. T. G. Butler: It was 25 miles.

Hon. G. E. MASTERS: People had to drive 25 miles to get a drink on Sundays. To say the least, that was madness. I would not dream of travelling 25 miles for a drink.

Hon. T. G. Butler: You have a country electorate.

Hon. G. E. MASTERS: That is right; it was not far enough. Those Sunday swills were madness. For some reason or another, once people are restricted in drinking time they make a helluva rush to get out to the country areas, drink a lot of beer in a short period, then get smashed. As a result, there were accidents. Indeed, the licensing hours and laws have been liberalised and more flexible arrangements and laws are now in place. In the main, people who enjoy a drink, whether it be spirits, wine, or beer, like to relax and drink at their own pace and certainly are not there to drink as much liquor as they can in the shortest possible time. That occurs only when limits are placed on some of these operations.

There are two types of drinkers. One of those groups consists of hardened drinkers and no matter what we do there will always be those people who drink a lot and who will find places to drink 24 hours a day if they want to, certainly in the metropolitan area. Then there are social drinkers—the vast majority of people—who enjoy a drink at their leisure and at a time that suits them.

In the past Liquor Bills have caused a great deal of debate. Certainly, when we were in Government members will recall some vigorous debates, not least those on the two-bottle law which stated that people were allowed to buy two bottles of beer and no more on Sundays. All they had to do was to go to half a dozen hotels and buy two bottles at each, and they would have a dozen bottles of beer. That law now appears laughable to us but in those days many members in this place took it very seriously and I think Hon. Mick Gayfer missed a very interesting debate when we destroyed the two-bottle arrangement, or at least broke it down so that it could no longer operate. That law illustrated the stupidity of the liquor laws in those days. There was also debate on the vignerons in the Swan Valley.

Hon. H. W. Gayfer: A certain party didn't like you very much, and he happened to be from your party.

Hon. G. E. MASTERS: Which one was that on?

Hon. H. W. Gayfer: The two-bottle law.

Hon. G. E. MASTERS: I did not enhance my position in the party. It took a nasty turn for a few months.

Hon. H. W. Gayfer: I think the President was involved somewhere along the line.

Hon. G. E. MASTERS: Yes, he was, but we will not talk about that any more because it is in the past. I am saying that the debates over a period of time when members vigorously sought to protect the existing arrangements were outdated and stupid, and it was only a matter of time before those laws broke down. Now we laugh at the two-bottle arrangement, and at the fact that vignerons were not allowed to sell their wines at certain times of the day. We now ask why we took that attitude. All Liquor Bills are controversial, but I suspect the Bill before the House might go through with less controversy than have others.

There were many controls with regard to the arrangements in force prior to the America's Cup—not much more than 12 months ago—and they were being challenged continually. Every time a member of whatever political party went into a licensed club or into certain hotels there would always be the question, "Why don't you ease off and make some of these arrangements more flexible?" Many of the arrangements were criticised; but with the advent of the America's Cup there was a recognition that many of our laws controlling the sale of liquor were unrealistic. In fact, it was mentioned by Hon. Des Dans that in most parts of the world those laws would have been regarded as archaic. He said they would not have been understood easily by visitors to our shores. The suggestion that people should be able to sit at roadside restaurants and enjoy a glass of wine with a meal horrified many people.

It seems utterly stupid and ridiculous that we should take that attitude. The Government introduced special legislation for the America's Cup. It would be fair to say that the America's Cup was an excuse to carry out trials for different hours of trading and the consumption of alcohol. More flexible arrangements were introduced and they were very successful. It was pleasant to see that people could enjoy a wine or beer in a more realistic situation than they did prior to the America's Cup. In the America's Cup legislation we saw the easing of hours for the consumption of liquor, whether it was in restaurants on the side of the road or country pubs. The legislation did not just include Perth and Fremantle where the bulk of the tourists were, or places such as Rockingham or Mandurah. The hours also applied to Carnarvon, Kununurra, Broome, Esperance and all those other small towns over the State.

Extra hours were permitted to hotels, licensed clubs and other outlets that sold liquor. One could hardly say that those country areas were overrun with America's Cup tourists. The drinking patterns did not vary much but the trading hours were changed for a trial period. As a result of those new trading hours, we did not see Perth and Fremantle rolling with drunks. We did not see people in country towns drinking all day and always in an intoxicated state. That did not happen at all. The members of golf, tennis and bowling clubs did not line up and drink all day because the hours were extended. They drank when they chose to and there was no difference—there might have been a bit but not much—in the total amount of alcohol consumed.

A different arrangement existed prior to the America's Cup. People did not drink all day on a Sunday simply because the hours were extended from 10.00 am to 10.00 pm. The amendments to the Liquor Act meant they had a choice of times in which to enjoy a drink if they felt like one.

The Government has now brought forward new legislation to change trading hours for liquor outlets. I commend it for that, but I do have some criticism, especially of the restrictions on Sunday trading. I do not know whether it is a vendetta on the part of the Premier and the Government against hotels and clubs which dared to criticise the Government. It is hard to understand why the Government has taken this attitude. The new trading arrangements for hotels and licensed clubs on a Sunday are between the hours of 11.00 am and 8.00 pm. It is more likely that those outlets—the pubs and clubs—will open between the hours of 11.00 am and 2.00 pm, will then close and then open again from 5.00 to 8.00 pm. I wonder whether the Government knows, cares or understands how licensed clubs and hotels in country towns will fare.

I would be surprised if there was a member of Parliament here who was not a member of a licensed club and who would not understand what I am talking about. Social activities in a country town centre around licensed clubs where people play their different sports. Sunday has become a major sporting day for all Australians, certainly Western Australians. Many people relax and play bowls, golf or any other sport they wish to play. It is a real spectacle to see so many people on the bowling green in almost every country town. They are smartly dressed for the occasion and play their bowls on well-manicured greens.

Because of the reduced hours the Government is proposing, those clubs will close at 2.00 pm. There will be many people playing a game of bowls at that time who will have to have a few drinks before 2.00 pm. Then, when the game of bowls is finished, they will not be able to get a drink until 5 o'clock. That is just as silly a situation as the two-bottle episode of some 10 years ago. The members of those clubs may wish to have a beer during the afternoon between sporting events on their own grounds. It is a stupid situation.

In a few years' time we will be saying, "What on earth were we trying to do; what were we worried about?" The bars in clubs and hotels in the country will not be lined with people. They are a facility that people should be able to use at any time they like. There are 150 000 or more club members in Western Australia.

The city will not suffer in the same way as the country towns will suffer. If people wish to have a drink during the day in the metropolitan area, they are able to acquire a drink 24 hours a day because the Government provides ample opportunity for the various outlets—whether they be cabarets, hotels, clubs, or the casino—to supply drink whenever people want it.

The Government is proposing to allow hotels the option of opening from 6.00 am until midnight with a compulsory eight-hour trading period between 11.00 am and 7.00 pm. What on earth is the purpose of allowing a hotel to open at 6.00 am?

Hon. Graham Edwards: The AHA requested those hours.

Hon. G. E. MASTERS: Why would one wish to open a hotel or a club at 6.00 am and yet force those same facilities to close between 2.00 pm and 5.00 pm on Sundays? When in Government, we did silly things like that as well. I used to sit where Hon. Graham Edwards is now sitting. No-one could say I have not been a rebel in my time as far as the laws to do with the consumption of liquor are concerned. At one time I handled a Bill on behalf of the Government of the day which provided that vignerons could not open at certain times to sell their wines in the Swan Valley. I put up the poorest argument anyone has ever put up, to the stage where I was the only one voting for it and the rest of the House voted against me. That must have been a record. I did not have my heart in it. I would imagine Hon. Graham Edwards feels almost the same way as I did then.

I would like the Minister to explain why the hotels are allowed to open at 6.00 am. I expect him to say there are certain times when a person might want a drink. I can see many dangers—especially in the country areas where there are Aboriginal people—with the 6.00 am opening time. There is no need for hotels to trade at that hour. It is only an option, but there will be times when hotels will start trading at 6.00 am but it will not be in the interests of certain people in the community. I cannot imagine anyone but hardened drinkers and alcoholics wanting to have hotels opening at 6.00 am.

I put that to the Minister and again emphasise that it seems strange that the hotels and clubs should be able to open at 6.00 am and not open on Sunday, when perhaps there is a greater demand. As I have already mentioned, Sunday trading for hotels and licensed clubs is between 11.00 am and 8.00 pm; and I maintain that hotels and clubs should be able to open at any time between those hours, whether for the whole time or for only part of it.

I personally would prefer pubs and licensed clubs to be able to open between 10.00 am and 10.00 pm. I think that is a reasonable proposition but the Government rejected it *when I made a public statement on this matter.* The Government ought to look at allowing pubs and clubs to open between 11.00 am and 8.00 pm, as a first step, and allowing them to be open for all of those hours. As the Minister is acting for another Minister, he will obviously reject that proposition; but I suggest that within the next six months or so this legislation will return to Parliament and the Government will say that we should allow opening between 11.00 am and 8.00 pm across the board. That has to come. It is a matter of breaking the system, and it seems that the Labor Government is as locked into that system as the Liberal Party was when it was in Government.

We have looked at licensed clubs. The hours are virtually the same—that is, 6.00 am to 12 midnight, Monday to Friday; 6.00 am Saturday to 1.00 am Sunday; and on Sunday 11.00 am to 8.00 pm. It is beyond my understanding why clubs, which are run and owned by their members—and they are mostly sporting clubs which certainly do not abuse the drinking laws and whose members simply want to enjoy their own facilities—are forced to close when their members would most enjoy a quiet drink.

Licensed cabarets will have quite extensive improvements to their arrangements, and I do not oppose that. A cabaret may supply liquor

from 6.00 pm on any day until 6.00 am the following day, and between 8.00 pm and 12 midnight on Sunday. Restaurants are permitted to provide alcohol, whether it be wine or liquor, 24 hours a day, provided a meal is supplied. That brings Western Australia into line with many other countries in the world where that facility exists. I note in the Minister's second reading speech that only a small percentage of liquor is consumed in restaurants, and provided it is supplied with meals, there does not seem to be any problem.

A question has also been raised in respect of licensed liquor stores. There is strong pressure for licensed liquor stores to be given the same trading hours as hotels and licensed clubs. There are very good reasons for this. Hon. Phillip Pendal drew my attention to the concern of many licensed liquor stores—and justifiably so—in this respect. They see hotels running drive-in bottle shops which have become licensed liquor stores in themselves, where people are encouraged to simply drive in, load their cars up with whatever liquor they want, and drive off again. The licensed liquor stores see that as taking a great deal of their trade; and they are asking to be given a fair opportunity to compete with those bottle shops. The Government, regardless of its complexion, will come under increasing pressure to address this problem in order to give licensed liquor shops a fair go.

I mentioned earlier that there is no shadow of doubt in my mind that people who want to drink 24 hours a day on Sunday in the metropolitan area will be able to do so. I saw Hon. Mick Gayfer nodding his head vigorously when I mentioned the casino's 24-hour trading. Whether one likes it or not, the casino is able to open 24 hours a day. I do not object to that; the Government saw fit to allow that special concession for that facility. Nevertheless it puts a question mark against some of the Government's decisions.

My party has no policy on trading hours or on liquor generally, any more than it has a policy on a number of controversial issues. Therefore, the views I have put forward are my own although they may be supported by other members of my party and, I believe, in their heart of hearts, by some members of the Government.

The Government has decided it will restrict Sunday trading laws because of complaints of noise and disturbances which have upset people living near one or two hotels in Perth. Two groups of people have come to me expressing concern and strong opposition to extended Sunday trading hours, but most of that opposition is in respect of night trading rather than afternoon trading. I do not think there was any great problem about trading on Sunday afternoon in these areas during the America's Cup; rather it was when there was a lot of noise at night. The Bill has only partly addressed the problem. I will raise it during the Committee stage as a question to the Minister. Where complaints are made about noise there are certain powers in the legislation to deal with stopping that noise and those disturbances, but these are very moderate powers. Maybe there is not enough power in the legislation for the people responsible to curtail the noise that often occurs at hotels or clubs.

I do not oppose the Bill. However, the Government has gone along exactly the same lines as the Liberal Party went along when it was in Government, where there was a little bit taken at a time and a chipping away at the edges; but commonsense tells us there are certain steps that ought to be taken which will not disadvantage the public in any way. These steps would make the liquor laws more understandable and more enjoyable. The public could then come to grips with what is being done in this State. They could enjoy the wonderful climate and lifestyle of this State even more.

HON. H. W. GAYFER (Central) [3.08 pm]: I cannot but be amused every time a liquor Bill comes before this place. We have argued about this matter many times over the years; and as it applies to the Liberal Party, it certainly applies to the National Party. There was no prearrangement or pre-committee work on this Bill, or on anything attached to it.

I know Hon. E. J. Charlton will speak on this legislation but I am not too sure what attitude he will adopt. This legislation has not altered much since about 1970 when Hon. H. E. Graham and I were always on the same side when discussing similar legislation, especially in relation to the hours of trading. That was to the great annoyance in those days of some very solid opponents of our thoughts in the Liberal Party and the Country Party and, I might add, in the Labor Party. However, in all that time my thoughts in respect of this matter have not altered. I believe that this House wastes so much time over the Liquor Act, and there is so much expense involved in the area of regimentation of liquor laws and liquor licensing courts, that the whole bang lot should be torn up and thrown out. In other words, I believe

that there should be 24-hour trading if hotels, clubs, and so on want it. I do not see why somebody has to open within a period between point A and point B. I believe that if traders want to open in the middle of the night, that should be up to them. I do not believe there should be any regimentation. For example, I do not understand why certain hotels along St George's Terrace could not open on Sundays if they wanted to.

I do not understand why milk bars cannot sell liquor. I do not know why the same rules do not apply to liquor laws in this State as apply overseas. Are we restricting trading hours in order to police them more easily? Are we trying to help the police by restricting the hours in which they have to patrol the streets? This legislation will make no difference to that. Anyone can find grog if he is prepared to look for it. Is this law an attempt to stop the licensees having their licences suspended? It will not help. I do not understand why we should curtail drinking hours or even restrict them at all. If somebody wants to drink to excess, so be it. When he comes out of the licensed premises he will be picked up.

What happens to the hotels and clubs that do not want to open during certain hours and to the business people who want to open when they feel they can best carry on their businesses? Why do we create problems for them in obtaining licences to open? Many pubs, in order that they may open for extended periods, have to obtain entertainment licences and other specialist licences, and provide food.

Why should juniors at golf clubs be prohibited from entering club premises? They usually come from homes which have shelves of grog in them. I remember presenting a trophy to a junior, not on the verandah of the club, but away from the club completely because the verandah was considered to be part of the club's premises. That was pre-1968.

The laws are crazy. I do not see why some of the best BYOG restaurants in Perth are not able to supply grog. What is the difference between those restaurants and licensed restaurants? Why should people not be able to buy wine at a restaurant if they so wish.

Hon. Garry Kelly: They are cheaper and better than licensed restaurants.

Hon. H. W. GAYFER: That is the point. We have been told by people associated with the industry that they are not happy with this Bill. I am not overly happy with it either because I do not think it is necessary. I do not believe that these businesses should be regimented just because they are licensed. They should be allowed to open at any time and not within hours laid down by the Government.

I believe that country clubs should be able to open at any time they wish. If only one or two people are drinking at the bar, the club should have the right to close. In Ireland and Scotland, when drinkers are told the licensee has decided to close, that is it; the doors are shut.

Hon. G. E. Masters: They pull down the shutters.

Hon. H. W. GAYFER: That is right, and if one's fingers get caught, bad luck.

It is amazing that we went so far with liquor trading laws by virtually removing all restrictions while the America's Cup was on, but as soon as it is over, we attempt to put those restrictions back in place.

Hon. G. E. Masters: There was no trouble in that time.

Hon. H. W. GAYFER: That is right. What is the purpose of this Bill? We are supposed to be legislators. This is a backward step. What is wrong? Have the unions bucked about what occurred during the America's Cup. I thought Hon. Des Dans told us that they were in favour of those hours. I know the wharfies at Fremantle enjoy a drink at 6.00 am, and good luck to them. One can obtain a drink at the Metropolitan Markets at that time or walk across the railway line and obtain a drink. An easier way to get a drink is to go to the Burswood Island Casino. It is open 24 hours a day. I believe it is the fault of the person who is drinking if he gets picked up for being inebriated or his wife throws him out. We should not be mucking around with these laws.

Two advisers employed by the department are sitting at the back of the Chamber. I believe this legislation is a waste of money and their time. We should tear this Bill up.

Hon. G. E. Masters: Do you feel the same about retail trading hours?

Hon. H. W. GAYFER: I am inclined to think that way. I believe they should also be looked at.

When I was in Russia I was told that the liberal drinking laws there resulted from the time of Ivan the Terrible, a capitalist ruler, who said that any wife who protests at her husband's coming home drunk shall be beaten with a big stick. I am all for that.

Hon. P. G. Pendal: You are making a pitch for the women's vote, are you?

Hon. H. W. GAYFER: I believe that if a person goes home drunk that is his fault. I believe that if a licensee wants to show a bit of courtesy to his customers, good on him. It is amazing the way the shutters on the bar of the *Indian-Pacific* go up and down as it travels across Australia. We have people watching other people to make sure that they abide by the trading hour laws. It is so much rot.

In the old days a person would go to a pub for a couple of hours and get a skinful in that time. Often if he were given another half an hour he would go to sleep anyway.

Hon. S. M. Piantadosi: Who? Mr Masters?

Hon. H. W. GAYFER: No, I think he was stronger than that. The member would have enjoyed the amazing argument that Mr Masters put up years ago. He nearly wrecked a Government.

Hon. G. E. Masters: It did cause a certain amount of embarrassment.

Hon. H. W. GAYFER: I bet Hon. Gordon Masters was chastised in the party room later.

Hon. G. E. Masters: No, they were perfectly reasonable.

Hon. H. W. GAYFER: I believe we have gone too far with this type of regulation. Why should one sector of the community which lives near a hotel that opens at 6.00 am have a right to obtain grog when another section of the community does not have that right. I do not want to get out of bed at 6.00 am and drink, but if somebody else wants to, what is wrong with it? If members wanted to drink in Paris or other countries, they would always find a drink, no matter what the time of day. At the same time, if the owners of those premises wanted to close, they would close.

I have argued this way for many years, and I will not change my views. This legislation is contrary to everything I have argued for. It will restrict hours and it does not make sense. We should be freeing up the trade.

The other night, I heard Denis Horgan telling somebody that he was amazed to hear that Lufthansa German Airlines was serving Australian wines in its first-class and business-class sections. That is a magnificent break for our Australian wines.

When in South Australia about two years ago I had dinner with the Redman's from Coonawarra—in the heart of the Coonawarra country. During the course of the meal Mr Redman said, "Do you know that the best wine-producing place in Australia has got to be Margaret River or in the vicinity of Margaret River." The great Mr Redman, from South Australia, said that. We should realise that we have a magnificent wine industry in Western Australia and allow people to take advantage of it at any time they wish. We do not have to tie up the industry and put padlocks on the law; we should free up the industry. There will be a settling down period for a while, but it will sort itself out.

Nowadays a person can take home as many bottles of beer as he likes on a Sunday. Years ago in this House Hon. G. E. Masters used the argument that people should be able to drink when they wanted to and, as a result, we got rid of the law that stated that a person could buy only two bottles on a Sunday. It was a ridiculous law.

Hon. A. A. Lewis: It was hard to get the law to buy two bottles.

Hon. H. W. GAYFER: Hon. A. A. Lewis is a worthy gentleman of this House and he always reasons well. He is very succinct in what he says and surely he would agree that the argument I have put forward is correct.

This Bill, which will reduce the hours of trading, is a retrograde step. Why were the hours extended? I ask members to think deeply about why the trading hours were extended for the America's Cup. It certainly did not make our yacht sail any faster, but it allowed visitors to this State the opportunity to drink when they liked, and it showed that we are a friendly State. However, once the visitors returned home this Government said that we could not have extended trading hours. If proprietors of licensed premises exceed the trading hours a policeman will be on their doorstep to advise them that it is time the premises were closed. It is a lot of rot. It is time we freed up the trading hours of licensed premises—something we have been trying to do since 1970.

Hon. E. J. Charlton: By crikey!

Hon. H. W. GAYFER: Yes, by crikey. The Government should not worry because there will be a settling down period, but it will right itself.

HON. E. J. CHARLTON (Central) [3.23 pm]: When Hon. H. W. Gayfer commenced his speech he said that he did not know whether I would agree with him. I do not agree with everything he said, particularly his comments about other members in this place being fair and square.

I will not go into detail about my opinion of this Bill because the comments I would like to raise have been canvassed over and over again in previous members' comments.

The most important thing to me is that I cannot understand the reason that Governments, particularly this Government have not rewritten the Liquor Act. Since it has been in office, this Government has said over and over again that it will rewrite the Liquor Act. It is pointless for the Minister handling the Bill in this place to comment on that point. I am embarrassed about the situation, especially when we were told three years ago that the Act would be rewritten during the following session of Parliament. Since then we have been told it will be rewritten the following year, and so it goes on.

The industry has been blamed for the Act not being rewritten because it will not agree with certain provisions. I have been given reasons why certain provisions cannot be agreed to. Having made statements repeatedly to people in the industry, particularly in the country areas of the State, about the rewriting of the Act, I have been asked to obtain an undertaking from the Minister that something will be done in the near future. I have had a series of meetings with more than one Minister during the period that I have been in this Parliament. I have advised my constituents that I will keep in touch with them, and that when the changes to the most important facets of the legislation are known they will be given a chance of a fair hearing before the Act is rewritten.

All that has happened to the legislation recently is a change to the trading hours. I reiterate that 70 per cent of liquor sales are not through hotels and clubs, they are from outside those areas. The terrible thing about that is that the people who run the licensed premises have been faced with tremendous overheads which include the employment of staff who are required to carry out the ancillary jobs associated with hotel and club trade. The public have to be served during the extended hours of trading. Not only do the proprietors of hotels and clubs have to employ staff to undertake various duties involved in the industry, but also they have to pay penalty rates for overtime and weekend work. On top of that, the liquor tax has increased from seven per cent to 11 per cent and it has really crucified the industry.

With the reduction in population in the country areas some country hotels have good trade for no more than a few hours a week, yet they are being forced into the predicament of trying to maintain an acceptable standard to attract clientele. They do not have the flexibility of optional trading hours to allow them to trade when they know people will avail themselves of the service they offer.

As I said, everything I wanted to say about this Bill has already been canvassed by previous speakers, in particular the member for Avon, who handled the Bill on behalf of the National Party in another place. If members want to know where I stand with regard to this legislation, all they need to do is read the comments of the member for Avon. I do not intend to repeat what he said.

The media and the public do not understand that hotels and clubs account for only 30 per cent of the retail liquor sales. As soon as one talks about extended trading hours the hotels are accused of being the bad boys of the liquor industry and are criticised for being the cause of all sorts of problems that occur in our society because of excess consumption of liquor. However, we have it on documented evidence that they are responsible for only a small percentage of liquor sales.

I do not agree with the provision in the Bill for 6.00 am opening. It is stupid. It is probably okay in half a dozen instances, but it is quite pointless to have 6.00 am opening across the State.

When will someone make a commitment and honour that commitment to have the Act rewritten? As I said, I am often asked by my constituents when the Act will be rewritten so that they will know where they stand. I am not speaking about cosmetic changes, I am speaking about major changes that will achieve those things that are required of the industry.

It seems that the clubs and hotels in this State are regarded as a good source of revenue, and that is the only part they play in the liquor industry; anything else is considered secondary to that or immaterial.

On the other hand, the liquor stores have it made; in most cases, except for the larger stores, they operate with one or two staff and they are doing very well. I have nothing against businesses doing well, and more incentive should be given to people to do well. However, instead of reviewing the whole industry the Government has picked on this small section in the hotel and club industry and put restrictions on their opening hours. The hotels provide meals and other refreshments, and they need sufficient staff to serve in the bars and lounges; these are all extra costs which are not incurred

by other sections of the liquor industry. It has also been said that the hotels sell only a minor percentage of retail sales of liquor.

The Government has failed badly with this legislation, and the people in the community are very dissatisfied with its performance. We want the Liquor Act rewritten and the ridiculous anomalies removed which are forcing hotel operators to become involved in the strip shows and other activities for which we congratulated the Minister for taking a stand on. It is easy to see why the hotels were trying to increase their turnover by providing these forms of entertainment. If the Government does not act and allow these people to trade when the business is there and close when it is not, thus giving them some flexibility, it will put them out of business.

We are trying to keep communities in the country together, but the Government is going in over the top and persecuting the hoteliers to the point that it is impossible to attract people to run hotels because of the capital cost, high interest rates, and lack of turnover. These retail outlets and hotels, and to a lesser extent the clubs, are becoming increasingly downgraded. In many areas around the State where the hotels have deteriorated, people buy the hotel licence and take it to another part of the State. What effect does that have on the community?

It is about time that the Government—in fact, the Government is in time on—realised how much this industry has suffered, particularly in country areas. I am not referring to the metropolitan area in this instance although I know enough about the stupidity of the different laws which relate to hotels, clubs, restaurants, and other licensed premises to say the laws are a hotchpotch. This Government does not realise the seriousness of the situation facing country hotels and clubs which are selling just a small percentage of beer and other refreshments. In fact, many people go to hotels and do not drink beer; they go to meet other people and may have a non-alcoholic drink and talk for a while. It is a popular notion that everyone who goes to a hotel is a booze artist; and if a person has a drink on Sundays he is castigated.

I shall contact all liquor retailers in my province and tell them that once again the Government has failed and has refused to come to terms with the problems they are experiencing. I can only tell them that the Government has given an undertaking to do something about this problem next session or next year. I do not want to hear from the Minister the things that have been said a thousand times before; I want only his assurance that the Government will make the changes which will go a large part of the way to what the liquor industry requires.

HON. D. J. WORDSWORTH (South) [3.35 pm]: It seems that the Labor Government always has trouble with the Liquor Act. I do not know that the Liberal Government had the same problems.

It is ridiculous that during this Government's term this House gave a liquor licence at no charge to the Burswood Island Casino, allowing it to trade all hours of the night, and yet it charges the tavern in Lake Grace $30 000 for a licence to operate in an isolated country bush town which will be battling to get traffic. Its licence was stopped for a long time because it was considered it did not have sufficient traffic to warrant the granting of a liquor licence.

A member: Have they actually paid $30 000 for a licence?

Hon. D. J. WORDSWORTH: With the price of wheat today, they have no hope of paying $30 000.

Hon. T. G. Butler: That is not a bad investment.

Hon. D. J. WORDSWORTH: I understand we had a moratorium on issuing new licences because they were not considered to be worth anything.

Hon. Graham Edwards: Do you want us to lift the moratorium?

Hon. D. J. WORDSWORTH: As far as I am concerned the Government can. It was not long ago that Herb Graham was throwing licences around everywhere and allowing licensed premises on every street corner.

Getting back to the trading hours—once again the Government is oscillating from one extreme to the other. Twelve months ago Hon. Des Dans introduced in this House a Bill allowing relaxed trading hours on Sundays for the term of the America's Cup, and those same hours applied all over the State. That consolidated a changing way of life in Australia. It the last century hotels were regarded as places in which poor people got drunk and never went in them without getting drunk, and the doors had to be closed to get rid of them. The hotels were closed on Sunday because people did not want drunks around the place on that day.

Surely we have progressed beyond the stage of putting the hotelier in a position of deciding upon the moral issue of whether people should be imbibing too much at that time of the day or on that day of the week. Two-thirds of all alcohol consumed is not drunk in hotels or licensed premises. I was amazed to read in a magazine published by the packaging industry that two-thirds of liquor sold is not sold in glass containers; in other words, it is sold in bags, in cartons or in tins. That is an indication of how much alcohol is drunk in the home and, of course, it is available 24 hours a day.

We seem to be concentrating on hotel hours just at a time of change in the industry. When one goes into a modern hotel today, in many cases one finds that the old public bar is occupied by young women, who feel it is something to be able to go into a public bar, waiting to play on the pool tables.

Hon. Graham Edwards: Which hotel is that?

Hon. D. J. WORDSWORTH: There are quite a few; I will name one or two later.

Hon. Graham Edwards: Some of these blokes are in need of practice!

Hon. D. J. WORDSWORTH: The old, traditional drinker who went for the cheaper prices in the public bar seems to have gone. Nowadays one sees a different type of person going into the hotels; young, married couples or single people using the hotel as a club or, rather understandably, as a place to dine out.

One may go to a restaurant and be charged a fairly hefty price, and usually one eats in the dark. That is all right in the evening, but it seems odd in the middle of the day.

Hon. H. W. Gayfer: There was a time when you appreciated it.

Hon. D. J. WORDSWORTH: A restaurant is usually an expensive place to eat. Alternatively, one can go to a Kentucky Fried Chicken outlet.

Hon. H. W. Gayfer: Now you are talking!

Hon. D. J. WORDSWORTH: The hotel industry has now found that it has to leave the restaurant trade to the restaurateurs because that is the sort of thing they can do better. However, there is a place for the hotels in what is called the bistro trade; in other words, beefed up counter lunches where one can obtain a decent one-course meal for about $10. This is proving attractive to those who cannot afford or do not want restaurant type meals, but want something a little more up-market than fish and chips. They want to be able to meet their friends and have a couple of drinks before the meal. They may not want to dine at home; their wives are usually working during the week and do not want to go home and cook a meal. They do not want to spend a fortune on the meal. Nowadays that seems to be the field in which the hotels are working. It seems to be the area where they can be successful. Yet now we are inflicting upon them these dreadful hours.

The theory is that on Sundays they can open at lunch time and in the evening; but that does not fit in with the clients. One cannot just turn the alcohol on and off. Apart from the patrons, it does not fit in with staff. Staff cannot just be put on standby for three hours, having served at lunch time, and then perhaps be called back again at 5.00 pm to conform to these hours. It is ridiculous.

People should be able to wander in and have a drink and a meal at a hotel when they want. They should be able to meet their friends and use the hotel as a club. We have the Police Force to guard against overindulging. People nowadays watch very closely the amount they drink, so that there is no need to restrict hotel hours in order to reduce the amount that people drink, or the number of drunks on the road or elsewhere.

Hon. T. G. Butler: Is this Bill actually restricting that?

Hon. D. J. WORDSWORTH: Yes. It makes it very difficult indeed.

Hon. T. G. Butler: I thought it added some flexibility to the approach.

Hon. D. J. WORDSWORTH: When the member says it adds flexibility, it is not acceptable to close a lounge down for two or three hours.

Hon. T. G. Butler: That is the licensee's choice.

Hon. D. J. WORDSWORTH: It is Hobson's choice. Why does the Minister want a different choice now from the choice at the time of the America's Cup?

Hon. T. G. Butler: The trading hours are increased for Sundays.

Hon. D. J. WORDSWORTH: It makes the situation a lot more difficult. One only has to talk to those in the industry to realise that. One only has to talk to those in the clubs to realise it will be a lot harder for them to trade normally.

This change, of course, affects country people particularly. They have to travel many miles—often 30 to 40 miles—to the club. Club trading will be made very difficult indeed; it will almost be ruined.

I would like the Minister to confirm that the various industries got what they requested; that the restaurateurs put in for certain hours, the club people put in for certain hours and the hoteliers put in for certain hours. The Minister himself suggested that hotels may trade at 6.00 am because that is what the industry wanted.

Hon. Graham Edwards: It was at their behest that we considered those hours.

Hon. D. J. WORDSWORTH: So the Minister is giving them these hours at their behest?

Hon. Graham Edwards: The 6.00 am opening, yes. I will answer that during my reply to the debate.

Hon. D. J. WORDSWORTH: I hope the Minister will.

Sitting suspended from 3.45 to 4.00 pm

President's Corridor: Use

THE PRESIDENT (Hon. Clive Griffiths): I remind honourable members, and particularly Ministers, that there is a place in this building that is exclusively for members only, and that is the area outside the offices of the Clerks and the President. Notices have gone out to remind members that the private area for members only is not to be used by other than members, and I just bring the matter to the attention of members and Ministers.

Debate Resumed

HON. GRAHAM EDWARDS (North Metropolitan—Minister for Sport and Recreation) [4.01 pm]: I thank members opposite for their comments during a wide-ranging debate which centred mainly on trading hours. Members should remember that the Minister in another place has already indicated that the Act is currently under review, and during that review broader consideration will be given to the question of trading hours.

This Bill is before the Chamber at the behest of the Australian Hotels Association, which did not want to wait until the spring session for trading hours to be extended. While this Bill does not present all sections of the liquor industry with everything they want, it does give them improved trading hours over those that applied before the special provisions were made to cater for the America's Cup.

The liquor industry is a complex one, with much internal to-ing and fro-ing between competing sections. I believe the Minister has been patient and sympathetic in listening to the industry and trying to find a balance in trading hours which satisfies the industry and provides the balance necessary to attend to concerns raised by the broader community. The Minister would be the first to admit that much work needs to be done in the review of the Act before all parties can claim satisfaction or consensus.

Hon. Gordon Masters raised a number of points, one of which was in relation to 6.00 am to 10.00 am trading, which is only one option now available. I understand those trading hours were requested by the AHA, but not all the hoteliers would want to take advantage of them, and they will have the opportunity to address them between now and when the review is more fully debated. The same applies to the Licensed Stores Association, which had previously indicated it was prepared to accept the amendments pending the review of the Act.

Hon. H. W. Gayfer raised some interesting points, and I was surprised to find that he advocated complete deregulation. I am sure many sections of the liquor industry would support that. However, I do not believe they all would. I further believe not many sections would support his point that milk bars should be allowed to sell liquor, because one of the things that the industry seeks to do is to protect the investment that individual people have in the industry. I am sure they would see such an extension as undermining that investment, and it would induce fierce opposition.

I do not agree with some of the points raised by Hon. E. J. Charlton. The Minister has indicated that she seeks to find the balance that is necessary through evolution, not revolution; and evolution does not occur overnight. It is not, however, an on-again off-again situation, as it was described, but part of a continual process that will hopefully come to fruition in the spring session. That certainly is the timetable set by the Minister, and it is not one that admits failure, but rather is a commitment to the industry in an endeavour to work with its members to find out exactly what can be done to provide a balance and satisfy all sections of the industry.

Hon. E. J. Charlton: Can it be a little more than "hopefully" in the spring session?

Hon. GRAHAM EDWARDS: The Minister has indicated that the results of the review will be reflected in legislation before the spring session. I believe the Minister has attempted to meet the demands of the liquor industry, but it is an all-consuming industry and it is not possible to fully satisfy all its members. As I said in relation to the comments made by Hon. H. W.

Gayfer, even if one were to put deregulation forward as an answer, I am sure a large section of the industry would be opposed to that. It is a complex industry and one which requires a lot of understanding, and I do not necessarily profess to have that understanding.

Hon. H. W. Gayfer: Anything is better than having to keep coming back all the time.

Hon. GRAHAM EDWARDS: The review that is to be embarked upon will result in a review of the Act and will perhaps address a number of the problems in the foreseeable future.

I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Hon. John Williams) in the Chair; Hon. Graham Edwards (Minister for Sport and Recreation) in charge of the Bill.

Clauses 1 to 7 put and passed.

Clause 8: Section 24 amended—

Hon. G. E. MASTERS: This clause deals with hotel licences and hours of trading. The Minister has mentioned already in response to questions raised by the Opposition about 6.00 am to midnight trading that the 6.00 am early trading was requested by the hotel industry. I do not understand that to be the case, but I will not argue with the Minister.

There are some serious difficulties and risks in some country towns as a result of hotels being able to open at 6.00 am, and I hope that any review scrutinises the 6.00 am trading provision and that the Government reconsiders that proposal if there are seen to be any difficulties. I understand that at the moment hotels are able to obtain permission to open at 6.00 am in special circumstances—that is, the markets, and so on—but to allow hotels to open in some country towns at that time spells danger.

Again I refer to Sunday trading. I understand the Minister has said that one cannot please everybody in this sort of legislation so the Government has done the best it can to address the Sunday trading problem. I wonder whether the Government really looked at the problem carefully enough, and whether it took into account the difficulties and desires of hotels and licensed clubs in country towns. The way that the Government is going is wrong; indeed, it is causing some difficulties and discomfort to clubs that service sporting groups, especially in country areas but in the metropolitan area as well. The Minister did not really explain why there was a proposal, in effect, to force licensed clubs in particular to close at some time during the afternoon, which would mean they would have to reorganise their staff. Hon. David Wordsworth spoke about that problem in hotels as well. It would provide no benefit or gain. I would like the Minister to explain to the Chamber the Government's reasons for that decision.

I believe the National Party in another place moved an amendment which proposed that a greater number of trading hours be allowed on Sundays. Indeed, I said publicly that I supported the hours of 10.00 am to 10.00 pm—that is, that hotels could open at any time during those hours for the number of hours they chose. It seems to me that would be the way to go. The National Party moved an amendment to that effect in another place, and I would have seriously considered putting forward an amendment in this place to make the hours more reasonable and to suit the requirements and purposes of some licensed clubs. However, I understand that the Government's attitude is that if the combined Opposition parties were to attempt to move an amendment which would introduce more trading hours on Sundays, the Government would be tempted to say, "If that is how you feel, we will drop it in the bin." We will not be held over the barrel like that. If there is a need to address this problem later on, I give notice now that the Liberal Party, myself in particular, will introduce a private member's Bill, but I will not jeopardise this legislation in that way to suit the Government's purposes.

That is the reason for the Liberal Party's not moving an amendment: We do not want to jeopardise this Bill and to lose everything, and we will not be an excuse for the Government's dumping the Bill. There will be other opportunities for us to take the necessary action, and I hope the National Party and the Liberal Party can come to some reasonable arrangement which will ensure the progress of a private member's Bill.

In the meantime I ask the Minister to detail the reasons behind the Government's Sunday trading hours and the decision which, in effect, will prevent outlets from trading, say, between the hours of 2.00 and 5.00 pm. I know the Minister will say they can trade between those hours, but he knows what I am getting at. The six-hour restriction really is a big imposition on some of those clubs.

Hon. GRAHAM EDWARDS: What needs to be remembered about the Liquor Amendment Bill is that it is not something the Government is putting through and saying, "That is it, finally." It has been brought on at the request of the industry; it has been brought on before the foreshadowed review is carried out; it has been brought on to enable the industry to enjoy more flexible hours—certainly more flexible hours than it enjoyed before special provisions were made for the America's Cup period.

I am not aware of any suggestions that if the Opposition were to move any amendments we would withdraw the Bill and not proceed in a way that would allow the industry to enjoy those hours. Quite simply, the Minister has had a policy of thorough negotiation with all sections of the industry and I am quite sure that she would not want to shy away from that and accept amendments which might be contrary to the wishes of sections of the industry.

As well, it may not be necessary for the honourable member to proceed with his idea of a private member's Bill because it may well be that in the wash of the review everyone is happy. Certainly I think the process of consultation is one that should be allowed to run its full course. As I said earlier, the Minister is the first to admit that the things contained in this Bill are not what the industry necessarily would want, but they are certainly an improvement on the hours that the industry enjoyed before the provisions were made for the America's Cup period.

As I understand it, licensed clubs can operate between the hours of 2.00 and 5.00 pm if they are the hours during which individual clubs choose to operate. It is simply an option. I reiterate that I understand the 6.00 to 10.00 am trading hours were something that the Minister agreed to following a request from the industry. Equally, I am aware that those hours would not suit each and every hotelier but they are put forward simply as an option and I guess that the overriding position as to whether a hotelier opened during those hours would be based on commercial factors. I agree that I cannot think of very many country hotels that would want to take advantage of those hours.

Hon. D. J. WORDSWORTH: Perhaps the Minister would reiterate the position. He has indicated that it is not a fact that the Government will shelve the Bill if the Legislative Counil makes an amendment; and that as the Bill was just what the licensees and others requested, the Government would stand by it.

If that is so, I am certainly inclined to move an amendment which I think is most desirable, that rather than there being two trading periods amounting to six hours allowed between 11.00 am and 8.00 pm on Sundays, there should be trading between 11.00 am and 6.00 pm. In other words, it would effectively cut out having two periods of trading and closing for three hours between them. Of course, the hotelier would still have the right to decide the hours he opened because that is his right in any event.

Hon. GRAHAM EDWARDS: It is a double negative to say that the Government will not do that. I am not sure what the honourable member means. I do not think the member will achieve anything by putting forward an amendment that would allow an extra hour's trading on a Sunday. I suggest he sit tight for the time being and await the outcome of the review. Should the honourable member want to have some input to that review, he need only contact the Minister and put forward his views and the reasons for them. I feel that would be the best way he could be of service to the industry.

Hon. D. J. WORDSWORTH: I have been informed that the Premier has made a definite statement that if this clause is amended the Bill will go out the window. It ought to be on the record that that is the reason why we are not amending it.

Hon. G. E. MASTERS: I do not understand the hours and the way the Bill is framed dealing with the supply of meals and liquor. I refer to clause 8(5)(a). A hotel licensee can serve a meal and sell liquor between midnight and 12.30 am. That is half an hour after midnight. I still do not follow what the Minister is saying.

Hon. Graham Edwards: I am advised they have not changed.

Hon. G. E. MASTERS: What is it about?

Hon. GRAHAM EDWARDS: As I understand it the dining room can continue to trade for that extra half an hour to enable people to more comfortably enjoy their meal.

Hon. G. E. MASTERS: I always understood that if I am a resident at a hotel and I have a meal at that hotel, I am able to have the meal at any time and also consume liquor.

Hon. Graham Edwards: Certainly. The hotelier can supply the lodger with liquor at any time during the course of his or her stay.

Hon. D. J. WORDSWORTH: On a Sunday a hotel can serve liquor for only six hours between the hours of 11.00 am and 6.00 pm. Members can see the difficulty a hotelier has

with putting on staff on a Sunday. The hotelier has to put them on for a few hours, take them off and put them on again. He opens at 11.00 am for lunch. The staff have to be put on the payroll until 8.00 pm despite having to knock off for three hours. They can only work six hours between 11.00 am and 8.00 pm. The hotelier puts his staff on at 11.00 am for drinks before lunch, they have to knock off between 2.00 pm and 5.00 pm, so the midday meal has to be over by 2.00 pm. That is hard to do on a casual day like a Sunday and the staff are sitting around until 5.00 pm before the evening meal begins.

Hon. GRAHAM EDWARDS: I refer the member to the fact that—setting aside the America's Cup hours—we are increasing the previous hours by one hour. I do not see how one could have an extra hour and increase any of those difficulties that have been experienced in the past. It simply gives the hotelier another hour of flexibility.

Hon. D. J. WORDSWORTH: I am not arguing that they are not given an extra hour of flexibility. We went through the period of the America's Cup where we led a different lifestyle and customers were not being thrown out at 2.00 pm or where they had to finish their meal by 8.00 pm. Sunday is a day of relaxation where people stroll into hotels before 11.00 am. I have noticed that people in their tennis gear often come in before 11 o'clock to see if any of their friends are about, or they might call in on their way to the beach. They drift in and out of the hotel as if it were a home, certainly like a club. Suddenly this Bill will be cutting out that sort of thing.

The public will soon notice a variation in the standards they have been used to. While the America's Cup was on, if they wanted to play tennis and then come back and have a drink, that was okay; but now that is finished they will have different hours. The public are not used to it.

If we are going back to the old Act we had better set a bedroom aside as a morgue. Under the old Act up to the 1940s, a publican had to set a room aside for a morgue for the dead. The licensing Act required that to happen. It is stupid to go backwards.

Clause put and passed.

Clauses 9 to 18 put and passed.

Clause 19: Section 35 amended—

Hon. G. E. MASTERS: Clause 19 deals with a club licence. We have already canvassed at length the impact of the six hours' opening between 11.00 am and 8.00 pm. I do not propose to tread that ground again.

I register the Opposition's protest at these hours. Certainly I will not support them in the future and I will do all I can to change this arrangement to something more sensible.

I note in clauses 8 and 18 reference is made only to hotels in respect of liquor being consumed with meals. Why does that clause not include licensed clubs? If licensed clubs have a restaurant or dining room or reception area, why cannot they also supply a meal to their members and be given the same advantage as hotels?

Hon. GRAHAM EDWARDS: This applies equally to hotels and licensed clubs. A licensed club can provide a meal between the hours of 12.00 midday and 10.00 pm, and one can consume liquor with that meal.

Hon. G. E. MASTERS: I thank the Minister for pointing that out to me. That would have the same effect as the two clauses I mentioned. If a hotel, or in this case a club, were to lay on a smorgasboard during the afternoon for its members and if those members were to come in to enjoy that meal, say, at 3.30 pm after finishing a game of golf, is there anything to stop them from having a few drinks with it?

Hon. GRAHAM EDWARDS: Nothing, and I point out that one of the things this legislation attempts to do is to include within it such definitions. The definition of a meal means a genuine meal eaten by a person. The short answer to the member's question is that there is nothing to prevent that happening.

Clause put and passed.

Clauses 20 to 36 put and passed.

Clause 37: Section 169 inserted—

Hon. G. E. MASTERS: This is an important clause which addresses the problem of action being taken where complaints are lodged against hotels and licensees. Members all know that one or two hotels have been the subject of complaint by the public and this is one of the reasons given by the Government for limiting the hours on Sunday.

I suggest to the Minister that there is not a great deal of strength in this provision. If one looks at proposed section 169(4)(a) one finds it reads as follows—

> if the Director considers that to do so will resolve the subject matter of the complaint, make an order against the licensee prohibiting that licensee from providing entertainment supplied by one or more artists, present and performing in person, on the licensed premises during such period as is specified in that order;

It seems to me that if there is a lot of noise coming from a hotel and the people living around that hotel bring forward a complaint, the only action the director can take is to prohibit entertainment if any is taking place. As I read the legislation there is no way that the director or anyone else can say to the hotel management, "Look, there is too much noise." The noise might be music or it might be a regular crowd causing the disturbance. There is no provision in this new section which enables the director to take action to prevent the sort of activities I mentioned; that is, a noisy group of people, singing, music or whatever.

Hon. GRAHAM EDWARDS: This new section deals with entertainment and it is through that entertainment that most complaints are made. The situation that the honourable member put to the Chamber may well be one that occurs outside of or off the licensed premises. I would think that if the problem was on a licensed premises and it was seen to be as a result of a band, for example, which attracted people who caused a problem, it would be within the province of the director to look at that complaint.

Hon. G. E. Masters: I do not think it has enough teeth.

Hon. GRAHAM EDWARDS: It is certainly a new provision which has a lot of merit and will more easily enable residents who are often disturbed to attempt to resolve the cause of that disturbance. Indeed it would certainly make most people more aware of what is actually happening in and around their hotels.

Clause put and passed.

Clause 38 put and passed.

Title—

Hon. D. J. WORDSWORTH: I return to the original question in respect of trading hours. I believe that by asking a hotelier what hours he wants to keep, the Government is allowing that hotelier to decide during which hours the public should drink rather than allowing the public to decide for themselves. I think that the majority of members of the Australian Hotels Association would like to knock off on Sunday afternoons so that they too could have the time off. Instead it will end up that our morals will be determined by the AHA and perhaps that is the wrong group to ask what hours they should trade. I think one would find the general public would wish the Government to be more lenient in respect of trading hours. It is a bit like the trading hours in shops. One finds that those who wish to do their shopping on Saturday afternoon want trading hours which shop owners do not want. The same applies to hotel trading.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. Graham Edwards (Minister for Sport and Recreation), and passed.

STATE FORESTS: REVOCATION OF DEDICATION

Assembly's Resolution: Motion to Concur

Debate resumed from 10 June.

HON. A. A. LEWIS (Lower Central) [4.41 pm]: The Opposition will use a lot of commonsense when dealing with this motion. We do not disagree with the first four parts of the motion. However, I want to know where the money from the sale of the houses will go. I suppose the Minister will tell me that it will go to the Consolidated Revenue Fund. However, I hope that some sort of deal has been done to allocate it to the Department of Conservation and Land Management. It is all a bit like Bernies hamburger bar about which there has been some discussion. I believe that if departments sell land or property, the money resulting from the sale should be used by that department to set up an interpretations centre or something of that nature.

The Press has had much to say about the National Party's and Liberal Party's views on this motion. I believe it was probably attempting to read between the lines. The Conservation and Land Management Act stipulates that all management plans should be available for public comment for a minimum of two months before their submission to the Govern-

ment. The Government produced a heap of management plans in its second, third, or fourth attempt, depending on how far back one goes, to obtain a final management plan for the d'Entrecasteaux and Shannon National Parks.

I promised my friends that I would not read the green book of the Conservation Through Reserves Committee report and go through the Attwill report to the red book of the Conservation Through Reserves Committee report. Only the red book report was agreed to in principle by Cabinet. The overview of the northern and central forest region draft management plan supporting papers classifies the Shannon estate as a national park. Comments in those state that that proposal was included in the report of the Conservation Through Reserves Committee. That annoys me because that was not agreed to by the Cabinet of the time. I believe some of those statements should be considered carefully by the people who want the public to agree to a national park or to any alienation of land.

I want to read out some of the Press reports over the last few months about this matter. The *Daily News* of 26 May states—

> The Australian Conservation Foundation said the Burke Government clearly favoured mining in a national park.
>
> ACF campaigns officer Rick Humphries said the decision favouring mining had been made before the public had a chance to comment on recommendations in the controversial Bailey Report last December.

Mr Schur from the Campaign to Save Native Forests said that we should have more time to study the plans. I agree with him wholeheartedly. I wrote to the Minister as did many others requesting an extension of three months. A total of 500 000 hectares is involved in those management plans. The Government originally gave us a minimum extension of two months. Since then the pressure has gone on and the Government gave an extension of one month. I believe it should have stuck with the three-month extension. I understand from the report that Mr Schur and the Campaign to Save Native Forests group share my view.

I will deal with matters relating to the size of the park fairly quickly because I do not believe that we need to go into the long history of it. The Executive Director of the Department of Conservation and Land Management, when answering a visiting United States forester, Mr Corey J. Schatner, is reported in the *Daily News* of 3 June as saying—

> The highlight of the new reserves system includes a 29 500 hectare national park which contains the finest virgin karri forest in the State.

I disagree with a couple of points in that statement. First, I do not believe that it is as good as the Hawke block and, secondly, I do not believe that the 29 500 hectares is all virgin land. However, the executive director said that the Minister had presented the motion in the House. On 11 June *The West Australian* reports the Minister as saying—

> . . . there had been a number of investigations into the area over the past 15 years.
>
> He said he was surprised that the Opposition should want to stop the formation of a "43 000 hectare national park in the magnificient karri forest".

The head of the department and the Minister were 13 500 hectares out in their statements, and that is a fair bit of dirt.

On 16 June, Mr Humphries said—

> . . . the Liberals had embarked on a campaign of "blind opposition" against the 43 000-hectare karri park, without regard to its consequences.

The Conservation Council booklet refers to the Shannon basin as containing an area of about 50 000 hectares, so the claims of the size of the area grow bigger and bigger.

Mr Cam Kneen, the Manager of the Forests Products Association, made the following comment in answer to a suggestion made by Mr Humphries—

> But the FPA held the view that declaration of the entire basin as a national park was not warranted and logging should continue in order to rehabilitate fire-damaged and other degraded areas.

I will leave the last quote till later in my speech.

I will deal with my next point in two stages—management plans and public participation. While I agree with both, I believe there should be—I know Hon. Fred McKenzie will agree with me having been on a number of committees with me—

A Government member: He is a gentleman.

Hon. A. A. LEWIS: He is a gentleman. If Government members did not interject, we would get through this motion more quickly and the Minister would be far happier with them than she normally is.

Hon. Fred McKenzie and I have visited a number of places, parks, and forests, and he is a man whose opinion on these matters I value highly. If I were choosing the Labor Minister for Conservation and Land Management or, in the next Government the shadow Minister for Conservation and Land Management, Hon. Fred McKenzie would be the boy.

Hon. Kay Hallahan: He will not be the shadow Minister.

Hon. Fred McKenzie: It is hard to disagree with those comments, isn't it?

Hon. A. A. LEWIS: I will deal with public participation. I have in front of me a series of plans which I would lift up if they were not so heavy.

Hon. Doug Wenn: How many plans are there?

Hon. A. A. LEWIS: They are about six inches deep. I class the plans as draft plans because they are not particularly well done. When I commenced my speech I quoted one example regarding references.

What with elections, by-elections, and sittings of this House, I have not had the time to personally submit submissions to the department about where I think it is in error in its conservation and timber strategy. As soon as I have the time I will do that.

I will take Mr Humphries' first point about the Bailey report. The public has not had time to react to it. Why are we undergoing these pressures now when the final date for submissions is not until 17 July? Why has this motion been brought to this place before the public has had time to consider it and forward submissions to the department? Nobody has told us that. This motion has been brought forward and no-one has told members why there is a hurry for it to be passed. People from both the timber industry and the conservation organisations have said that they should be given more time to discuss this matter and put forward submissions.

We are referring to 43 000 hectares of land that will be set aside as a national park. My proposition to this House is that the motion should be delayed until 8 September to allow the public time to lodge their submissions. Why cannot this be achieved? Is it not better to deal with this matter in a logical order and to receive the thousands of submissions which there will be? Unfortunately, the southern region draft management plan includes some of the mistakes which were originally made in the first d'Entrecasteaux National Park draft plan. All the feuds will start again.

Is it not better to wait until all the public opinion is gathered and until that public opinion can be assessed by the two bodies involved and then given to the Minister?

The reality of this issue came to light in this morning's *The West Australian* in an article headed "Shannon basin plea—Park plan pushed by Govt". It stated—

> Mr Burke called for a sensible approach to the proposal,—

I heartily agree with the Premier thus far. It continues—

> —which he said had been well publicised and part of Labor policy for four or five years.

We all know that it is part of Labor's policy. We remember when the member for Warren, Hon. H. D. Evans, threatened to resign from Parliament over the Shannon basin issue. He stormed out of one of the Labor Party's conferences and said he would resign, but Labor Party members molly-coddled him and massaged his ego and he did not resign. He knew the feeling of his electorate.

The article continues—

> It was part of a timber strategy and land-management plan that had been generally accepted.

How do we know it had been generally accepted, because the details have not yet been finalised? The Premier is taking a punt.

The article goes on to quote the Minister for Conservation and Land Management—

> Mr Hodge said if the Government's move was disallowed it would continue to manage the area as a national park, as it had since 1983.

What will a delay until 8 September do except to let the area be managed as a national park until that time? It has been managed as a national park since 1983.

Hon. John Halden: What does it say next?

Hon. A. A. LEWIS: The Minister queried whether the area would have an official status or legal protection as a national park; and this is the reason that Hon. Fred McKenzie should have been the Minister handling this issue be-

cause he understands it. Unfortunately, the present Minister for Conservation and Land Management does not understand it. The area has the status of State forest.

I know the love of trees by the foresters; and if anybody went into that forest and started mucking it up, the foresters would be down on him very quickly, and quite rightly so.

To say that its not having legal status as a national park is the reason it was cast out like the baby with the bath water is absolute nonsense. The article stated that Mr Hodge had said that the Opposition spokesman on conservation and land management was on record as saying that the whole of the Shannon basin should be logged. I cannot find anything which has been said by a member of the Liberal Party or a member of the National Party to the effect that the whole of the Shannon basin should be logged.

Hon. T. G. Butler interjected.

Hon. A. A. LEWIS: I think that some areas should be logged.

Hon. T. G. Butler: About 41 500 hectares?

Hon. A. A. LEWIS: Let me develop my theme and I will give members my answer as I proceed. We have read in the newspaper that the executive director said 29 500 hectares should be set aside for a national park; and newspapers do not make mistakes with letters. The figure of 43 000 hectares has been put forward in this motion, and the figure of 50 000 acres has been mentioned by the Conservation Council.

I want to know what will happen to this land and how it will be managed. I believe that the Solo Welds Johnson blocks should be left as they were under the old regime; that is, as management priority areas. In the main, the entire area should be saved. Perhaps patches of it could be saved. I do not know of any area on which regeneration work should be undertaken.

[Questions taken.]

Hon. A. A. LEWIS: Some of us have seen the Canadian scheme, whereby every item is dealt with in depth. That is the line we should take until we evolve a better scheme.

I become a little worried when people want two bob each way, or when they misrepresent the case. Last night the local paper arrived. In it was an advertisement which read—

> Woodchips, wildflowers and wilderness.
>
> A public forum on forests and forest management in WA.
>
> The forum will feature:
>
> speakers representing a range of viewpoints on forest ecology, the management of forest for timber production and the selection and protection of forest conservation parks and reserves.

It goes on to speak about an evening festival of forest films. Then it says this—and this is the sort of thing that always worries me—

> Plans have just been released for the extension of the Manjimup woodchip licence until 2005 and for the extension of clearfelling throughout WA's forests. The system of conservation and recreation MPA's throughout State Forests is to be abolished, with some being made national parks and others classified as 'forest parks' (and thus available for logging).

I have not rung the university to see who put the advertisement in. Inquiries are directed to a university telephone extension. I asked CALM whether it was taking part, and I was told it was not. How do we get the plans? How do we answer questions about things like the MPA's being abolished? There are ways of overcoming those problems. The whole Shannon area will be a national park. How is a national park managed? This quote is from the Minister's own documents—

> National parks may be terrestrial or marine. In general, commercial exploitation of fauna and flora is not permitted and only those recreational pursuits which do not adversely effect ecosystems and landscapes are permitted.

That is in the management plan, yet people are trying to beat a drum by saying this about MPAs. Either in this House or another place I have heard several criticisms of MPAs—that they were not safe; the forest department may alter them—those wicked foresters! How would we have had the Lane-Poole Reserve if it had not been for the magnificent management of the forest?

I have had discussions with the timber industry and the conservation lobby. I suppose in the last two weeks I have spoken to 150 to 200 people on the subject. Nobody sees a fallacy in leaving this matter to lie over until 8 September so that all public submissions can come in.

Members will have heard me speak once, or maybe twice before in this House. I said, "What about the local authority?" What does the Manjimup Shire say about this? I received

a telegram this morning. Members may or may not know that I approached the Manjimup Shire when this was first tabled and asked for its comments. I have a written reply here which says that the shire still supports its original view of saving the Shannon sensibly. I hope all members have read this; I circulated it when it first came out. It is an extremely good document.

This telegram was not solicited in any shape or form, apart from making that initial approach and receiving a written reply, and I did not expect the telegram, so I guess luck was on my side this morning.

Hon. Kay Hallahan: When did you ask for the written reply?

Hon. A. A. LEWIS: I received the written reply, which I can read to the Minister, when the document was originally tabled. I wanted to find out whether the department had discussed the issue again with the shire since the new plans came out, because a lot of things are hanging on that, such as the swapping of more land for agriculture, and the planting of pines. I understand that none of it has been resolved.

The telegram says—

> To Mr Lewis and upper House colleagues. The Shire of Manjimup is strongly opposed to the dedication of the entire Shannon basin as a national park for the reasons stated in the "Save the Shannon sensibly" pamphlets. Council believes dedication is premature as the public submission period for the forest management plans and timber strategy has not expired. Please oppose legislation.

Rather than opposing the motion at this time, I would prefer this House to give time for submissions to be submitted properly, and to then debate the matter. I think the enormity of the management plans, with the 500 000 hectares that have been mooted by the department to be committed, should be a matter for total debate. I do not believe that what we presently have in the draft management plans is enough. The Premier admitted in this morning's paper that it was a political decision; because the Labor Party policy said so, it must go on. The Minister, Mr Hodge, said, "It does not matter whether you do it or not, because we are going to run it as a park. We have done it since 1983, so what is three months until 8 September, when we come back here again, going to matter." Nobody has been able to tell me why that period should not be extended to 8 September, or some date close to that, which I believe should happen. I hope that when I sit down, another member will subsequently move to adjourn the debate to that time.

I have been beseiged by people who are worried about the total dedication. I am worried for a different reason, because I believe that if the Shannon basin is going to be dedicated, then Broke Inlet has to be taken into consideration as well, and a decision made about what is to be done with it. The department has not yet bitten the bullet.

Hon. H. W. Gayfer: There is very little mention of Broke Inlet.

Hon. A. A. LEWIS: Broke Inlet is not even on the map.

Hon. H. W. Gayfer: It is on the map, but it is not within the boundaries.

Hon. A. A. LEWIS: No, it is not within the boundaries. Hon. Fred McKenzie and I have seen the problems that are involved with the eutrification of Broke Inlet, and the big worry is why the department did not use the brilliant analysis of an Honorary Royal Commission and a Select Committee of this place and the evidence received by the Royal Commission. The conservation movement agreed with us that if we went in for IUCN categories and did our job properly, we could sensibly do all that these management plans are doing. Now we have to go into the State and forest parks syndrome, as I call it, when every other country in the world that has tried that sort of gambit has failed. There has been no mention in the management plans of why we really need State or forest parks, in comparison with doing it on an IUCN classification.

A lot of work has gone into looking at these things, and I admire the dedication of the conservation lobby, the timber lobby, and the members of CALM, in doing their work. I was originally told when we started having Select Committees and Royal Commissions that we were going to be beaten around the head because there was no common ground at all. That is false. There is much common ground with the foresters, the conservationists and the bee keepers, but it needs to be rationally tied together. We can solve this problem if we debate it and first set aside the areas that we know to be wilderness areas.

I do not have an ignorant blindness about national parks. I love national parks, and I am spending a month during the next couple of months looking at management plans in other countries so that I can bring back to this country ideas from around the world. We

should dedicate areas as national parks in sequential order, not by jumping the gun and lumping bits in here and there. Members of the public should have more time to make submissions, if they so desire. They are not asking for unreasonable time. I do not believe that three months is enough, compared with other places in the world. People ought to have five to six months to put their view. There should be meetings between the officers of CALM and the people who are interested, so they can put their views and discuss those things to be put in the final draft management plan. Hundreds of people have approached me about how to make submissions, and have asked whether I thought their views were silly or would I go along with them. I must admit I believe everybody's submission should go in. I do not believe it is up to me, the department, the Minister, or one lobby group or the other to say that a submission is silly. I have been in this game too long to see ideas wiped off because somebody thought they might be silly.

Let us consider Ontario's management plans. I know the Executive Director of CALM had a short stay in Ontario, but I do not know if he was involved with the management plans concerning a particular national park. There were 400 separate meetings just for one national park, conducted by 400 different groups. It took 17 or 18 months to arrive at the final plan.

Not all people will get what they want, but at least they should be given the opportunity to air their views. That is what I am pleading for the Government to do, and it is not as though I have not done some pleading outside; I have. I have discussed it with the Minister handling the matter, and I am sure she will handle it very capably in this place; I have discussed it with the executive director, and with the Minister; but I cannot seem to get my point of view across. Maybe it is because I have not spoken to them at great length.

The fact that local government is against public participation worries me. Not only is the Manjimup Shire Council opposed to what is going on, but the Boyup Brook Shire Council has written to me, to the Premier, to the Leader of the Opposition, and to the shadow Minister for Conservation and Land Management, and Environment, saying that it is horrified about the vacant Crown land parts of the motion. Again, I believe consultation will get us somewhere.

I will give two views by experts on the Shannon Basin. The first is by Dr John Beard who some members will recall headed the Kings Park Board for a number of years. He is now the Chairman of the Forest Industries Environmental Advisory Committee, and he issued a Press release today, 23 June 1987. It is headed "Shannon River Move Opposed" and reads—

> The Shannon River Basin should not be made a National Park, says Dr. John S. Beard, the Chairman of the Forest Industries Environmental Advisory Committee.
>
> In giving his committee's support to moves to oppose the Government proposal, Dr. Beard said that professional advice given to the Government in 1982 was as good today as it had been then. The idea had never been supported by scientific opinion but pandered only to the conservation lobby.
>
> Dr. Beard also chided the timber industry for not having fought against the issue when it was first proposed..... "the timber industry should have taken a strong stand then" he said.
>
> Dr. Beard said that the advice given by the Government's own professional foresters had been emphatic. Any perceived advantages of reservation of the Shannon, they had said, were not sufficient to justify the loss of timber for community use, the disruption of regional stability or the sacrifice of sound management of the remaining forest. No additional ecological representation would be achieved and there would be no significant increase in real recreational potential, as 85 per cent of the karri forest was already available for this purpose.
>
> The foresters had also advised that the reduced cut of timber resulting from the closure of the Shannon could result in over-exploitation of the remaining forest and would have serious consequences for regional fire protection and long-term management.
>
> These warnings held as much force today as they did when given to the Government five years ago, and they should be heeded. Sound management still favoured logging in the Shannon Basin where selective felling had once been done and in fire damaged forest so that much needed regeneration could be achieved.

I think that comes back to the point Hon. John Halden was making.

Hon. John Halden interjected.

Hon. A. A. LEWIS: I might ask, 25 per cent of what? Of the executive director's figure, the conservation and land management figure, or what?

Hon. John Halden: It is about one-quarter.

Hon. A. A. LEWIS: It could be one-quarter or one-half.

Another Press release was made by a gentleman for whom I personally have the highest regard.

An Opposition member: Hon. Fred McKenzie!

Hon. A. A. LEWIS: I hold this man in as high regard as I do Hon. Fred McKenzie. The man to whom I refer is Francis G. Smith. He was the bloke who really fought the battle for national parks in this State, and nobody should ever forget that. The concern that man had for national parks, for his staff, and for the environment was superb.

Hon. John Halden: Who is he?

Hon. A. A. LEWIS: He is the retired Director of the National Parks Authority, he is a Doctor of Science and a graduate in forestry from Aberdeen University; his doctorate thesis was in the field of ecology; he worked in the Agriculture and Forest Department of Tanganyika, now Tanzania, for 13 years; he was officer-in-charge of apiculture with the Western Australian Department of Agriculture from 1962 until 1974, and Director of National Parks in this State from 1974 until his retirement in 1980.

Hon. E. J. Charlton: And he had a dog called Lassie!

Hon. A. A. LEWIS: I do not know; Hon. Eric Charlton probably put it on a lead the other night. Mr McKenzie will know that the evidence given by Dr Smith in the trying times of our first national parks Select Committee was some of the most helpful evidence we received.

Hon. Fred McKenzie: Hear, hear! I would agree with that.

Hon. A. A. LEWIS: And although his wife was not a public servant, I thought her concern for the wives of the rangers was magnificent. The Press release to which I refer is dated 22 June 1987 and reads—

> The retired Director of National Parks in Western Australia, Dr. Francis G. Smith has expressed his opposition to the creation of National Parks in WA's eucalyptus forests in letters to the Government and the Forest Products Association.
>
> "In my view there is no place for National Parks as such in the forest areas of the South West of Western Australia," he said today in a supporting public statement.
>
> His comment has fueled the debate on the Shannon River Basin and current legislation to change its status to that of National Park.
>
> "I have long been opposed to the proclamation as National Parks of areas of eucalyptus forest which have a potential for timber production. A National Park form of management does not ensure the preservation of the qualities for which the forest was protected in the first place," he said.
>
> "This has been amply demonstrated in the Walpole-Nornalup National Park where the first reservations of Karri-Marri-Tingle forest were made some 80 years ago. Today, what had once been beautiful stands of mature trees has degenerated into more open forest of old and decaying trees. The same applies to stands of so-called virgin jarrah forest elsewhere that have been left as reference areas.
>
> "Such might well be the fate of all eucalyptus forest managed as National Parks."
>
> Dr. Smith explained that whereas rain forests, such as those of Tasmania and Queensland can regenerate themselves under National Park management conditions, Eucalyptus forest needs hot summer fires for regeneration under natural conditions. It only degenerated when such fires were prevented and silvicultural management, including clearfelling and subsequent regeneration, was prohibited.

Hon. John Halden interjected.

Hon. A. A. LEWIS: The Aborigines had a fire management scheme before we were here. Those fires were not managed in national parks; they were managed to burn small areas so that kangaroos and emus came along and they could dong them off for food.

Hon. John Halden interjected.

Hon. A. A. LEWIS: The article said ". . . with hot summer fires . . .". With the record of the department we will have no burning done before very long. The department is 36 per cent behind in the first year. Good Lord! What will

happen if that situation is allowed to go on? There will be some really hot fires! Let us take the rational management view of this.

The article continues—

> It was reasonable, he said, to secure sample areas from production and management as reference areas and to provide refuge for fauna. Similarly amenity belts alongside public roads and river banks could be protected for the enjoyment of the public, though these would require management to correct damage caused by public use and to ensure regeneration.
>
> I do not believe, however, that this country can afford the indulgence of reserving as National Parks, or similar conservation classifications, a great proportion of potentially productive forest, Dr Smith added.

Hon. John Halden interjected.

Hon. A. A. LEWIS: I did not want to have to give a lecture on flora and fauna but I will if the honourable member requires it. We have one of the world's leading authorities in Dr Christensen on the effects on fauna. I do not know whether honourable members have had time to look at his research but it is absolutely brilliant. I think he got a Fulbright scholarship for it. The old forests department was the leader in showing how animals moved with fires, and their migration patterns. That is why belts were set up for the fauna to move through. One of my farmer friends said it almost got to the stage where there were stop lights at Heartley so the kangaroos could jump across the road.

Hon. W. N. Stretch: Now they wait for my car.

Hon. A. A. LEWIS: Hon. Bill Stretch is having a certain amount of trouble with kangaroos at the moment.

I have outlined, in as little detail as possible, why I believe we should delay this debate until the Parliament resumes in the spring session. In all fairness, it is a waste of my time putting in a submission if the Government has made up its mind to pull a block out. People might wonder what my opinion is worth anyway. I think my opinion is worth as much as the next persons. If this motion is passed today I will not be allowed to present a submission about the management of the Shannon basin. I guess I could see the Minister or explain the situation to the director and have something done about it. We should, in all sensible managerial terms, delay the debate until all public participation takes place. It would take only a month or so and I believe it is worth it.

We can then find out what the participants have to say, balance it off and take up the situation after the break. I believe the break has to be in that part of the management plan and it has to be dealt with while we are dealing with the Shannon. I do not see how any manager can do that. I implore the House to delay the passage of this motion until we return in September.

HON. E. J. CHARLTON (Central) [5.44 pm]: My colleague, Hon. John Caldwell, is more of an expert and has the details about this motion, but I wish to make a couple of observations. I cannot understand why the Government wants to proceed, at such short notice, to implement the motion. A number of Bills have come forward at the end of the session and the Government has said they have to be put in place for various reasons, which have not been very convincing.

In this case, I cannot understand the Government's wanting to proceed to have this motion implemented in its entirety because of the complications, the uncertainties and differences of opinion that so many people have. Every member of Parliament who has had any involvement at all has received much uncertain comment from people who are directly or indirectly involved in the proposed national park.

I would like to move an amendment to allow the Government to proceed to implement those sections of the proposed national park which Hon. Sandy Lewis referred to earlier. There is no question about the inclusion of those areas into a national park. Everyone agrees there are specific areas that should be logically accepted as being part of a national park. However, there are others which are not.

I move—

> Lines 2 and 3—To delete the numbers 38, 40, 41 and 55.
>
> After "out" in line 5, add the following words—
>
> > and that the question of State forest numbers 38, 40, 41 and 55 be referred to an expert committee appointed by the Minister. The committee to report back to Parliament.

That is in line with what Hon. A. A. Lewis and other members want to see happen.

The DEPUTY PRESIDENT (Hon. John Williams): Have you circulated copies of that amendment?

Hon. E. J. CHARLTON: No, Sir. My amendment takes away all the uncertainty that members have about specific areas that are widely accepted as being in question.

The Government has two options. It can either implement sections of the proposal and leave the other areas to be studied by a committee appointed by the Minister which would report back to Parliament—

The DEPUTY PRESIDENT: Order! What the member is suggesting cannot be accomplished. I refer to a President's Ruling which says—

> Revocation of State Forest Areas
>
> The proposal to which the Legislative Assembly has agreed is made in terms of the power conferred by section 9, subsection 2 of the Conservation and Land Management Act 1984.
>
> No power is given, by that Act or any other law, to do anything other than to accept or reject the proposal in its current form.
>
> I am therefore unable to accept the amendment proposed by the honourable member.

Hon. E. J. CHARLTON: The Conservation and Land Management Act 1984, section 9(2) says—

> The Governor may cause to be laid before each House of Parliament a proposal that land comprising the whole or part of a State forest shall cease to be State forest, and if a resolution is passed by each House that the proposal be carried out. . .

I relate that to this section of the Conservation and Land Management Act 1984 and seek your comments, Mr Deputy President.

The DEPUTY PRESIDENT (Hon. John Williams): That is a matter for the Governor-in-Executive Council. It is not the matter before the House. The ruling I have given stands so there can be no amendment to the motion before the House.

Hon. E. J. CHARLTON: Thank you, Mr Deputy President, for that direction.

Members of the National Party have done their research and sought comment in respect of this legislation. Since you, Mr Deputy President, have directed that I am not able to proceed with my amendment, we are now in a position where a report has been added to and discussed over a period going back to 1974, during which time much change has taken place in respect of the appraisals and opinions that have been given. There really has been dramatic change over this period and a proliferation of thinking and opinions in respect of what will affect the State forests and their future, and how they should be managed. There is a certain finality in the way the Government has dealt with this whole matter.

It may be that all members of Parliament agree that the areas set down in this motion should be accepted completely, but I cannot understand why, in view of the diversification of thinking and the unanswered questions, we could not have a few weeks in which to allow the people who sought to have an input to be able to comment.

Hon. Kay Hallahan: There has been plenty of input. What do you mean by "unanswered"?

Hon. E. J. CHARLTON: Quite simply since the Minister introduced this motion to the Legislative Assembly a number of people have come forward seeking information which was not given in any detail. Members of Parliament should have an opportunity to ask the reason for this being so, yet the motion was introduced in a blanket form and the information that I have been given is that it has not been presented in a way which enables members of Parliament to make a decision on a matter which concerns a large area of land in this State; that is, the information they have received does not enable them to make a decision based on a satisfactory amount of input on the long and binding effects this motion will have on a number of people and the long-term future of the area involved.

I cannot really see why there is this rush to get the motion through.

Hon. Kay Hallahan: It has been going on for a decade. There has been no rush.

Hon. E. J. CHARLTON: Not when one is looking at it from a perspective of 13 years, but this description was introduced a matter of only a couple of months ago. We are not talking about the block on the corner of Harvest Terrace and Havelock Street, we are talking about a large area of the State, the ecology of which has a great number of facets. I cannot understand why the Government did not bring in specific areas. There was no argument about them, but the Government should have dealt with these other matters so that everybody

understood the full ramifications and was happy about them. I cannot see why the Government is disappointed now.

Hon. Kay Hallahan: We are very disappointed.

Hon. E. J. CHARLTON: Why did the Government proceed with this whole matter? Why did it not wait until another time? The National Party members have discussed this matter with the Australian Conservation Foundation and asked questions of it. The conservation people were specific in their answers in respect of what they wanted, but certainly they agreed and could understand the questions raised by the National Party in relation to the management of this land.

Hon. Kay Hallahan: The people who put aside Kings Park probably had reservations too.

Hon. E. J. CHARLTON: The comment just made by the Minister is quite correct. Whatever decision is made, there will be people who are not happy about it. The National Party is not saying that everyone will be happy; however, the National Party believes that we should be handed an update and that people—including members of Parliament—should be given sufficient time to understand it. Members of the National Party have been to the area, and although one does not become an expert in 24 hours—I do not suggest that the Government has pushed this on in 24 hours—one could see in that time that it is a very diverse and important piece of land.

I think everyone in this nation now understands that there has to be a greater knowledge of why Governments do certain things. It is very important that we make decisions in line with what is embraced here. Nobody is likely to race into the area tomorrow, next week or next month and start chopping trees down. It will not happen.

Hon. Kay Hallahan: It is not safeguarded, is it?

Hon. E. J. CHARLTON: There are enough safeguards in the legislation as it is. No-one should be too worried about what will happen in a matter of days. Here is an example of a matter on which we could all agree. There is no stalling as far as the National Party is concerned; the National Party is simply trying to buy some time for any other group or person to have some input into this matter. There is nothing in it for the National Party; all the National Party wants is to be part of the decision so that we can return to the people who have spoken to us and say, "Okay, this is what we have been told and this is how it affects you." If that happens, we will then be in a position to make a decision. That is all we are asking.

We are in agreement with the greater part of the resolution, including the first four reserves mentioned in the motion. But the National Party has some reservations about Nos 38, 40, 41 and 55. All we are saying is that we want some time to have a look at that aspect of it because of our own involvement and that of other people who have spoken to us continually, right up until today. Hon. John Caldwell had two phone calls from people today who said to him, "Look, we agree with you even though we are in favour of the whole thing going ahead." There should be more time to enable people to have some input into it. Even the people who are totally supportive of this action agree with us that there should be an opportunity for people to further study this matter and have some input to it.

Sitting suspended from 6.00 to 7.30 pm

HON. GARRY KELLY (South Metropolitan [7.30 pm]: I agree with Hon. Sandy Lewis that there is much common ground between the protagonists in this debate, and that it only needs a rational tying together of the various points to make the agreement a sound one. There is common ground; the conservation movement and the timber industry have reached a consensus about what is required to meet their objectives. This rational tying together of the two positions is bound up in the motion before the Chamber. The Government has delivered to the timber industry the security of supply which it needs to invest, and I will enlarge on that later. On the other side of the equation, it is important that the interests of environmentalists and conservationists be seen to be addressed by the Government. The reservation of the Shannon basin as a whole is important in that endeavour.

At the outset I address the question posed by members opposite about a supposed rush now to excise those parts of the Shannon which are in State forests. Later I will give a potted chronology of the debate on this subject, which stretches back over the better part of 15 years. However, after listening to the speakers for the Opposition one could be forgiven for thinking that the Government was sneaking this proposal before the Parliament and the public.

On 8 June 1983, the Government announced it was going to reserve the Shannon and change its status to that of a national park. So for more than four years now the people of Western Australia have been under no illusion as to the Government's intentions with the Shannon. In relation to getting public input and debate, the management plans for the d'Entrecasteaux and Shannon National Parks were opened in April 1986 and submissions closed in August of that year. A total of about 1 600 submissions were received. That response is a fair indication of public interest, by any stretch of the imagination. Of course among those submissions there were those who were opposed to the national parks, but more than 80 per cent were in favour of the Shannon and d'Entrecasteaux National Parks going ahead. The submissions closed in August last year, and those management plans are about to be finalised.

The story being put about to the effect that those proposals are being rushed before the Parliament and through this House is a load of nonsense. Given the time that this matter has been before the community and being now in a fairly late stage of its development in terms of seeking submissions for the management plans of the national parks, I cannot understand how the Opposition can claim that this proposal is being rushed through.

Hon. W. N. Stretch: There are people still writing submissions.

Hon. GARRY KELLY: The management plans for Shannon and d'Entrecasteaux have closed.

Hon. A. A. Lewis: No!

Hon. GARRY KELLY: They have closed and they are in the process of drawing up the final plans.

Hon. W. N. Stretch: No, it is until 17 July.

Hon. GARRY KELLY: I said I would go back over the history of the concept of the Shannon as a national park. We have to go back to the early 1970s when the Conservation Through Reserves Committee, which was established in 1972, released its report. The South-West Forests Defence Foundation said in a document published last year that the Conservation Through Reserves Committee was established in 1972 to review existing national parks and nature reserves and to recommend new ones. In its report published in 1974, the CTRC recommended that clear-felling should not be permitted in the Shannon River basin during that first 15-year licence period of the woodchipping industry agreement—that is, before 1991. The precise boundaries of the basin were to be determined and all Crown land within those boundaries not incorporated in State forests was to be returned. It further recommended that towards the end of the 15-year period a substantial area of wet sclerophyll in the basin—that is, karri forest—be set aside and conserved in perpetuity as natural forest, and that the Conservator of Forests be asked to manage the area as though it were a national park.

That is going back to the early 1970s. It is important to look at the community debate on this issue in the early 1970s and the fact that the policy, as with most policies adopted by the Labor Party, was not adopted at the behest of the leadership of the Parliamentary Labor Party; the policies go through a very tortuous process.

The PRESIDENT: Order! There is far too much audible conversation while I am endeavouring to hear what Hon. Garry Kelly has to say.

Hon. GARRY KELLY: I want to pick out some of the important occurrences in the debate which led up to this proposal for the Shannon River basin to be declared a national park coming before this House.

In 1973 the old Forests Department's environmental impact statement on the Manjimup woodchipping project showed that no logging was scheduled to take place in the Shannon basin before 1981. In 1974, following a submission for Forests Department officers, the Conservation Through Reserves Committee recommended a national park of approximately 110 000 hectares to extend along the south coast from Black Point in the west to the Walpole-Nornalup National Park in the east. It further recommended that existing leases within the boundaries of the proposed park be terminated and the Government acquire all private property within the proposed boundary.

It also recommended that there be no clear-felling within the Shannon basin before 1991, and that a substantial area of the basin be preserved in perpetuity as a natural forest and be managed as though it were a national park.

Hon. W. N. Stretch interjected.

Hon. GARRY KELLY: I am aware of that. This was in 1974.

In 1975 the Institute of Foresters published a proposal for a south coast national park extending from Scott River in the west to Nornalup in the east. In September 1975 the

EPA set up a committee to review the CTRC proposal for reserves in the south west and south coast areas. Of the eight members of the review committee, four were from the Forests Department and the fifth was a forester. In September 1975, the EPA recommended in its second interim report on the Manjimup woodchip project that some degenerated parts of the Shannon basin be cut over and rehabilitated. It did not specify the size or exact location of the degenerated parts.

In the period from 1975 onwards, that logging, referred to by interjection by Hon. W. N. Stretch, has occurred in unburnt virgin karri forest of the Shannon basin.

In March of 1976, the special review committee accepted the CTRC's recommendation for a south coast national park, but rejected its proposals for the Shannon River basin as a major karri conservation reserve. Instead, it recommended that the former Forests Department make a selection from a list of reserves contained in an appendix to its report. These reserves were described in a new term by the Forests Department as "management priority areas for conservation and recreation".

Hon. A. A. Lewis: What document are you quoting from?

Hon. GARRY KELLY: The document is entitled "Wilderness, Karri and Coast: Shannon and D'Entrecasteaux National Parks".

In its final report on the south west and south coast areas, the EPA recommended for the Shannon River basin, that two areas, Curtin, of 1 108 hectares, and the lower Shannon of 17 054 hectares, be set aside as forest parks, not to be logged "except in the ordinary course of forest management". I think Hon. A. A. Lewis referred to those State parks and forest parks as being less than desirable methods of preserving areas. The term is vague and I do not think many people on the conservation side would be happy with it. The EPA also recommended regeneration of other areas of the basin as necessary with a view to ultimate reservation and the restriction of cutting to less than nine per cent of the basin without the approval of the EPA.

The 1978 State Conference of the Labor Party rejected the Shannon River basin as a national park. The point I made at the beginning of my speech was that the Labor Party decides policies after much consideration, research, and debate within the party.

Two years later, the ALP State Conference passed a motion that the Shannon River basin be declared a national park. Therefore, in 1980, that policy became part of the party's platform. In 1982, there was a proposal before the conference to water down the party's commitment to the Shannon basin. That proposal was defeated. The conference reaffirmed the 1980 policy of declaring the Shannon basin a national park.

I think it is important to realise that the Labor Party resolved this policy after much consideration and soul-searching. It was not something that was suddenly put before the people of this State. It is a well-known policy of the party and something to which, through its supreme body, the conference, it is committed as is the Government.

In March 1982 the conservation movement produced a report entitled "Karri at the Cross-Roads" in which the movement stated that the Shannon basin was a cornerstone for its proposal for preservation of a significant part of the proposed Shannon River national park. Again in March 1982, the Forest Department's working plan listed Curtin and lower Shannon as management priority areas in which conservation of flora, fauna, and landscape was to be the priority use. Clear-felling was to occur in the remaining 65 per cent of forest in the basin outside the reserve.

Since then, I think the need to reserve a portion of the karri forest has increased because of its exploitation. Since the CTRC made its recommendations, a further 27 000 hectares of virgin mature karri forest has been clear-felled. It has disappeared. The possibility of choosing another river drainage basin as a national park has been seriously diminished, if not totally eliminated. Pressure for preservation of the wilderness areas in general, not just of the karri forests has increased markedly since 1974.

In September-December 1986, a publication entitled "Summary of National Parks in Western Australia: a Public Opinion Survey" was commissioned by the Conservation Council of Western Australia. It was published in May 1986. The support for conservation elicited a very strong response. A total of 30.5 per cent of those surveyed supported conservation very strongly, 39.4 per cent supported it strongly, 28.2 per cent supported it somewhat, and 1.9 per cent supported it not at all. On the question of the importance of national parks, 74 per cent rated them as important or very important, 55

per cent rated them as important, 24.7 per cent rated them as not very important and 1.8 per cent rated them as not important at all.

The conclusion that can be drawn from that survey is that Western Australians overwhelmingly supported the views expressed by conservationists over the past 15 years that national parks are primarily for conservation rather than recreation. The following table indicates the proportion of respondents who indicated that each of the following functions was the primary purpose of a national park—

	per cent
Protection of whole of natural environment	60.3
Protection of certain types of native animals and plants	21.3
Recreation	8.4
Protection of natural landscapes	8.1
Nature study	1.9

Hon. W. N. Stretch: Everybody believes in conservation. That survey is worthless.

Hon. GARRY KELLY: I disagree; that is the member's opinion. In terms of what should be conducted in national parks, 86.2 per cent state that logging should not be permitted in national parks.

It was agreed by 92 per cent of the people involved that national parks should be left in as natural a state as possible. Strong community support exists for the reservation of areas, and once they have been reserved there is strong community support to preserve them in as natural a state as possible.

People may ask why we should worry about reserving an area as large as the area to be reserved in the Shannon basin. Earlier I mentioned community pressure and the fact that 27 000 hectares of the area had been clear-felled. However, there still is pressure for the reservation of conservation areas and the establishment and protection of national parks.

I refer now to "Karri Forest Facts", which includes facts and figures about Western Australia's karri forest and was compiled by the South-West Forest Defence Foundation Inc in October 1986. It states—

> The area of karri forest in national parks is approximately 10 000 ha. This amounts to 5.5% of the remaining karri forest and 6% of the publicly-owned karri forest.
>
> Of the approximately 10 000 ha of karri forest in national parks, 6 360 ha, or 64% are unlogged.

Not a lot of the remaining karri forest is presently national park.

The PRESIDENT: Order! I have already said to honourable members that the audible conversations will not be tolerated. The honourable member is addressing the House and he is entitled to be heard. I certainly cannot hear him with all the audible conversation that is taking place. I ask members to refrain.

Hon. GARRY KELLY: Of the remaining karri forest, only 5.5 per cent of it is contained in national parks. The proposal before the House will substantially increase the amount of karri forest which will be protected by national park status.

It is important that members opposite realise that the proposal before the House is part of a package. The Government has entered into intensive negotiations with the industry and with the conservation movement, and the package represents a balanced proposal to put before the Parliament.

It was generaly conceded at the end of 1982, or perhaps earlier, that the timber industry was on a downward slide and despite having access to the karri reserves in the Shannon basin the future of the timber industry was not very good. Since this Government came into power in 1983, and with the reservation of the Shannon as part of its forest management policy, the Government has been able to guarantee the industry a supply of timber which will preserve, indefinitely, the timber and sawmilling industries. Members must realise that point. In 1982 the conventional wisdom had it that the timber industry was headed for the slippery slide, the resource was finite, there would be an inevitable decline in the industry, and the jobs of those who generally favour logging in the Shannon would disappear.

If the Shannon were unreserved, 10 000 hectares would remain unlogged because of the 14 000 hectares of timber involved—65 per cent of the area. Four thousand hectares have already been clear-felled. If we assume that the logging rate is something in the order of 2 000 hectares per annum, there would only be five years' logging in the Shannon basin.

It is not as though retaining the Shannon basin to make its resource available for timber production will guarantee a supply of timber for 20 or 30 years. At the current rate of exploitation, the best we can hope for is something like five years.

It must be drawn to the attention of members opposite that the Government's proposal embodied in this resolution, if carried, will guarantee the timber industry security of supply for a long time. The timber industry will be maintained on a sustained basis.

Hon. D. J. Wordsworth interjected.

Hon. GARRY KELLY: With due respect to Hon. D. J. Wordsworth, I do not think he is on the right track. The proposal guarantees a supply of timber to the timber industry.

Hon. A. A. Lewis paid tribute to the work undertaken by the voluntary conservation movement regarding this proposal. I might add that members are aware of the Federal election campaign which is taking place at the moment; and the Leader of the Federal Liberal Party, Mr Howard, has indicated that as part of his party's cost cutting measures the voluntary conservation movement will be deprived of funds. Under that sort of regime the conservation movement, which Hon. Sandy Lewis praised, would be very hard-pressed to put any sort of point of view before the Government on any issue.

Although the conservation movement does not agree with everything the Labor Party has done—there are a lot of issues in the Government's forest policy with which it does not agree—at least it has had the resources available to allow it to prepare reports and put forward propositions to the Government. Under the Federal Liberal Party's proposal, despite Hon. Sandy Lewis' commendation of the movement, it will be denied the resources to have any say on environmental matters. That is something that should be borne in mind.

Hon. W. N. Stretch: Are you saying it is the proper role of Government to finance pressure groups?

Hon. GARRY KELLY: People have a commitment to ensure that the environment is preserved and managed properly. Mr President, this is a diversion from the motion before the House, but it is worth pursuing.

It would be an unequal struggle for the voluntary conservation movement if it were unable to obtain funds from the Government. Development proposals would be put forward by the timber industry and in terms of resources it would be a David and Goliath situation. The best the conservation movement could do would be to prepare a fairly cursory document, without the research backup that would be required, to substantiate the claims they could put forward against the arguments advanced by the timber industry. It would be an unequal struggle. The Government would not have the knowledge that resides in the conservation movement.

It is all financed by the taxpayer; but if one agrees with the proposition that the case stated by the conservation group is an argument worth hearing, it is more efficient to get the argument from that group than from a Government department.

Hon. W. N. Stretch: You are funding arguments against your own Government department.

Hon. GARRY KELLY: No, I disagree. We are trying to do something to benefit the community as a whole. At the initial stage of any proposition the Government should be neutral and evaluate that proposal on the basis of input from the industry and from the conservation movement. The input enables the Government to make a better decision. When propositions are put to the Government, in most cases neither side gets 100 per cent of what it wants; the hard part is to strike the balance. Funding the conservation movement helps the Government to strike that balance.

The motion before the House strikes the balance between conservation and environmental considerations and the timber industry. The Burke Government has been able to reverse the doom and gloom mentality which pervaded that industry before it came into office. It has enabled the industry to make investment decisions in the knowledge that it would have a sure source of supply. To a certain extent some of the conservationists will not be happy with some of the necessary compromises which have been made by the Government, but a consensus has been reached. The Government has delivered to the timber industry and it has attempted to deliver to the other side of the equation to restore the balance.

It has been announced that there will be a long-term contract to supply Bunnings Ltd with timber; that a new sawmill will be constructed at Pemberton; and Whittakers Ltd has announced a $20-million investment at Greenbushes based on the fact that it will have security of supply of timber to that mill. The timber will not be karri; but encouraging the planting of pines and the move to softwood production will ease the pressure on karri—a move which we should all applaud—and it will provide the timber industry with a continuing supply of material so that the industry can be sustained.

Other benefits to the timber industry will occur as a result of the strategy outlined. In the last two years, tenders have been let for karri thinnings which will result in the construction of two speciality sawlog mills; one is about to be commissioned in Pemberton and it will generate $100 million investment and spending in the lower south west in the next two years. That is big money in any terms. Also, Whittakers will transfer its operations from Welshpool to Greenbushes, making an investment of $20 million—in effect, the industry is being decentralised from Perth to the lower south west. The establishment of a softwood processing industry in the south west is a major coup for the Government. The previous strategy was to compensate for the reduction in the hardwood cut in the lower south west by establishing a large softwood sawmill at Bunbury. The effect of this would have been to export jobs from the south west to Bunbury. The Government has put the jobs in the lower south west. By 1995 a major new investment will be made in the establishment of a $17 million stand-alone softwood sawmill in the south west.

New mills and new jobs are being created as a result of the strategy, and it is important that members opposite are aware of the situation. It has been flagged that someone will move that the motion be deferred until we return in the spring session. I cannot see the benefit of doing that. The industry is poised to make investment decisions; some commitments have been made and others are in the pipeline. The Government has delivered to the timber industry in terms of jobs. I shall be interested to hear any member opposite explain how allowing the Shannon basin to be logged will in any way improve the timber industry, given the projected investment already in the pipeline, and how it will improve the lot of timber workers in the region. I do not think the argument that the Shannon basin is needed to sustain jobs is valid. As I have already said, if the Shannon basin is logged at the present rate of cut, the supply of hardwood will last five years.

The Government has also initiated value-added production. Mr Peter Dowding, the Minister for Labour, Productivity and Employment, has set up the development of a woodcraft venture which will provide jobs in the south west in the processing of karri for value-added products. Prior to this initiative, suitable karri logs were used in the construction industry; but the timber is also suitable for veneers, for limited furniture production, and for other activities which enhance and give extra value to the product. This creates jobs in the industry which are not directly associated with the milling of the timber. The Government should be congratulated on the strategy it has set in train.

A seminar, opened by Peter Dowding in Manjimup, was held in relation to the woodcraft proposal to discuss enterprise development, training needs, and the supply of specialised timber artisans to the south west. The Government recognises the need for a more labour-intensive industry in the region. Instead of the timber industry being based on supply, it can diversify to create jobs in the manufacture of value-added products.

This motion contains a number of other measures, apart from the conservation measures referred to. Parts of the towns of Dwellingup and Collie will be excised from the State forest and the houses on that land will become freehold and be sold.

If this is held up, those people who want to buy those places will be denied that opportunity. Local councils are very much in favour of those excisions. I cannot see the point in delaying this matter for another three or four months. The local councils want it, the people want it and the Government wants it. I assume members representing those areas want it as well. I can see no objection to making this land freehold.

Hon. W. N. Stretch: Those people who have submissions want a chance to get them ready before this happens.

Hon. GARRY KELLY: The principle is the same. I am now talking about the national parks' proposal. Does the honourable member agree that the Shannon basin should be declared a national park? The principle is the same now as it will be tomorrow, next week, or in July, August or September. The decision will still have to be made.

Hon. W. N. Stretch: You have ignored the people.

Hon. GARRY KELLY: We have not ignored the people. There have been 1 600 submissions on the management plans.

Several members interjected.

The PRESIDENT: Order! I ask honourable members to stop their interjections, and I remind the honourable member that he has only five minutes left. If he uses that time answering those out-of-order interjections he will probably not have time to say what he wants to say.

Hon. GARRY KELLY: The people have made their positions quite clear. There have been 1 600 submissions on the management plan for national parks. Members opposite are confused between management plans and the principle of whether there should be a national park. Those management plans are due to be released soon. The confusion in the minds of members opposite between the management plan and the principle is something they should sort out.

Hon. Eric Charlton suggested that we set up a committee of experts appointed by the Minister. We do not have to be very bright to imagine that the Minister will appoint the experts to give him the answer he wants.

This is a delaying tactic. I wonder if the object is to delay the matter until after the Federal election and after the by-election in the south west. After those elections are out of the way members opposite hope they will be able to knock the proposal off completely.

Hon. E. J. Charlton: I never thought of that!

Hon. GARRY KELLY: That is the hidden agenda. The Opposition should have the guts to make a decision now; kill the motion now, instead of delaying the decision until after exposure to the electorate at the Federal election and the by-election.

Several members interjected.

Hon. GARRY KELLY: I want to finish on some of the reasons why the Shannon basin should be reserved. The South-West Forest Defence Foundation Inc. has given me a publication it issued in October of last year which sets out the main reasons in conservation terms why the Shannon basin should be reserved. The publication is called "Karri Forest Facts".

Firstly, it is a natural drainage basin; second, the catchment is in undeveloped State forest; third, it is in a near natural state; and, fourth, the area is publicly owned so it does not have to be acquired by the State.

This report picks up one of the points made by Mr Lewis regarding Broke Inlet. The Shannon flows into Broke Inlet, one of the largest estuaries in the State still in a fairly intact natural state. If no commercial logging takes place in the Shannon basin, Broke Inlet will serve as a yardstick to which variations in the characteristics of other rivers in the woodchip area can be related. The Shannon basin can be used as a benchmark against which other woodchip licence areas can be measured. The management plan there refers to managing the woodchip area.

A substantial area of the wet sclerophyll containing pure karri and karri/marri associations should be set aside in perpetuity as a major conservation reserve. The foundation makes the point that the road and stream reserves are inadequate for that purpose.

This package is a balance between conservation and the timber industry. The Government has delivered to the timber industry. It is now time to deliver to the conservation movement. It is doing this. If members opposite are trying to delay the decision until after the general election and the by-election they should rather make the decision now, take the bit between their teeth and knock the motion out now.

Several members interjected.

The PRESIDENT: Order!

Hon. GARRY KELLY: If members opposite are going to pass the motion, let them pass it now. The management plans are about to be released. There has been ample debate stretching over 15 years, and I urge members opposite to support the motion.

Adjournment of Debate

HON. W. N. STRETCH (Lower Central) [8.17 pm]: I move—

That the debate be adjourned until Tuesday, 8 September 1987.

Question put and a division taken with the following result—

Ayes 13

Hon. C. J. Bell	Hon. N. F. Moore
Hon. J. N. Caldwell	Hon. Neil Oliver
Hon. E. J. Charlton	Hon. P. G. Pendal
Hon. Max Evans	Hon. W. N. Stretch
Hon. H. W. Gayfer	Hon. D. J. Wordsworth
Hon. A. A. Lewis	Hon. V. J. Ferry
Hon. G. E. Masters	*(Teller)*

Noes 12

Hon. J. M. Berinson	Hon. Robert Hetherington
Hon. J. M. Brown	Hon. Garry Kelly
Hon. T. G. Butler	Hon. Mark Nevill
Hon. John Halden	Hon. S. M. Piantadosi
Hon. Kay Hallahan	Hon. Doug Wenn
Hon. Tom Helm	Hon. Fred McKenzie
	(Teller)

Pairs

Ayes	Noes
Hon. Margaret McAleer	Hon. Tom Stephens
Hon. P. H. Lockyer	Hon. Graham Edwards
Hon. John Williams	Hon. B. L. Jones
Hon. Tom McNeil	Hon. D. K. Dans

Question thus passed.

Debate adjourned until Tuesday, 8 September 1987.

ACTS AMENDMENT (OCCUPATIONAL HEALTH, SAFETY AND WELFARE) BILL

In Committee

The Deputy Chairman of Committees (Hon. John Williams) in the Chair; Hon. J. M. Berinson (Leader of the House) in charge of the Bill.

Clauses 1 to 32 put and passed.

Clause 33: Various Acts repealed—

Hon. H. W. GAYFER: I move an amendment—

> After the clause to insert the following new subsection (2)—
>
> (2) Notwithstanding the repeal effected by subsection (1), the provisions of s.75(1) of the Machinery Safety Act 1974 and those of the Machinery Safety Regulations 1978, so far as each relates to the provision or otherwise of a protective cab or frame on a tractor manufactured later than September 1 1979, shall continue in force as if this Act had not been passed.

I think members would be aware of my aim in moving this amendment. Clause 33 repeals the Construction Safety Act 1972, the Machinery Safety Act 1974 and the Noise Abatement Act 1972. Repealing the Machinery Safety Act 1974 would remove any possibility that another Bill that I have before this Chamber to amend that Act could be put into effect and prevent the necessity of having to put rollover protection bars on tractors manufactured prior to 1979.

Members will realise this is my second attempt to put this Bill through. The matter is causing a great deal of alarm throughout the agricultural areas, the nearer it gets to "D" day, which is 1 September 1989. I was at a large meeting in the country last night, and this matter was raised, although it was not the business of the day that I had gone to discuss, and there was a unanimous vote on the matter, which shows that feelings are running high.

I do not want to reiterate my case, except to say we know that 8 000 tractors are licensed, and that the number of unlicensed tractors would be close to another 11 000, making 19 000. The cost of fitting roll bars is anywhere from $600 to $2 500. These figures are from Pederick Engineering, and I remember them well and have no need to look them up; but if anybody wants me to substantiate them and put the reference in *Hansard*, I will do it. It costs considerably more if there are no belly mountings on the tractor on which to put the rollover bars. This is retrospective legislation, which is something that we do not like. In 1984-85, two people were killed through a lack of rollover bars, but over 100 people were killed when motor trucks rolled over, which have cabs on them without bars. So there is no way that one lot of statistics can be married to another; the old story about statistics applies here generally.

There are plenty of arguments, but legislators generally agree that it is fair enough to have rollover bars after 1979, but they should not apply before that date. In this day of economic stress and problems in the country, there is no way that anyone wants to see the legislation applied so that people will be forced to spend huge amounts of money on their tractors, some of which are very antiquated. I know that antique tractors could possibly get an exemption from the Minister under the terms of the previous Bill, and I dare say that will carry on into the new Act by regulation.

It is intended to apply safeguards on tractors by means of regulation, but we are not happy to run the risk of having a regulation introduced, then waiting for the requisite 14 days and possibly missing out, which happened with one regulation that became effective on 26 June, under which certain illuminated plates have to be put on the rear end of all trucks 12 tonnes and over. That regulation went through, and we missed it and had no time to protest. That is the fate of a lot of regulations. We want to avoid this. We have been fighting for years to try to rectify the problem, and there is too much at stake.

The only way that I can see the matter being prevented is by passing this amendment. My Bill deals with tractors sold after a certain date, and I would have been quite happy to get that through, and would have been happy if the amendment that I had on the Notice Paper had been carried. I would be happier still if this amendment were carried, because it would have the same effect. It means that any tractor manufactured later than 1 September 1979 shall have the rollover bars, but any tractor manufactured prior to that date is governed by this regulation and does not need to have a rollover protection bar.

Hon. D. J. WORDSWORTH: I suport Hon. H. W. Gayfer in the concern that there is in rural areas over the matter of rollover bars on tractors. It is rather unfortunate that this has become such a political question, because I

think country people are fairly uniform in their desire to see some amendments in this direction. I did not like to see an editorial article in the Narrogin paper, during the middle of the Narrogin by-election, blaming Hon. A. A. Lewis for the amendment not going through, when it was indicated in the Chamber that the Government would not support it. It does not take any brilliance to realise that if the Government would not support it, it would not be passed in another place.

So be it. I am still willing to support the amendment because I believe that country people are concerned about this matter. We do have to try to do something in this direction, although I would have to say that many people in the country are relying upon the amendment rather than trying to do something, such as putting rollover bars on some of the tractors which are easy to handle. I would be just as guilty as anyone else in that regard because I have a tractor that could have a rollover bar put on it for $400 and I have not done so. Not all rollover bars cost $2 000 to place on tractors, but there are some in this category and some provision must be made for them.

Hon. C. J. BELL: I support the amendment. The argument which was used in the initial stages of the debate concerning the move to impose seat belts on the car industry is just as relevant as is the argument with regard to rollover protection frames for agricultural machinery. There is no doubt they are impractical on many machines and very costly on others.

Just as all cars, at a cost, could well have been fitted with seat belts, so all tractors could be fitted with rollover protection bars. It is a matter of judging whether the cost is justified, given the history and nature of the use. There is no doubt that the majority of the 8 000 tractors referred to by Mr Gayfer—

Hon. H. W. Gayfer: They were the licensed ones.

Hon. C. J. BELL: We could probably add 50 per cent to that figure.

Hon. H. W. Gayfer: They number 11 000.

Hon. C. J. BELL: Those machines are phasing out their contribution to agriculture, but it will be a long time before they are actually out of production. Hon. David Wordsworth admitted to having one tractor, but I must admit to having two that fall into that category. I have one that can have a rollover frame and one that cannot. It would be a fairly expensive exercise.

The reality is that many cars could have been fitted with seat belts, yet we quite consciously decided we would not insist on that because the cost and the inconvenience to the community was more than it was worth. There are cars on the road today which still do not have seat belts. Those cars are registered and licensed in the normal way, with no insurance penalties attached to them. One would assume that if they were judged to be sufficiently dangerous there would be a loading against them. We have not done that, and exactly the same argument could and should be used in this case. I believe we should not impose a condition on agriculture that we were not prepared to impose on the public in the case of motor vehicles.

I support the amendment moved by Hon. Mick Gayfer.

Hon. J. M. BERINSON: The Government opposes this amendment, and despite the apparent odds I think I should seriously put it to both the proposer and the members who have supported him that they really should not pursue their objectives in the way that they have chosen.

There are really two questions involved here. One is the substantive question as to whether the pre-1979 tractors should be subject to the rules in respect of rollover bars, and then there is the question of form, as to whether the provisions in respect of that question should be dealt with in this Bill and in this way.

As to the substantive question, there is no real need to go over previous arguments. There is no need to remind the Chamber that it was not this Government that introduced the measure but the previous Government.

Hon. H. W. Gayfer: But you attempted to do it before that.

Hon. J. M. BERINSON: I just said there was no need to elaborate on that. I am simply stating the fact, without putting any great weight on it. In the same way, I will refer to but not put any weight on the arguments relating to safety which first led the Parliament to introduce these provisions.

That is the substantive question. It can be dealt with in an appropriate way, and the main thing I want to say is that this amendment is not such a way. In the first place, to introduce this provision into this Bill is really to create a unique provision in legislation of general application. The new Occupational Health, Safety and Welfare Act simply does not go into the details as to what should be done in respect of

particular pieces of machinery or particular types of operation. That is to be left to the further process of regulation making. So on that basis alone it is really a very odd intrusion into the general pattern of the new legislation to suggest a provision of this kind.

It is also instructive that Mr Gayfer has himself referred to the sort of legislative framework that will have to follow the decisions already made by the Parliament in respect of the new legislation. Mr Gayfer acknowledges that with the repeal of the Machinery Act 1984 it will be necessary, if the rollover bar provisions are to continue to have effect, that regulations be promulgated to do that. He says, however, that they might just slip through unnoticed. Frankly I find it very difficult to accept that, on a measure that has attracted as much attention as this question of rollover bars, a regulation would slip through. It is not as though one has to take a magnifying glass to the whole mass of papers which are tabled from time to time in this Chamber; all one has to look for is something entitled Occupational Health, Safety and Welfare Act Regulations. That will immediately put us on notice that we ought to be looking for a provision that affects this area of particular interest. With the concentration on this question that Hon. Mick Gayfer and others have demonstrated, I really have to say quite seriously that I find it impossible to believe that a regulation on this issue would indeed slip through, as Mr Gayfer has suggested, in the way that he fears.

There is one other question that I think Mr Gayfer ought to address. The honourable member has taken the initiative on two previous occasions to introduce a Bill to cover this particular problem—that is, to cover it satisfactorily from his point of view. As I have already indicated, that should not be necessary. It is true that the Bill which he now has on the Notice Paper would fall together with the repeal of the Machinery Act 1984—that much is true enough. For the reasons I have indicated in respect of the ability of the House to disallow regulations, it should not be necessary for Mr Gayfer to introduce another Bill. But if the worst came to the worst and, in spite of my own very confident predictions, if a regulation dealing with this subject did in fact slip through, it would of course be open to Mr Gayfer to introduce another Bill. He could not use the one that is now on the Notice Paper, but it would take a very small modification to draft a Bill that provided whatever was necessary to meet the situation under the new Act.

The long and short of it is that putting aside the substantive question as to whether Hon. H. W. Gayfer's comments ought to be accepted by the Chamber, the one thing that we should be able to agree on is that the approach to a solution by way of this amendment is simply the wrong approach. It proposes to deal with the new Act in a quite odd and anomolous way. It ignores the remedy that will be available, as Hon. H. W. Gayfer has indicated, when relevant regulations, if any, are promulgated, and it overlooks his ability, if it comes to the most extreme point, to seek his remedy in the same way he has with his Bill.

For all those reasons and for others related to the form of the amendment itself, I do urge the Chamber not to accept this amendment. I repeat my invitation to Hon. H. W. Gayfer to seriously consider not pursuing his aim.

Hon. H. W. GAYFER: The Leader of the House has given four reasons why this amendment should not be proceeded with. In the first place he said that to introduce such a regulation is unique.

Hon. J. M. Berinson: Such a provision in the Bill is unique.

Hon. H. W. GAYFER: We are dealing with a unique situation. I do not care what happens here. I intend to proceed with a unique situation to try to counteract a unique proposition that is not very well received out in the country. The fact that it is something unique does not matter. It does not mean it should not be continued with.

Secondly, the Leader of the House said that the repeal has made it necessary for regulations to be promulgated. My worry is that it will go unnoticed if the regulation is promulgated. All I have to do is look up the original Act to know what is going on. We do not want to do that at all. We want to make sure once and for all that it is here and massive action is required before it can be removed.

Thirdly, the Leader of the House said that if it happened to slip through by regulation there was always another Bill. I do not want to introduce another Bill. I have a good amendment here and it will do. Why have another Bill? Furthermore, I have the numbers.

Hon. J. M. Berinson: That is the first decent argument you have raised.

Hon. H. W. GAYFER: That is right. When one is in this game that is what one needs.

Fourthly, the Leader of the House said I had the wrong approach—it was odd in an anomolous way and ignored the other remedies available. I do not worry about the other remedies. This remedy is the one we want.

Let us get back to the niceties that the Leader of the House in his pleasant manner has referred to. I appreciate his kind, fatherly, knowledgeable advice. Let me say this: I have at least 12 000 farmers out there who do not like what is happening. What they are saying to me in their nice, quiet little way is that this Bill worries them. Those farmers worry me a darn sight more than Hon. Joe Berinson's argument. I intend to listen to them and bring their arguments to this place even though it is a unique situation. Let us proceed and see what happens.

Hon. D. J. WORDSWORTH: Desperate people take desperate actions. Hon. H. W. Gayfer has tried and tried to do something about this situation but the Government has put his Bill on the bottom of the Notice Paper and played with it. Indeed, we have another Bill which keeps slipping further down the Notice Paper into obscurity. I do not blame Hon. H. W. Gayfer for seeing a chance and hopping into it.

Hon. E. J. CHARLTON: While Hon. H. W. Gayfer's proposition might be unusual, the most important aspect is not how one gets from A to B but the fact that one gets there. That is what the intention is. With the changes that have taken place in other pieces of legislation, we have to know whether this matter will be left in a cloudy situation or not.

If the Government was in favour of not proceeding with this regulation prior to Hon. H. W. Gayfer's amendment, it would have agreed last time to support his proposal. It did not. It leads us to believe it is not in favour of allowing the owners of these machines to be in the position where they will not have to spend capital on putting on the rollover bar. That requirement is also unwarranted because those people have a practical understanding of what is intended.

We want to see the matter cleared up once and for all. There is no question in the minds of the people who own the machines and those who drive them that this regulation is not required. Those people accepted the machines manufactured after a given date and paid for them, and they are now in use.

At least all people will know where they stand if this amendment is successful. They will not have anything hanging over their heads when they go to sell the machine or someone buys the machine. Those people who want to retain the machine for ever will not be confronted at some time in the future with this regulation. For those reasons I support the amendment.

Amendment put and a division called for.

Bells rung and the Committee divided.

The DEPUTY CHAIRMAN (Hon. John Williams): Before the tellers tell I cast my vote with the Ayes.

Division resulted as follows—

Ayes 13

Hon. C. J. Bell	Hon. N. F. Moore
Hon. J. N. Caldwell	Hon. P. G. Pendal
Hon. E. J. Charlton	Hon. W. N. Stretch
Hon. Max Evans	Hon. John Williams
Hon. H. W. Gayfer	Hon. D. J. Wordsworth
Hon. A. A. Lewis	Hon. V. J. Ferry
Hon. G. E. Masters	*(Teller)*

Noes 12

Hon. J. M. Berinson	Hon. Robert Hetherington
Hon. J. M. Brown	Hon. Garry Kelly
Hon. T. G. Butler	Hon. Mark Nevill
Hon. John Halden	Hon. S. M. Piantadosi
Hon. Kay Hallahan	Hon. Doug Wenn
Hon. Tom Helm	Hon. Fred McKenzie
	(Teller)

Pairs

Ayes	Noes
Hon. Margaret McAleer	Hon. Tom Stephens
Hon. P. H. Lockyer	Hon. Graham Edwards
Hon. Neil Oliver	Hon. B. L. Jones
Hon. Tom McNeil	Hon. D. K. Dans

Amendment thus passed.

Clause, as amended, put and passed.

Title put and passed.

Report

Bill reported, with an amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. Kay Hallahan (Minister for Community Services), and returned to the Assembly with an amendment.

STAMP AMENDMENT BILL

Second Reading

Debate resumed from 18 June.

HON. MAX EVANS (Metropolitan) [8.52 pm]: In his second reading speech, the Minister said in effect that there would be a supplementary Bill in the Budget session. Those words should ring in our ears because the Act was

badly drafted. There were amendments to it in 1986, and yet it is now being brought forward to be amended again.

Hon. Garry Kelly: It is very complicated.

Hon. MAX EVANS: With something as complicated as this Act, a man as wise as Hon. Garry Kelly would go and seek advice about it. However the Minister has not done that. The Minister made a statement in January this year to the effect that the Government has worked on this for five months, yet apparently the Government sought no advice. In fact the Bill was introduced in the other place with no reference to the Western Australian Law Society, the Western Australian Chamber of Commerce and Industry, or the Western Australian Confederation of Industry. Those organisations received copies of the Bill only when the Liberal Party supplied them.

It is a difficult and complicated Bill which will need a lot of understanding. I do not envy the draftsman who had to draw this legislation up.

The Minister admitted that the legislation contains errors. There will be a supplementary Bill. The Bill should be deferred, if only because the January statement made reference to retrospectivity. The errors should be removed from the legislation. I do not wish to become technical about this Bill, but there could be a problem with the legislation in that people will be assessed for tax purposes and yet subsequent amendments to the legislation may not involve them in tax. Will there be refunds? Could somebody who has been unjustly assessed for tax or stamp duty before the proposed amendments went through receive a refund?

Hon. J. M. Berinson: In respect of the supplementary Bill, it is not proposed to amend the present Bill or the provisions of the present Bill but to provide supplementary provisions which will only have prospective effect from the date of enactment. It is not part of the present Bill, which goes back to January.

Hon. MAX EVANS: The Law Society and other groups with whom I have spoken believe there should be further amendments and would like to have further discussions with the Minister, as he already knows. As I understand it, when the Government's supplementary Bill comes up these groups will consider amendments to it because they believe there should be amendments to the legislation to provide for better interpretation.

This Bill is a grab for revenue under the guise of being anti-avoidance legislation. It is bringing in more revenue, which previously was not accounted for. People were using loopholes in the Act to avoid tax, but this legislation will bring in a lot more revenue. It is a grab for revenue under the guise of being anti-avoidance legislation.

Hon. J. M. Berinson: It is not a guise. There really are avoidance measures in it.

Hon. MAX EVANS: I will deal with that. Innocent people who have been doing business for 30 years or so will suddenly be taxed in a way which I do not think should be applied. This legislation will become a transaction tax which will affect the sale of nearly all businesses that happen to have a real estate content over 80 per cent of the value of assets. They will now have to pay a higher rate of stamp duty than they did before. Previously the company rate was 0.6 of one per cent; now it is 4.25 per cent over $500 000. These days it is not unusual for a company to have $500 000-worth of real estate.

As I understand it, stamp duty was a registration fee paid to register documents such as transfers of land, powers of attorney, and so on. It used to cost one shilling; inflation forced the price up to 10 shillings; and now one does not have to register it at all because Governments found out it was not worth the money they collected. The rates have changed and the reasons for registration have gone but stamp duty has become more important to the revenue of the State.

The rate of stamp duty on transactions over $500 000 affecting land is 4.25 per cent. That is a significant penalty on doing deals, particularly when people come from overseas to do deals here. They are very surprised at that rate. I know that New South Wales has a higher rate; I am not certain about Victoria's rate. That is no consolation because the Government will probably increase the rate to that applying in New South Wales just to make sure that we are all equal. It seems this Government always wants to equal the worst situations but never equal the best situations.

There is a problem in respect of groups. As I mentioned to one of the Minister's advisers the other day, there should be special consideration to make some exceptions when there are transfers between companies. When a company wants to rationalise all its subsidiaries into different ones, such as manufacturing, mining, and marketing, we should look at the English

Act. Under that Act there are exemptions if one transfers between companies, either to a subsidiary company of the holding company or between two subsidiary companies. We do not have those exemptions under the present legislation.

If we are going to be realistic and say we want to get those who are avoiding tax, why not give some exemption to those who really should have it when they are making transfers within their own businesses?

This is complicated legislation, as I have said. The Law Society wanted two of its top lawyers to look at this Bill, but they were involved at the time on major cases and could not spare the time to do so. It has taken five months, from January to June, to get this far. To expect the best lawyers in town who are doing securities transactions to look at this in a matter of a week or 10 days is unreasonable. It is impossible for them to do so. They study legislation in a voluntary capacity, but they have pressures on them from their businesses, and it just has not been possible. The WA Chamber of Commerce and Industry has used two lawyers from Mallinson Stephen Jaques, the firm of the president of the chamber, and they have raised many problems related to the Bill which should be looked at by the Minister at some later date.

The Minister in another place mentioned that $30 million had been lost in recent years, and we are losing $6 million this year. At the upper rate, that represents about $150 million of property transactions. That seems like a lot, but it has been explained to me that there are some big deals going through which are avoiding tax.

There are two categories to be considered here; the first is those who are deliberately avoiding tax by using loopholes. It comes back to a question of whether it is avoiding tax or using the system. I understand from talking to one of the firms that some of these things have been done for years. Some of the things for which amendments were introduced last year had been going on for 20 or 30 years, but now the revenue being lost is so great and the Government wants to gather more revenue rather than right wrongs.

The second category is the normal transaction which would have been subject to a normal rate of 60c per $100 by transfer of shares. For years people have been carrying out ordinary transfers of companies at a normal rate of stamp duty on the transfer of those shares. I refer to a Press release by the Minister on 13 January concerning this situation. In it he said the Government would move to eliminate another stamp duty avoidance practice which involved placing real estate in the name of a company set up primarily for that purpose and selling the property by transferring shares in the company rather than by selling the property itself. That sounds good, but it brings into the net the farmers who put their farms into a company years ago for probate purposes. They believed it was necessary because they were forced in the 1950s and 1960s to sell their properties to pay death duties. Their properties were accelerating in value over the years but really returned little profit to them. We as professionals recommended that they set up a family company in which the children had shares.

Hon. T. G. Butler: To dodge tax.

Hon. MAX EVANS: No, it was not. The member probably has a company for his farm too. If he has not, he should have had one years ago.

Hon. J. M. Brown: I never said a word.

Hon. H. W. Gayfer: The member behind him might have spoken.

Hon. MAX EVANS: I apologise to Hon. Jim Brown. I might give the member behind him a lesson afterwards. He would not understand what this is about.

This was a normal thing for farmers to do for self-preservation. It was so they did not have to sell their farms for the wrong reason. It was to maintain their assets for their families. They may have been there for two or three generations and suddenly they were forced to sell their farms to pay Federal and State death duties which worked out at about 32 per cent over $30 000 because it was not indexed for inflation. So farmers have companies and manufacturing and marketing businesses all around the suburbs have them—one sees the signs saying "Pty Ltd". They were set up as companies between the 1930s and the 1960s. It may have been because the father wanted to bring in his sons or friends as shareholders. They did not want to be in partnership with unlimited liability; they wanted their liability restricted, so they went into companies. They owned their own real estate out in Welshpool and Belmont, etc., and they ran a business.

They did not put this real estate into companies, as the Minister said in his Press release, primarily for the purpose of avoiding

stamp duty. It was not done for that purpose, but we are told this amendment is to get at people who are avoiding stamp duty. Those farming companies to which I referred probably had no other assets because under the Income Tax Act it is better to have one's trading assets in one's personal partnership name and for the company to have the real estate. Any farming property worth more than $1 million on which a farmer might get a return of four per cent and earn $40 000 a year will not be the property of a wealthy farmer. A higher rate of duty will start scaling in on property valued at between $1 million and $1.5 million, if shares are transferred from one son to another. A farmer may have two or three sons, and two of them may buy other properties and he will tell them to transfer their shares to the other son because they are going to other properties for which he has borrowed finance. The father might even borrow the money against his property. That is not taken into consideration when the property is valued for stamp duty. If the stamp duty is based on the value of the shares it will be done on the net value—the assets less the liabilities, and the rate of stamp duty will be much lower. The Government proposes to inflict on the farmer a high rate of stamp duty which comes out of his cash. There is a lower rate applying below $1 million. A farmer on a $1 million property would be lucky to make $40 000 a year.

Hon. E. J. Charlton: The average last year was $14 000 deficit.

Hon. MAX EVANS: That is right, and they have to pay stamp duty just because Dad wants to rationalise affairs. He cannot go on with three sons owning shares in one property when two have another property. It is as simple as that. There should be some special consideration with a transfer like that. They should not have to pay the iniquitous stamp duty proposed under this amendment just because some people have been avoiding tax. The same should apply to the companies around the suburbs which I mentioned. They might transfer shares to sons or bring someone into the business because they are short of capital. As the Minister knows, running a private company with limited finance and the current rates of tax—of course imputation of tax might help a little—makes it hard to finance a business. People often have to sell an interest, and someone who brings in more money might want a 60 per cent or a 51 per cent controlling interest. They will be affected by this extra stamp duty, which is just money into the Government's coffers. This is a grab for more revenue under the pretext of avoidance legislation. Innocent farmers and companies will be caught this way.

I believe this Bill should be deferred so we can look at it. I know there is similar legislation in other States and that Victoria had legislation exempting stamp duty for a first home owner's house, and that that has been taken away. The interesting point is that the Minister in another place said this whole scheme had been exported from Western Australia to the Eastern States. It shows the entrepreneurial zest of Western Australians!

I turn now to the disposal of units in non-public unit trusts. We in the profession have been worried about this for some years. The stamp duty has been on the gross value of the assets and not on the net worth. I think that was to maximise the revenue to the State. We believe they should have been looked at in the same way as a company where the shares are valued on the net worth. Trusts were not valued in that way. It was done on the gross value. That has not been rectified. The Government has now found that some people have created a public unit trust but have not floated it off. So there will be a clearer definition of this to bring it into the net. Some of those people were using avoidance practices but others were making an ordinary business arrangement prior to listing.

The concern is that innocent people will get caught. Why are we, by this legislation, exempting public companies? I hope the Minister will explain that because some public companies are not beyond doing deals to avoid taxation. They have the big money and do the big deals. I may misunderstand the legislation. However, the Minister said in his Press release that public companies would be excluded from the new provisions.

The Minister also said that there has been a substantial revenue loss through this type of tax avoidance. I find this a bit hard to believe and will quote figures for the benefit of the Minister a little later. The measure will net extra revenue which would not have been netted before because the legislation will snare not only those who are trying to avoid duty by using tools and techniques that have been available to them for a long time, but also innocent people.

The Minister said that type of tax avoidance results in taxation becoming a greater burden on the people who fairly accept their tax obligations. That is not a fair statement. Most of

these people have paid taxes on all of their transactions as required. They may have used legal techniques to minimise their tax.

Hon. J. M. Berinson: That is right. We are suggesting that minimisation should not be available to them.

Hon. MAX EVANS: The Government is netting the innocent with the guilty. It is netting the farmers and businessmen who have not attempted to transfer their properties for the purpose of minimisation of tax. When I began reading the second reading speech I innocently thought the legislation was okay because the first paragraph of the speech states that it is an anti-tax avoidance measure. All of the farmers with family companies were not attempting to avoid tax, as the suburban businessman was not attempting to avoid tax. The Minister's speech is not factual. He is trying to net all of these people.

The Minister, in his Press release, referred to tax avoidance and said that innocent people were deliberately avoiding tax. That is wrong.

Hon. J. M. Berinson: Mr Evans, how many tax provisions can rely on intention as opposed to objective facts?

Hon. MAX EVANS: I am trying to tell the Minister to get it straight and not attempt, with this legislation, to catch the innocent with the guilty.

Hon. J. M. Berinson: This Bill is designed to tax certain transactions on an objective basis rather than try to get into people's minds.

Hon. MAX EVANS: The Minister issued a Press release in January stating that the legislation will be retrospective from that date. In fact, the legislation will catch people who have never legally avoided tax. If they sold a farm between that date and the date the legislation was proclaimed they would be caught in this net of tax avoidance. This legislation is retrospective, but the Minister did not say that in his statement. Many companies—I have not checked my own firm—must have carried out transactions innocently in that time and not paid the proper tax. It was not tax avoidance because those transactions were legal and have been for years.

On 12 February 1987, the Law Society of Western Australia pleaded with the Minister to have further consultations with it because it had pointed out problems in respect of the November legislation and the statement the Minister had made. The society wanted to have a discussion with senior officers of the department. That discussion was held on 3 February at which it was revealed that the officers had no idea of what the assessing practice would be where a share transfer in respect of a company owning fixed property was presented today with, for example, settlement due in a week's time.

Lawyers and businessmen cannot do business that way. I do not know how they ended up. They had been warned about transactions and how much money to hold back to pay the extra stamp duty. However, that is no way for them to have to conduct business.

I am amazed that a person of the Minister's legal background can allow this legislation to go through without looking at it.

Hon. J. M. Berinson: Without looking at what?

Hon. MAX EVANS: The effect it will have on innocent people. The Law Society posed a number of questions to the Minister, questions into which I will not go at this time.

This legislation was introduced last week, a week before the Parliament was due to rise for the winter recess. The amount of time for consideration of this legislation is not good enough for the business community.

The President of the Law Society, Mr Robert Meadows, said the society would be prepared to assist the Government by offering comments on a confidential basis during the preparation of such legislation. The Minister should advise us what consultations were held with the Law Society or other lawyers in this field. We discussed the matter with one barrister, a top man in his field. He suggested that he was not specialised enough to comment on it because there were other specialised people who dealt only in these types of transactions. He said he did not understand the long-term ramifications of it. He referred to the guilty-until-proven-innocent clause because he thought it was wrong. He recommended that I speak to other lawyers. However, they could not deal with this matter straightaway because they were involved with other major cases for their clients and could not take time to give advice on this matter. The Government should have involved top men in the legal world who were experts in security transactions. In fact, the Government should return to the firm which thought up most of the ideas for this legislation.

It is interesting to note that stamp duty on conveyancing and transfers raises almost as much revenue as iron ore royalties. The amount collected has increased every year,

mainly due to inflation and not the increased rate. The rate was four per cent when the Government came into office for amounts over $500 000, and is now 4.25 per cent. The Government should have indexed the rate with inflation so that, as the value of land increased, the rate decreased.

Hon. J. M. Berinson: It is strange that businessmen, like architects, lawyers, and accountants who apply charges on a percentage basis, do not index their charges down.

Hon. MAX EVANS: As an accountant I cannot do it on a percentage basis, although I have always wanted to.

In 1985-86, the receipts from stamp duty on conveyancing and transfers totalled $93 million; the receipts from iron ore royalties totalled $102 million. The estimate of receipts for 1986-87 from stamp duty on conveyancing and transfers is $90 million, and royalties from iron ore are estimated to total $101 million. In 1984-85 the actual receipts from stamp duty on conveyancing and transfers totalled $88 million, and iron ore royalties also totalled $88 million. We continually make a great fuss about the contributions that iron ore companies and exporters make to the revenue of this State. We try to assist those iron ore companies whenever we can. However, the commercial community is paying the same amount in stamp duty. It is contributing as much revenue to the State in transfers of land, shares, and lease deals as are iron ore royalties.

In 1983-84 stamp duty collected on conveyancing amounted to $66 million, and the amount received from the iron ore royalties was $78 million. We should keep these facts in mind because they are very important as far as the cost to the community is concerned. This legislation will provide greater revenue for the State and I do not believe that the Government has lost as much stamp duty as it claims to have lost.

The Government is not missing out on additional revenue because of the big transactions which are occurring. I am sure that the property market over the last few years has resulted in a bonanza to the State Government. I would imagine that the revenue from property transactions for 1986-87 would be greater than estimated at $90 million. I am sure that future revenue gained by this means will increase further.

I refer to a Press release which appeared in *The Australian* and was headed "WA to plug stamp duty loopholes". It emphasises the fact that this Government is plugging the loopholes, but people who are not using loopholes in their normal transactions will be caught up with this legislation.

The Bill contains retrospective legislation regarding mining tenements. I ask the Minister for Budget Management to advise whether there are many mining tenements involved. I would imagine that the State Taxation Department has a list of mining tenements which would come under this category. Mining tenements were not mentioned in the initial Press release regarding this legislation, which goes back to 13 January or 19 January.

With regard to the Press release about this Government's plugging stamp duty loopholes, the Treasurer said—

> Safeguards in the legislation ensured it impacted only on those who were minimising their duty payments.

In *The West Australian* dated 19 June an article was headed "Stamp-tax Bill draws warnings". The WA Chamber of Commerce and Industry, using outside legal advice, but with a limited amount of time, stated the following in that article—

> The chamber has asked the Premier, Mr Burke, to delay the Stamp Amendment Bill until the spring session of Parliament to allow more time for scrutiny.

The chamber has been worried about this legislation and has investigated the problems which have occurred in Victoria as a result of its legislation. We should have more time to study this Bill. It contains major amendments and part of the legislation would be retrospective. We should be in a position to ascertain whether it is good legislation. The Treasurer has mentioned that safeguards were built into the legislation, but I cannot find any.

The WA Law Society released a Press statement on the day on which it met with the Minister for Budget Management. It also is worried about this legislation and the impact it will have on the law profession. Members are aware that if members of the law profession give bad advice they can be sued. It is hard to prove, in hindsight, that they did not have all the correct facts. Under this legislation it will be difficult for lawyers to give advice to the commercial world. They have so many large transactions and in many cases they will not be certain where their clients stand. Only two weeks ago no-one knew the final impact of this legislation.

The commercial legal world of Perth deserves a better deal than it has received over recent months. This legislation has been hanging over its head for so long, and it contains many anomalies.

The memo the Liberal Party received from the Law Society stated—

> The legislation is extremely complex and not capable of being readily understood on the first reading.

It is not the first time that the Minister and I have had this problem. I recall that with the land valuation Bill, which was debated recently, neither the Minister nor I could understand the meaning of the amendment. We had to go back to John Duncan, the Commissioner of Valuations, to get his interpretation. From four or five readings, Hon. Mick Gayfer and other members of the National Party could not understand it. I am aware that it contained a double negative.

Hon. H. W. Gayfer: I sent a copy to Brookton, and they rang my office and asked what it meant.

Hon. J. M. Berinson: You should have referred it to Hon. Max Evans.

Hon. H. W. Gayfer: I should have got you. I still do not know what it means.

Hon. P. G. Pendal: You would not have got much help there.

Hon. MAX EVANS: The Minister does not have to deal with the Act in its printed form because his advisers do that for him. Over recent years the Act has had many amendments. The 1986 amendments have still not been included in the printing. Members are confronted with the Act, later amendments, and new amendments; and they have to make a legal interpretation of what they mean. It is not as simple as the Dog Act in which it may refer to a one metre or a two metre lead. It is far more complex and millions of dollars are at stake.

Hon. H. W. Gayfer: We farmers know what it means.

Hon. MAX EVANS: That is right.

Legislation as complex as this cannot be understood on its first reading, and it should not be passed quickly.

Members who have read the amendments to the legislation have come up with different interpretations, and legal eagles who undertake securities deals can give better interpretations.

Legal practitioners have found it very hard to give legal advice. The transactions will result in parties being penalised for their ignorance of the meaning of this extremely complex piece of legislation if they have not used legal practitioners. Not everyone does so, and many businessmen in the suburbs will put a deal together and take it to the State Taxation Office to have it stamped. They shake hands on the deal and that is that. They will have to be made aware of this legislation.

The legislation puts the responsibility on the person concerned. The Minister may be able to advise this House whether they will be made aware of the documents required. They should be advised as soon as possible about this legislation rather than find themselves confronted with a charge at a later date. It would be most dishonest of the Government if, at the expiration of the time allowed, they were penalised.

The WA Law Society stated—

> The proposed amendments to the provisions regarding duty on loan securities are unworkable and constitute no more than a bald attempt by the Government to deal with what the Commissioner of State Taxation regards as improper transaction structuring. The proposed amendments to the provisions do not effect the object that has been sought, and contain legal and practical difficulties which would be apparent to practitioners who practise extensively in the securities area.

Hon. J. M. Berinson: From what are you quoting?

Hon. MAX EVANS: From the WA Law Society statement that was prepared and given to the Liberal Party when the Bill was in the other place.

I am waiting for the Minister's reply about whether officers from his department discussed this matter with the legal practitioners. If they did not, I believe they should have. The Government has a responsibility, as does this Minister, to advise those people involved with this legislation. The Minister for Budget Management is the Attorney General, and he is the top legal man in this State. He recommends the appointment of judges, and he has a responsibility to make sure that the legislation of this State is drawn up properly and can be easily interpreted by the business community before this House is asked to pass such legislation.

The Bill should be deferred so that the Government can have the benefit of advice from the business community. It will not affect

the collection of stamp duty. The Government will not receive many dollars between now and 30 June. There is no great rush for this legislation to be passed this week to allow the Government to obtain revenue by 30 June. It will receive the revenue next year regardless of whether the legislation is passed in September or October.

Unfortunately, as this is a money Bill, it cannot be stopped; I am sure I could get the numbers if we were able to stop it. Proposed section 26 will put the onus of proof onto the person paying the stamp duty to decide whether the transaction should be subject to tax. This is unrealistic legislation. It should be reconsidered in the courts by our present judicial system. Many legal firms and business people do not like that section of the legislation.

I do not intend to get tied up in the nuts and bolts of this Bill because it is not worthwhile at this time. I express my views on behalf of commerce, business and professional people in the community. I believe they deserve a better deal.

The Minister's second reading speech stated that the State Taxation Department had detected more than 20 cases where this avoidance practice had been used in the 12 months to January 1987, involving a duty loss estimated at more than $6 million. Do those 20 cases include the farmers and business people caught in the new net or are they additional cases? If they do include the farmers and business people, it should be recognised that they were not avoiding anything; they were paying stamp duty on the value of the shares and not the value of the land. If any are caught with this legislation, they will be exceptional cases. I acknowledge that the Minister's adviser cited a couple of examples of major tax avoidance. I would like to know whether the 20 cases were for abnormal avoidance deals or normal deals.

Getting back to the question of major assets on one side and big liabilities on the other side, some people are manipulating deals to minimise stamp duty by having large debts or loans to repay after the deal is completed. However, it would not be unusual for a property developer who owned a large block of land to spend $10 million on the land and $20 million on the development and then run into liquidity problems. It may then be necessary to sell the land, which is a negative asset because development is not completed. Because the developer has given a personal guarantee to the company to complete the deal he will often give the project to somebody else to get it off his hands. An amount of $30 million has already been invested in the development and the person taking the land will follow through with the deal. In such a case stamp duty of approximately $1.2 million will be payable by a person taking over a negative asset. Of course, the Government might query why he should not pay that stamp duty on land value because he is taking over the shares and the land. It is wrong.

The Minister said that, to counter this scheme, the Bill will require a statement to be lodged with the State Taxation Department when a person acquires shares in a land-owning company incorporated in this State within a period of 12 months, where the shares comprise more than 50 per cent of the property of a company. The Minister referred to problems with Eastern States people and comment was made that there was insufficient time for them to get their affairs in order with the State Taxation Department.

The Minister also said that provision had been made to prevent the company in which shares are acquired from concealing ownership of land by way of its interest in other companies, etc. I doubt whether this legislation will stop very many of the bigger avoiders of duty payments. It will become a challenge; they have been doing it for years; there will be other ways around it if the legislation tightens up on interstate transactions. Legislation such as this catches the innocent, who will pay more; the business people involved in big transactions where stamp duty is a material item and might make the difference between a profit or loss on the deal will find ways around it. I guarantee that.

Last October or November the Minister introduced legislation relating to memorandums on oral transactions, Clayton's deals and Darwin shuffles. In his second reading speech on the Bill before us he referred to the 20 cases of avoidance in the last 12 months. Surely he was aware of those problems when the previous Bill was introduced. Why did he not introduce some measures then or have them drafted properly at that stage? Although the problems must have been apparent last year, the Government has decided that shares acquired prior to 19 January 1987 will not be taken into account in determining whether the provisions apply.

The business profession and the community of Perth require better legislation. I have not gone into the technical points of this issue be-

cause I do not think it is necessary. I accept that it is not a simple matter but the legislation should have been deferred. After all, the Government must have had some idea last October or November of these problems and it should have started drafting legislation at that stage to be ready by March of this year.

The Law Society said that it should have been consulted and given adequate time to consider the legislation. It would have been in the Government's interest to deal with these people; it could have trusted them to keep the matter confidential. They could have helped the Government to close the loopholes that had become apparent.

HON. D. J. WORDSWORTH (South) [9.37 pm]: The complexity of this legislation can be judged by the number of advisers the Minister requires to keep him informed on the matter. He has more advisers than supporters in the Labor Party. If the Minister looks behind, he will find he is very light in representation on the Government benches. So be it, the Minister smiles as though he has the strength behind him.

Hon. J. M. Berinson: I am smiling because it is an entertaining point to make.

Hon. D. J. WORDSWORTH: The whole issue of stamp duty is very complex and it is very difficult to determine whether an asset changing hands as a result of a change of shares should be subject to such tax. A person from a farming district verbally attacked me a fortnight ago and I was not aware of why he was so vehement in his attack. Apparently a farming property had been transferred among the members of the family and, although at one stage the property would have been worth $1 million, at the time of transfer it was worth $500 000. By my calculation, on Hon. Max Evans' figures, they would have been liable for $22 000 in stamp duty.

Hon. J. M. Berinson: This only applies to properties worth more than $1 million.

Hon. D. J. WORDSWORTH: I thought it applied to properties worth more than $500 000. It is getting better. I do not think this person's property was in that category, but nevertheless he was hard hit by stamp duty.

We have jacked the stamp duty up too high, and this is why not only are people trying to dodge it, but people who would otherwise have paid the duty suddenly find themselves overpowered and starting to be affected. It is happening particularly with farming properties, where there is probably not much profit anyway. People are forced to change ownership of land because of the economic situation. On top of the stamp duty they have to pay, they are lumbered with the registering of mortgages and the like.

The State has to try to raise as much money as it can. Revenue from stamp duty is one of its main sources. The position is ridiculous when we see what is required. A truck driver buying a new vehicle for $100 000 would pay between $12 000 and $15 000 in stamp duty. That is a very high duty to pay for a new vehicle.

Things are getting to the stage where investment is being discouraged at a time when we should be calling for as much investment as we can. Our economy is slowing up. People trying to do deals and keep things going should be encouraged. We must turn the situation around and encourage these people.

HON. H. W. GAYFER (Central) [9.42 pm]: We should think back to the days of jubilation when we finally got rid of probate and the farmers in this State threw their hats in the air. In many cases the same problem which they had in years gone by is now hanging over their heads.

Nothing is surer as far as those people are concerned—and that is the majority of landholders. They have nothing until they sell their properties or die and pass them on. There is no real value. Because of the measures that those people have taken—as was adequately explained in the 1940s, 1950s, and 1960s—they had enough traumas setting up their properties. They tried not to avoid but to minimise the costs which were breaking down those family properties. The families tried to keep them viable.

The same arguments that applied in respect of probate can equally apply here, because if it came to the pinch, when transferring a property worth $1 million, $35 000 to $40 000 must be found. There is no way many of these people will be able to find the sum of money which is necessary if these shares in a proprietary limited undertaking are to be transferred in this way.

Once this Bill becomes law—and it has been skilfully ushered through the Chambers in about 10 days—its main purpose will be highlighted. It is clear from the first paragraph. The main purpose of this Bill is to introduce measures aimed at eliminating stamp duty avoidance practices. That is what it is designed to do. The living standards, security, and faith

of the people in what has been provided for the handing over of properties will now be circumvented.

I agree with Hon. Max Evans. The Bill needs more than some of us in this Chamber are able to contribute to get to the bottom of it. I am very apprehensive of the provisions of this Bill. Once this Bill goes through and is publicised, particularly in the agricultural areas, it will do the Government no good.

I suppose Mr Evans remembers when the provision dealing with "A"-class shares in proprietary limited organisations was introduced in this House. It was knocked out by the Assembly. Fortunately we came to an understanding, but an endeavour was made to put a value on "A"-class shares, as was done in Victoria. When everything was added up, what it would have done to the average farming place when "A"-class shares were transferred or left to the family was horrendous.

If members want a substitute for probate, we might as well bring it in and see how popular the Government will be in the agricultural areas. But do not introduce it in the form of another duty to try to catch people out. The Government will successfully catch out those people who have been peacefully thinking they are secure from any costs which may be put on by some Governments.

These people are unsuspecting. None of them has woken up to it yet. I have not read one article on this matter in any country newspaper in the last fortnight. People are not aware of the implications, and will not be till it suddenly hits them—when $1 million of property represented by shares is transferred from one party to another, and it will cost $40 000 to do it. We are sitting back and saying to the farmers, "Poor devils, we have to help them." On the other hand the sympathetic Treasury and equally sympathetic Minister bring in legislation like this which does nothing for my enthusiasm for the Government, the Treasury, or anybody else.

I oppose the Bill.

HON. E. J. CHARLTON (Central) [9.46 pm]: A number of people have contacted the National Party through me. I want to comment on their concern.

The first point is the complexity of clause 22, which deals with proposed section 76. This creates a problem about the duty payable. When I hear talk of sums in excess of $1 million, the first thing to come to mind is that if anyone has something worth $1 million, and he starts handing it over, he is in a position to be able to afford to pay the Government something. This is another example of where innocent people will be separated from genuine people. They will make the necessary changes to their operations in order to allow continuity.

With values increasing owing to inflation, even though we have seen a downturn in rural Australia of something in excess of 50 per cent in real value, the facts are that the areas involved contain farming properties worth in excess of $1 million. When shares change hands once, for example, where the figure is in excess of 40 per cent, the seller receives only another 11, 12, or 15 per cent extra, but that takes him over the 51 per cent. He then has to pay stamp duty, as I understand it, on that total 51 per cent or whatever it is.

Hon. J. M. Berinson: That is not correct. I will deal with that in my reply.

Hon. E. J. CHARLTON: If these shares, as part of this concern, are valued at over $1 million, even though the amount owing by the operation may be $750 000, the man is by no stretch of the imagination a millionaire. While it all looks very nice as far as the economic aspect is concerned, in reality this man has a very small operation going which is in the process of being transferred.

From the rural aspect of it, if we are talking about three partners, a father and two sons—and I think this was more than adequately covered by Hon. Max Evans—and one partner is just allowing the whole operation to continue and is passing over his shares to one or both of the other partners, does that put him into this category? If the Minister is going to state later on that this is not going to apply and the fact is they are going to pay the stamp duty on the table, then I guess it must be only on the increased amount which is involved. However, the Minister will obviously explain that in detail.

It seems that when these things are set to be put into place—and I give the example of these financial Bills that come before Parliament—we are not in a position to amend them, and have to either accept or reject them. We cannot reject a money Bill, otherwise all sorts of things take place. An example of that occurred in the last session of Parliament, when the transport trust fund was set up, and there were a lot of connotations to that. If we tried to amend it, that was out of order; and if we rejected certain things, other things would happen. The very fact of having it implemented has seen the

movement of finance away from the people who put forward the proposal to set up the transport trust fund.

What will happen in this case with the sort of income that is going to become available? Initially, perhaps for the first year or two, it is going to be insignificant, but once an Act gets into place and a source of revenue becomes available to the Government of the day, the Government will not like to get rid of it. We should try to get rid of these taxing measures and change the whole operation around. I agree we need to have rules and regulations governing the transfer of finance, property, and shares, but at the same time we are loading this nation up with all these rules and regulations so the Government of the day can get a rip-off or some income, and every time people look sideways, they have to put their hands in their pockets and give the Government of the day some contribution. In turn, every time these sorts of things happen, it adds a little bit more onto the whole operation of that particular business and denies to the people involved in legitimate operations the opportunity of carrying out and maintaining their operation in a viable and equitable manner to satisfy everybody.

I was interested tonight to hear the Prime Minister make a comment about how he is going to look after the poor.

Hon. J. M. Brown: The poor children.

Hon. E. J. CHARLTON: The only thing that is on the increase in Australia, besides debt, is that every day the Government creates more poor people.

All we are asking is that if some innocent people are going to be caught in the net, then why cannot the Government slow down a bit and allow a full understanding of the Bill to be gained? I am the first to say that I do not understand the complexity of all these things, and I have had two or three phone calls and discussions with a number of people involved, who are professionals, and they do not understand it either.

I wonder why the Government wants to come along right at the end of the session, with a Bill that is as complex as this one, and say, "Look, it will be all right. It is not going to hurt this one and that one; it is only set up to catch those people who try to move shares around interstate, and operate here and do something else." We have had examples in the last few years, particularly in the last few months, of big operators who never seem to have any trouble in sorting out their operations.

It is always the little bloke, the small businessman, who seems to pay the price, because he does not have the professional diversity to involve so many of these high-standing academic people who are qualified to put into place at the drop of a hat the whole might of the business to be able to take advantage of the law as it stands at a given date. I will be interested to hear what the Minister has to say about some of these things that have been put forward by members who have spoken about this matter.

The final thing I would like the Minister to comment on is, was a similar Bill put forward in the Victorian Parliament, and did it become law, or was it rejected by the upper House in that State?

HON. J. M. BERINSON (North Central Metropolitan—Minister for Budget Management) [9.58 pm]: I am sorry to cut across Hon. Fred McKenzie in this matter because we are all well aware of his close interest in the subject and the contribution that he could make if time was not so limited.

Revenue legislation which is directed at tax avoidance is nearly always complex. Hon. Max Evans gave us the main reason for that, which is the common view that tax avoidance is some sort of game in which when one loophole is closed, attention is immediately focused on new possibilities. That means that when one comes to draw up anti-avoidance legislation, it is not only necessary to look at the measures obviously required but to look further than that at the modifications of the particular scheme one is tackling with a view to meeting those so far as possible at the same time. The comments that this Bill is complex, which have been made by various speakers, cannot be denied, and I would concede that this also affects our ability to discuss the relevant issues in a simple way, or even in as orderly a way as might be possible on other measures. This Bill did take five months to draft, but I am rather surprised that that fact has been mentioned as a criticism of it. The length of time taken on the exercise is itself an indication of the complexity of the issues, and is a reflection of the care which was invested in the drafting of the Bill.

Hon. Max Evans: But there would be no time for the community to respond to the legislation that had taken five months to draft. You must have thought it was perfect because you did not want any response.

Hon. J. M. BERINSON: If I can just complete the thought I had started to explain on the length of this drafting and the process of arriving at the eventual Bill, I wanted to make the point that the drafting of the Bill not only had the very concentrated attention of the senior professional officers of the State Taxation Department and Treasury, but also the benefit of advice from the Crown Law Department and of Parliamentary Counsel's office. As well as that, and responding now directly to a number of queries by members, I can indicate that the drafting group did consult with members of the private profession, including senior counsel, and that the Bill that we are now dealing with in fact incorporates a number of amendments which the private practitioners recommended.

As to consultation since the Bill was introduced in the Parliament, I am rather surprised to hear it said that the Law Society of Western Australia and perhaps others did not hear from the Government. The situation is that after the Bill was introduced into the Parliament I arranged for copies and background material to be provided to the Taxpayers Association of Western Australia, the Taxation Institute of Australia, the Law Society of Western Australia, and the joint legislative review committee of the Institute of Chartered Accountants. So there was certainly no reluctance to make this material available as soon as we were in a position to do so. That was done, and we have had some comment back. I acknowledge that it has been said that the time available for comment is insufficient, and I will make some later reference to that.

The starting point has got to be some stress on the fact that this is a most important revenue measure designed to counter a serious threat to the revenue of the State. There have been comments by the Law Society and the Western Australian Chamber of Commerce and Industry (Inc); and I propose to quote and respond to their objections in a few moments. I believe this will also reply to a number of comments which have been offered by Hon. Max Evans and others.

Before going to that point, however, I want to answer the suggestion that there would be no harm in delaying the Bill because the legislation is retrospective anyway. Part of the answer to that proposition is that it is clearly undesirable to leave the position uncertain. It has been undesirable to have had the position uncertain for as long as it has been, since my January statement, and in fact Mr Evans quoted some criticisms of this feature of our processes by referring to adverse comments made about legislation by media statement. I point out to Mr Evans that he cannot have it both ways; he cannot on one hand say it is undesirable to have the sort of period of uncertainty we have already experienced, and then on the other hand suggest we should extend that period of uncertainty. I confess very readily that I have been very sensitive to the criticisms based on the lack of certainty over the period since my January statement, and I have been most anxious to get the Bill up before the session is concluded, for that very reason.

As well as that, and perhaps more importantly, the fact is that only some of the provisions of this Bill are retrospective. As I indicated in my second reading speech, the opportunity has been taken, in the normal course of events, to consolidate the measures which were announced in January with others which were not then announced. In the latter case, however, the provisions are not retrospective; so that, to the extent that they were delayed, there would be a real loss.

I have not said that it is intended to amend the provisions in this Bill in the Budget session. What I have signalled is that it is expected that a supplementary Bill will be presented in the Budget session, but that will be to cover matters which are still left uncovered by the present Bill and which require further attention. I have also said to the Law Society that if—and I stress the word "if"—real objections can be presented requiring attention, we would take the opportunity of the next Bill to address them. However, on the basis of comments received so far, I do not believe that that is likely to prove necessary.

In an abbreviated form I would like to refer to some of the objections that have been presented so far by the Law Society and the chamber of commerce, and briefly respond to them.

One comment by the Law Society was to the effect that the legislative scheme in the Bill is far broader in its scope than was the ministerial announcement made in early January 1987. I have already answered that in respect of those parts of the Bill which are not proposed to operate retrospectively; but in relation to that

part of the Bill which reflects my January statement, I do not believe that it can fairly be said that the legislative scheme is broader in its operation than was indicated in my initial announcement. On the contrary, the Bill contains a number of provisions which make it less onerous for the taxpayer than might have been expected from the terms of the January announcement.

Hon. Max Evans: Could you explain that?

Hon. J. M. BERINSON: I will give three examples that will elaborate on that proposition. In the first place the scheme proposed by the Bill applies only to companies whose land-holdings comprise at least 80 per cent of total assets. This contrasts with the terms of the earlier announcement which merely referred to the situation where "a substantial majority of the company's gross assets was in real estate". That did not say that the proportion would be as high as 80 per cent.

Secondly, the effect of the Bill is limited to situations where a majority interest in the company is acquired within a period of 12 months. As against that, the announcement said only that the new scheme would apply "where majority beneficial ownership of a company changed hands". That made no reference to the scheme applying only where the majority interest was acquired within a specified and limited time.

Thirdly, the Bill is limited to transactions where the corporation owns or has an interest in land having a value of at least $1 million. The announcement did not indicate there would be a threshold in the value of the land below which the scheme would not apply. The announcement said that "transactions through a company which had an effective interest in the company holding the property would also be covered". It is true that it did not specifically refer to transactions through a trust which had an effective interest in the company holding the property. However, the inclusion of trust in this context was a clear, logical extension of the general explanation given in the announcement. No-one could credibly claim that the inclusion of trust transactions has come as a surprise.

Another comment put by the Law Society was to the effect that persons who have transferred shares since the date in early January to which the provisions of the Bill apply retrospectively will have only three months after these provisions become law in which to submit these transactions for reassessment, notwithstanding that stamp duty may already have been paid under the existing provisions of the Act. Since the January announcement was made, the State Taxation Department has been providing written advice about the implications of the new legislation to persons who have lodged share transfers where it appeared that these might come within the scope of the new legislation. The department proposes to follow these up immediately the legislation comes into force. In any event, the new legislation does not establish an offence for failure to lodge a statement within the specified time.

I move from there to a comment by the Law Society on the proportion of stamp duty on security instruments. In that respect it is suggested that the provisions of proposed new section 4 contained in clause 23 of the Bill are unworkable and do not achieve the intended objective. On this aspect, I can only say that the submission does not make it clear exactly why the new provisions are considered to be unworkable. However, the suggested problem would appear to relate to the three-month time limit for a taxpayer to pay any duty due to another State on the basis of secured property in that State in order to avoid having to also pay duty on the same basis in this State.

The department advises that three months should be adequate for the purpose, bearing in mind that duty may be paid to the other State before the document in question is assessed for Western Australian stamp duty. However, the department will certainly monitor the operation of these provisions when they come into force with a view to seeing whether any practical difficulties emerge. The provisions will not come into force until the date on which the Bill receives assent, and the three-month time limit will not start to operate until that date. If any practical difficulties do come to light, there will be time in the early part of the next parliamentary sitting to modify these provisions appropriately before the three-month time limit has expired.

I now refer to comments made by the Western Australian Chamber of Commerce and Industry which have come to the Government directly and which, no doubt, have also been presented to other members. The chamber comments that the Bill goes beyond closing the loophole for avoidance of stamp duty relating to the transfer of ownership of land by transferring company shares. It is difficult to see the point being made because, as I have already indicated, the second reading speech mentions these other avoidance schemes being

covered and the fact that related provisions will apply from the date of assent or, in one case, a date to be proclaimed.

The chamber draws attention to a specific example which I think is analogous with that put to the House by Hon. Eric Charlton. T' is example is claimed to result in duty being payable on an increase in shareholding from 49 to 51 per cent. In fact, duty would only be payable where there has been a change in beneficial ownership of more than 50 per cent in any 12-month period, apart from any subsequent further acquisitions.

The relevant new sections of the Bill are 76AJ (1)(a) and 76AQ (1)(a). Parliamentary Counsel has confirmed that given that subparagraph (ii) of those sections refers to multiple acquisitions, the interpretation of subparagraph (i) is that of an interest taken alone, without reference to any previous acquisitions of an interest in the company. Consequently, the interpretation of the Bill would not require duty to be payable in the circumstances mentioned by the chamber of commerce.

The Crown Law Department provided this advice during drafting, and I believe my second reading speech is clear on this point. However, some elaboration of my second reading speech might help to ensure that the intent is absolutely clear. In this respect I make the following comments.

In broad terms an acquisition is not relevant to the scheme if a person has a minority entitlement and subsequently acquires a further entitlement amounting to less than 50 per cent unless both of these acquisitions occur within 12 months and amount to more than 50 per cent in aggregate. Moreover, all the shares acquired prior to 19 January 1987 are ignored for this purpose.

To put the matter beyond doubt, I place on record that that comment is intended as an elaboration of my second reading speech with the effects of the Interpretation Act in mind. I have already referred to the fact that there has been prior consultation with the private profession, and that was one of the particular matters put to me.

I turn now to a number of separate comments made in the course of debate. I apologise in advance if I am unable to deal with everything that has been said. If some of my response tend to jump from point to point, members will appreciate that that was the nature of the debate itself and it is rather difficult at short notice to put the many issues together in some comprehensive way.

Hon. E. J. Charlton: What happens if someone is to die and there is a transfer of shares and it comes within the 12-month period? They have no control over the amount of shares.

Hon. J. M. BERINSON: I have a specific comment on that point coming up. I would rather leave it until then. If I do not cover it, I ask the honourable member to raise it in the Committee stage.

Hon. Max Evans: I referred to the fact that some matters would not be retrospective.

Hon. J. M. BERINSON: Again, we can point to those matters as we go through the Committee stage. I do not have a comprehensive list with me, but I will attempt to deal with it on clause 1.

Hon. Max Evans: I appreciate your comment about the transfer of shares. You have not explained it retrospectively.

Hon. J. M. BERINSON: I ask the honourable member to wait a little while longer. I hope that in the course of the last half hour the member has had some of his other comments answered. I have been doing my best.

There was a good deal of comment about the particular position of farmers and I want to refer to that, although I again say in advance that I may not be able to deal with the many different aspects that were put by different speakers. In the first place I have already reminded the House, by way of interjection, that the threshold for the application of these measures will be properties of a value of $1 million. That would no doubt have the effect of exempting some farm transactions. I also repeat that the proposed legislation applies only in situations where more than 50 per cent of shares in the relevant sort of company are transferred within 12 months.

Hon. H. W. Gayfer: That would happen at death.

Hon. J. M. BERINSON: Although it is not in the order that I intended to deal with this question, I will interpolate to make the point that the legislation expressly does not apply to the transfer of shares pursuant to a will.

Hon. E. J. Charlton: Unless it is "Inc".

Hon. J. M. BERINSON: It does not apply. There is a more general matter to be raised, and although I put it in the context of the discussion on farming land, it really applies to the whole area covered by this Bill.

The point is that if one argues that farmers whose land is in a company name should not be subject to this legislation, a question arises as to why farms which are not in a company name should be subject to land conveyance duty. If a farm is not in a company name, then any portion of it which is transferred is in fact subject to land conveyance duty. I am advised as a matter of interest, though this does not go to the basic principle, that the State Taxation Department receives for stamping far more farms transferred as land at land conveyance rates than as shares in farming companies being transferred. As I have already said, this is not a principle which applies only to farming land. It applies to shopping centres and office blocks in the same way.

Reference was made to interstate experience. The position, as I understand it, is that New South Wales has in place legislation which is generally in line with our own proposals. The Victorian legislation went astray, but a significant part of their problem was that in the example which I previously gave of the two per cent change of ownership from 49 per cent to 51 per cent, the result was 100 per cent duty being payable. That is a very significant and basic difference between the two States, and in drafting this Bill close attention was given to that problem.

Hon. Max Evans: The legislation did not go through the Victorian Parliament.

Hon. J. M. BERINSON: I think that is right.

Hon. Max Evans: Was it withdrawn by the Government?

Hon. J. M. BERINSON: I am not sure. As I said, their problem was this two per cent transfer leading to 100 per cent duty.

Hon. H. W. Gayfer: Their Council had more guts than us.

Hon. J. M. BERINSON: No, I think they may have been addressing a more serious problem than this House, since we have the benefit of five months' careful consideration and drafting.

I was asked by Hon. Max Evans about the nature of the transactions involved in the $6 million-worth of avoidance to which I referred. I am advised that the 20 cases worth $6 million were all commercial properties, including shopping centres. They would otherwise have been drawn as normal dutiable transfers except that they were structured to allow the avoidance scheme to work.

Hon. Max Evans: Were those shopping centres owned by companies for a long time or were they put in there? I believe most of those shopping centres were built five or 10 years ago and they were not put in there to avoid stamp duty.

Hon. J. M. BERINSON: I have previously indicated by interjection to Hon. Max Evans the difficulty of establishing taxation revenue on the basis of people's intentions. It is the effect on the revenue that counts in the last resort. However, there is absolutely no doubt that in general the trend towards putting properties into companies was to take advantage of this avoidance procedure. There was an increasing trend to that, and we can by no means be confident that the $6 million-worth of avoidance which has been isolated represents the full or even a significant proportion of the duty which was avoided. It is really part of the difficulty that tax avoidance operates in a way that one can identify only part of the losses and never the whole.

Hon. Max Evans interjected.

Hon. J. M. BERINSON: I can only say that in the end one is forced to objective measures rather than to attempt to tax on the basis of people's intentions. If we allow the previous position to remain, nothing is surer than that the tendency for everyone to start taking advantage of this accounted avoidance method would very soon have a most disruptive and dangerous effect on this State's revenue. I do not believe I need to remind the House how narrow the State's revenue base is. We cannot afford to allow that base to be attacked in the way which the trend towards use of this company device allowed.

Hon. Max Evans: Can you explain the exemption in respect of public companies?

Hon. J. M. BERINSON: In general, the position with those companies is that they are not amenable to manipulation in the same way as companies, for example, by loans from related companies to minimise the value of shares to be used to calculate duty. They have not typically been part of the avoidance scheme and the nature of their operations and the general system of trading in those companies makes them far less amenable for use in the way specified.

That relates to situations where 80 per cent of the total assets is composed of land and where they are dealing in a way which avoids stamp duty proposed to be caught by this Bill. I am not sure whether Hon. Max Evans is saying that public companies should not be exempted from this.

Hon. Max Evans: I want examples, and the Interpretation Act—

Hon. J. M. BERINSON: I do not think the Interpretation Act is relevant to this question since their exemption is the important issue, and that is made perfectly clear by the Bill.

I repeat the emphasis which I have previously laid on this measure as a most important element of the Government's effort to protect its revenue base and its collection of revenue, and I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Hon. John Williams) in the Chair; Hon. J. M. Berinson (Minister for Budget Management) in charge of the Bill.

Clause 1: Short title—

Hon. MAX EVANS: We note that the Minister for Budget Management, in presenting the legislation to the Committee, has three advisers to assist him whereas we are dependent on outside help, with limited time, as we try to see that the legislation is passed in an acceptable form.

The Minister for Budget Management indicated that this sort of avoidance legislation was necessary because of the actions only of the private sector. I see considerable evidence of different Government agencies which also avoid paying taxes to the Government. After all, the Perth Mint has not paid tax to the State Government for years, and it has managed this by fiddling its accounts. So the Minister for Budget Management is wrong in saying that only private enterprise looks for loopholes in order to not pay stamp duty or other taxes.

The Minister for Budget Management is a very fair Minister so I wonder whether he would be prepared to introduce supplementary legislation in the Budget session so that no stamp duty is paid on the transfer of property from spouse to spouse. For instance, often a young person will enter into a marriage already owning a block of land, perhaps worth $50 000. After the marriage the couple may prefer to have that land held in both names but are often prevented from doing so because of the amount of stamp duty that would have to be paid on that transaction—it could be as much as $2 000 to have the transfer drawn up.

Hon. J. M. Berinson: Would you restrict that to the matrimonial home?

Hon. MAX EVANS: Yes.

I hope I am not letting the cat out of the bag, but I understand that some lawyers turn to sections of the Family Court Act to bring about a settlement between two parties in order to have them exempted from paying stamp duty; when they have been divorced this has been done in order to divest one of them of an asset on which he or she would have had to pay stamp duty.

After a divorce one of the parties will perhaps have ownership of the family home, and should he or she marry again he or she may want to vest half the property in the name of the new spouse to be seen to be doing the right thing. However, this would involve a big amount of stamp duty. In a divorce the assets and liabilities would probably be split equally and no stamp duty would be liable.

In the past when a business has wanted to rationalise its structure it has transferred some of its assets, which might be land or shares, between subsidiary companies—it might be from subsidiary to subsidiary or from subsidiary to a holding company, wholly owned. Why should those transfers not be exempted from full stamp duty? It is just good housekeeping to transfer the assets. Years ago we all used subsidiary companies for different reasons, such as for spreading the load of payroll tax. A lot of companies preferred to operate with subsidiaries in different States rather than with branches, although they have since changed back to using branches.

A major land-holding company could have been transferring shares in land at the normal rate, but now is faced with a maximum rate of stamp duty on the value of that land.

They might want to rationalise it into one holding company to hold property in all States. I think this is worthy of consideration. I understand it is the position in the UK, and that in the United States they do not pay transaction tax on the type of land transfers we are talking about. I ask the Minister to consider including that aspect in his supplementary legislation.

I would like to know whether mining tenements are exempt from retrospectivity. A lot of people would be interested in that. I would also like the Minister's comments on the time factor—the three months' delay from when the amendments come into law until the settling of the extra duty. Valuing land is slow, but when one is valuing shares it can be done on earnings or an asset backing basis. Now the value of land has to be considered. It can take assessors weeks or months to complete a deal, and three months may not be enough time. I am not certain where the three months' period fits in.

Can the Minister explain for the record the phasing-in of stamp duty on property valued at over $1 million? Some of our members are not too clear on that point. I would also like a further explanation of why public companies are exempt. If, for example, Australian Shopping Centres Ltd, a public company, sells some subsidiary companies to another company is it exempt from this extra tax? It is a listed public company and it is selling a subsidiary of a public company.

Hon. J. M. Berinson: Are you suggesting the subsidiary company is a public company?

Hon. MAX EVANS: It is a subsidiary of a public company, so for all intents and purposes it is. If it sells a subsidiary to someone else is it exempt from this amendment? If Australian Shopping Centres buys a company from a private company is it exempt? Does the public company pay stamp duty on the purchase of another company which owns a shopping centre? If it bought that shopping centre from another public company would it make any difference?

Hon. J. M. BERINSON: This is like one of those first semester exams where one has multiple choices. I was never very good at those, but I will do my best.

Hon. Max Evans asked a couple of interesting questions at the outset, but I have to say seriously that they are not really to the point of this Bill; rather, they go to general stamp duty and revenue considerations. I am referring to his proposals for certain exemptions; namely, on the transfer of property from spouse to spouse, and the transfer of property on the rationalisation of company structures. The first of these proposals is novel to me; I think it is interesting enough, and I am prepared to put it in the list of proposals which is considered in the course of the Budget. It goes without saying that that undertaking comes without any commitment.

The question as to the rationalisation of companies is rather different. It is not new to me and has been the subject of a number of representations. As the Chamber will appreciate, however, that question goes well beyond the limits of this Bill, which deals in the main with real property holdings. The rationalisation of company structures can involve much more than that. We have had a number of representations on this matter, and I really cannot go beyond that point. It is not a matter on which the Government has a closed mind, but to this stage we have not been persuaded that we should go the exemption route.

Mr Evans raised the question of mining tenements; they are specified in this Bill, but they have always been subject to land conveyance duty rates. They are included specifically in this Bill because there has been an indication that the company route being adopted in respect of tenements is the same as applied recently to other real property, and there is no reason why they should be treated differently.

A further question related to the period of three months in which to lodge a statement. It is not just an introductory period, but will be the standard period for the lodgment of statements. It is based on the period available to lodge documents, and again that has been done with a view to keeping the process uniform.

The honourable member asked a number of questions related to the position of public companies. One dealt with the transfer of a subsidiary company whose assets were all or mainly in land. The answer has to be that the wholly-owned subsidiary of a public company is, on my understanding, not a public company, and the transaction in respect of a subsidiary would therefore be caught by the new provisions.

Other questions related to who was caught and who was not depending on who bought and sold shares where a public company was involved. The position is that where shares are bought in a public company the exemption applies. Where a public company buys shares in a relevant land-owning private company the exemption would not apply.

A further question related to phasing in. I refer the member to proposed section 76AH. The formula provided has the effect that, if the property is valued at $1 million, the duty payable is the marketable security rate; that is, at the rate of 0.6 per cent on the net value of the shares. That is the section denoted by the letter

"C". If the property is valued at $1.5 million, the duty payable is the conveyancing duty based on the value of the land and that is represented by the letter "B" in the formula.

Although the member did not ask the question during the Committee stage, there was an outstanding question in the second reading debate. It concerned the provisions of the Bill that were not retrospective. Clauses 5, 15, and 19 in respect of provisions relating to unit trusts take effect on proclamation. Provisions which take effect on assent are clauses 15, 14, 8, 23, and 24.

Hon. MAX EVANS: I suggest that companies would not put through transfers because of the stamp duty. I do not believe there would be any loss in revenue through this provision. Rationalisation of the industry would be of great assistance to companies. When Alan Bond bought all of the shares in the brewery, a large part of the assets would have been in real estate.

Hon. J. M. Berinson: But surely not 80 per cent.

Hon. MAX EVANS: The hotels are involved also. However, let us say it totalled 81 per cent. If someone bought all the shares in that public company, would he be exempt from the effect of this provision?

Hon. J. M. Berinson: Yes.

Clause put and passed.

Clauses 2 to 25 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Minister for Budget Management), and passed.

TECHNOLOGY DEVELOPMENT AMENDMENT BILL

Second Reading

Debate resumed from 18 June.

HON. NEIL OLIVER (West) [10.55 pm]: I am disappointed with the Minister's second reading speech on this Bill because it was not up to the standard that we expect of second reading speeches. In fact, it contradicts statements made by the Premier in other economic statements.

Basically, the Bill sets out to amalgamate a number of organisations, including the Department of Industrial Development, into one body, the Technology Industry Development Authority. I am disappointed that the Department of Industrial Development will be disbanded because it has a long and distinguished record for which it is recognised throughout the world. It still enjoys that degree of respect even though it is to be disbanded. I am being constantly requested by people visiting Australia to arrange appointments for them to meet officers of the Department of Industrial Development. On one occasion I went to a briefing and could not help being impressed by the continued professionalism that the officers displayed.

It seems that the Government is tied up in these technological changes and improvements in the industrial development scene. The Government has approached those changes as something that has not occurred before. However, they have always been a part of the industrial development scene.

I object to the term "high technology". I do not know how far one goes before one moves from technology to high technology. Perhaps it is a new language. Perhaps the Minister might explain where technology does not measure up to high technology.

The second reading speech contains a number of catchwords which I viewed with scepticism, including "excellence", "competitiveness", "innovation", and "modernisation" instead of the old terms such as "tonnages", "tariffs", or simple "import substitutions".

That is nothing new. I understand that you, Mr Deputy President (Hon. D. J. Wordsworth), hold a Masters degree from Stanford University. I do not know in what year you graduated, but this terminology would certainly not be new to you. Since November 1983 these words have not suddenly appeared in dictionaries and in business publications. They have been around for many years.

I am disappointed that the Government seems to have the notion that new technology has suddenly developed in this country. I would have thought that the Government would have been aware that Australia is, and always has been, at home and comfortable with new technology.

I remind members that Australia perfected the system of alluvial mining which is now commonly practised throughout the world. It was Australia which perfected mechanical agri-

cultural equipment—the International Harvester. Prior to the turn of the century Australia was exporting International Harvesters to Brazil. During the Depression McKay-Massey Ferguson sought external markets and its product was satisfactorily marketed in South America. I could go on and outline many areas of technology such as communication and aviation navigational aids in which Australia leads the world.

Last Friday night I had dinner with two major bankers. One is the Australian manager of the major Middle East bank, and during dinner he asked me what Australia had to offer his country. I mentioned our ability to design hospitals, through architects Stevenson and Turner, for which we are renowned worldwide. He advised me that the hospitals in the Arab countries are already designed, and the work supervised, by Stevenson and Turner.

He kept asking me the same question and the only answer I could give him was that we have very good services in this country. I said that Australia has the ability to provide an excellent education service, not only in the tertiary areas, but also in the general primary and secondary areas. Australia seems to have done well in the area of education.

I am not disappointed that the Government has once again made a major change to the departments by virtue of this Bill. In November 1983, the Opposition thought that the Minister for Economic Development and Technology had taken the final move to reorganise his department.

It concerns me that while there will be an amalgamation on the basis of efficiency of the various departments outlined in the Bill, there will be a growth in other Government instrumentalities which are all competing for a slice of the cake. I refer to the WA Exim Corporation Ltd, the Western Australian Development Corporation, the South West Development Corporation, and the Tourism Commission, to name a few.

Overseas people who want to invest in this country find it difficult to know which authority they should contact. In fact, some of the authorities which some of the offshore investors contact are somewhat amazed. The Department of Industrial Development is well known for its ability to assist and advise potential investors. If a person approaches that department, he will be directed to the correct authority. It is similar to the manner in which the Malaysian Development Authority operates.

People are surprised when they contact these organisations that not only do they wish to advise them, but also they want to be part of the deal, such as in a joint venture arrangement. This is rather foreign to most investors throughout the world who are looking to Australia as an opportunity for the expansion of their own enterprises.

The Leader of the House made reference to the fact that we should not rely on our traditional resource and agricultural sectors. It is evident to all that as important as these sectors are and will continue to be, they cannot be relied upon solely as the source of this State's economic wealth.

I cannot imagine that there will be a dramatic change overnight to technology because of the implementation of this Bill. It will not reverse our reliance on the sectors on which this country has developed to the extent that it has been very successful. In fact, the rule is that one should always do what he does best. We should reinforce success with success rather than wander off into this very vague area of high technology. I am a little uncertain about the manner in which we will successfully balance the difficulties that we may face with the reduced markets of some of our resources.

I would have thought that the reduction in the Australian dollar and the economic statement of our illustrious Prime Minister on 11 June 1986 would have given the Government great heart. The Prime Minister's address to the nation on the economic situation did not refer to high technology, but to doing what we do best and to improving our manufacturing industry by treating our raw materials.

The same applies also to our illustrious Premier who took the time to address this State on 24 June 1986; no doubt he was prompted by the address given by the Prime Minister, Bob Hawke. He made the same point, that Western Australians should pay more attention to diversifying the State's economic base by processing its raw materials. As a result, more value would be added to this State's economic wealth.

Frankly, when I read the second reading speech I found it was a lot of gobbledegook, and I realise that the Minister in charge of the Bill in this House is not directly responsible for it. I was somewhat reluctant to be critical of the speech so I spent some time examining and

checking the various statements to ascertain how they aligned with Government policy. Whoever wrote this speech did not write it in line with the general thrust of the Government's economic policy as explained by the Premier.

A further point was raised about risk capital. I was present at a briefing given by a gentleman involved in the Technology Park, a former employee of Price Waterhouse who is now leaving the Government. He briefed us on how the Government provided seed capital to companies which were industrial welfare cases and needed baling out. It was a hair-raising experience to learn how taxpayers' money was used in this area.

The seed capital is used when a particular company has canvassed every possible avenue to borrow funds, including public sector borrowing, private investor borrowing, and development funds available through the Australian assistance schemes to industry for this form of technology. This gentleman—whose name eludes me—showed how the seed capital is put in to get these companies up and running when they have not passed through the development stages nor even completed the application for patent stage. I imagine that the bad debts flowing from that area will be astronomical.

That leads me to wonder why certain factors of the Government's restructuring of these departments places them within the confines of a Public Service department but at the same time they will retain their corporate structure under some form of commercial operation. I wonder whether the same situation will arise which confronts many members when they ask Ministers questions regarding this corporate area and are told that such matters are of a commercial nature and are, therefore, confidential, and in normal business practice one would not expect these matters to be made public. It is a very dangerous situation; I believe Ministers should take responsibility for their portfolios and should not hide behind this idea of having one foot in the private sector and being immune from questions in the Parliament and inquiry by the Opposition, while the other foot is in the public sector which is open to inquiry and investigation.

The credit for the overall development of Technology Park, of course, should be levelled at the Liberal Party. I well remember when the Liberal Party was in Government that the current Leader of the Opposition, Barry MacKinnon, initiated the establishment of a technology park in Western Australia. The Minister's second reading speech stated—

> The park, since its opening in 1985, now boasts some 30 or more companies and organisatons . . .

The Minister went on to say that the Science, Industry and Technology Council—SITCO—has been a valuable source of ideas and advice to him as Minister and to other parts of the Government. I should hope so; I do not know why that needs any form of elaboration in a second reading speech. It also includes the great revelation that university and industry interact.

I am quite certain that Hon. H. W. Gayfer has had many dealings with the university on overseas markets and various studies. It has been an ongoing programme to utilise the facilities of universities and other tertiary institutions to undertake studies that assist private enterprise or public instrumentalities. There is nothing new in that.

As I examined this Bill, I wondered what was new about it, apart from the fact that new stationery and probably additional people will be required, and there will be disruption to the existing staff and changes in their areas of responsibility and work programmes. I wonder whether this is just an entire window-dressing operation on behalf of the Government. I cannot envisage any benefits flowing from it. Perhaps the Minister for Industry and Technology is incompetent at handling the Department of Industrial Development and, therefore, a reorganisation is required to enable the other departments and authorities, to which I have referred, to be responsible to other Ministers. It all boils down to the fact that it is an industry.

I know that the service industry has changed in Australia; there is no doubt about it. A huge increase has occurred in the number of people employed in the service industry, but it is about time that the Australian Bureau of Statistics realised that this change is brought about by communication and the utilisation of computers, the ability to obtain information more readily, and the need to react to that information with greater speed. Of course, this sector of the world's operation is changing; we shall see rapid changes in the next three or four years. It has already happened in America where stock markets are operating screen trading and people are buying and selling shares from their own homes.

When the market gets overheated the screen trade is always restricted to the major shares only; the old floor operation is still the backbone of the stock market.

Hon. J. M. Berinson: That is most unlikely to continue to be the case.

Hon. NEIL OLIVER: The Attorney General is saying that floor trading is unlikely to continue?

Hon. J. M. Berinson: Unlikely to diminish.

Hon. NEIL OLIVER: It will certainly not diminish; from what I understand, the screen trading will always be there. It will cover major stocks. There will always be floor trading as part of the scene, but the stockbrokers are not too happy because both systems will run in parallel. No doubt things will change, but in the foreseeable future, well past the next decade, screen trading will never remove the actual physical floor trading as we know it today. One will complement the other.

I suppose it might be considered from my remarks that I do not support the Bill. In actual fact I do, but I hope that we do not get carried away with this Technology Directorate and with the DID as such. It is only one of the organisations being reorganised into this new conglomerate of the Technology and Industry Development Authority. I hope it will not be to the detriment of Western Australia because of the worldwide reputation of the Department of Industrial Development which I have already mentioned.

I realise that this is the Deputy Premier's baby. He is very keen on technology; it has always been his forte, to the extent of introducing computerisation in the schools. He has put a lot of effort into it. While I have been critical of him, to some extent he has probably focused attention which may not otherwise have been focused on this changing method of reporting and speed of communication which is now becoming part of this technology.

Robotics is totally allied to industry, and will always be part of industry. Robotics can be observed working on the assembly lines, but the principle is still basically industrial development. We must be careful about the way we approach this great push into technology. The computer software people in Western Australia have been very successful and have mostly moved to New South Wales. Others have moved to technology parks overseas. Many of those involved in technology advancements in this country have found it better to be offshore rather than in Australia.

In fact it was put to me by a leading civil engineer in the hydraulics area that he found it better to operate offshore. He said, "We will still continue to design all the hydraulics and major buildings in Australia, but we will not be doing it in Australia." That was raised earlier tonight in debate on the Stamp Act, and it reflects the situation created by the generally high level of taxation.

I would be interested to know what has happened to the Industrial Lands Development Authority. Has it gone into this new conglomerate? No mention is made of it.

Another area where we seem to have missed out, despite all the publicity and glossy journals, is in the area of defence projects. We seem to be able to provide only port facilities here. Hon. Sam Piantodosi will agree with me that the only things which come out of Western Australia are Hexamine tablets and cookers. That is all we are able to get out of our push into defence orders. The Government has been trying, but without any success, to the best of my knowledge.

I hope that this separation of the corporate functions proposed by new section 45 will not lead us, when we come to ask questions in this House, to being told that these matters are of a commercial nature and therefore will not be answered. I hope the Minister can assure me of that in his reply.

Hon. J. M. Berinson: Which section?

Hon. NEIL OLIVER: I am referring to the corporate identity. In the second reading speech the Attorney General referred to corporate functions which will be retained outside those of the department. He stated—

> However, corporate body status and powers have been retained, through the Minister, so that commercial arrangements and the development of Technology Park can continue to be pursued.

I hope that means that because taxpayers' money is being used in that very high risk area, the Government will be subject to questions in regard to that corporate body status. I hope that does not preclude us from examining the activities of that area of the Minister's portfolio.

HON. H. W. GAYFER (Central) [11.27 pm]: I will be brief and wax somewhat philosophical.

Hon. T. G. Butler: Good.

Hon. H. W. GAYFER: I thought the member would be pleased.

Hon. T. G. Butler: I am delighted.

Hon. H. W. GAYFER: I could very well get out of my depth. I will repeat what was said by Hon. Neil Oliver, who has just resumed his seat. The Bill seeks to amalgamate the Technology Development Authority, the Technology Directorate, the Western Australian Science, Industry and Technology Council and the Department of Industrial Development. This is about the third time in four years that there has been a reshuffle and amalgamation within the Deputy Premier's portfolio. He claims it is necessary to keep pace with developments in technology.

The pertinent question which intrigues me is how much of what is going on in the high-tech world is real activity, and how much is achievement. Are we keeping ahead of these machines, or are the machines creating something for us to do? The object of the technology department was to make the machines work for us so as to create for itself and for the State greater opportunities and possibilities. We read of this in the Minister's second reading speech, but it is all so interwoven in so many words that it reads almost like a computer printout.

I remember the Minister reading it in his second reading speech, and it is almost a tongue-twister to get it out, the way they rattle off one after the other; it did not make sense to me. When I say that, I wax a bit philosophical because I know the Leader of the House can understand what I am trying to get at. Does he firmly believe that with all these technology departments we have set up, we have the machinery working for us, or are we really just creating employment to cater for whatever the machine puts out? Is the amalgamation of these bodies really building something of great value and moment to the State? If it is not, perhaps we had better get out a piece of paper and a pencil and go back to doing mental arithmetic and doing things without these bodies.

In saying this, I am not trying to be rude or critical, but I am genuinely interested. I am concerned with a pretty large company, which has a huge computer, and that area has the most staff in the place. I do not understand what they do, but I suppose when I go—

Hon. J. M. Berinson: Why are you asking me? You should ask them.

Hon. H. W. GAYFER: The Leader of the House is a special person in this place. However, I will leave that aside and go back to the farming industry.

I would say there are hundreds of farmers throughout Australia who have bought themselves computers, and are chaining themselves to the computer desk in their office on the farm, to the detriment of knowing what is going on outside the farm gate and in the farmyard. A builder came to my farm this morning to extend an office on the homestead, and he told me, "Dad and I are not seeing eye to eye. I cannot come out this week because I am going to a computer school." I said, "Well, what gives?" He said, "I have had this computer for 12 months. I have just about reached the bottom of it, but poor old Dad, who is 63, has just about had it with the computer."

I went over to the Eastern States not so long ago and visited what was reputed to be the best wheat farm in Victoria. I was taken into a room there, which was full of computers. There were two brothers on the place, one of whom worked in the room with the computers. Somebody else was with me, and we asked him what he got out of those computers. He said, "It is good. Every morning I ring up England and America and get the latest stock prices, and it is all there on the printout." I said, "What do you want them for? Do you sell stock to England and America every day?" He said, "No, but I need to know what is going on." I am a farmer, and I do not know what is going on over there, but I do know what is going on here, and I do not have a computer.

Hon. T. G. Butler: But you said they had the best wheat farm.

Hon. H. W. GAYFER: I will deal further with that farm. The other brother was building tractors, and that farm was not doing very well. I would imagine it was the top farm in the Wimmera a few years ago. What I am trying to say is that once everyone starts looking at computers, as a lot of our farmers are doing, they seem to become carried away and chained to the computer. Surely if that is happening in business and on farms, it may also be happening in some of the computer work that is going on in the city. How do we know that all they do is absolutely necessary? When is it just activity, and when does it become achievement?

The Bill sounds very good, but is it a waste of time by a lot of people? Are the people really achieving, commensurate with the costs of setting up these very expensive machines? Are we getting into something that costs more in time, effort, and money than it returns? If we entered the investment market, we would expect to re-

ceive certain dividends. Are we receiving a suitable dividend from the investment that is being made?

I know I am waxing philosophical and asking a lot of questions, but we are part of this place and I think we need to be assured that all these grand words we are using are in the interests of achieving something, because if they are not, perhaps the Government should have a look at asking the Minister for Industry and Technology to scale it down because it does not pay. Who will investigate the proposal in order to establish whether what is being done is a paying proposition? Are we in danger, like that farmer in the Wimmera, and a couple of others whom I know, of getting completely carried away and obsessed with these machines and getting very little return out of them, and of man's brain doing nothing else but playing with keyboards and watching signs light up? I am sorry, Mr Clerk, I did not mean your computer, but that is a typical example. We have been watching the Clerk during most of this session, gradually trying to master the machine in front of him, and when he masters it, he is printing out almost exactly what we had before, because the Clerk told me—

Hon. J. M. Berinson: It is much faster and cheaper.

Hon. H. W. GAYFER: The Clerk told me that at the moment the words "The House do now adjourn" are said, he presses a button and the day's business and the start of tomorrow's business is printed out.

Hon. J. M. Berinson: I thought you were going to say that he presses the button, and we adjourn.

Hon. H. W. GAYFER: I am not going to vote against the Bill, but I would like to know whether we are getting anywhere with all this technology, or whether we are dealing with a heap of baloney? So far as I am concerned, it is a grey area.

HON. J. M. BERINSON (North Central Metropolitan—Leader of the House) [11.38 pm]: I appreciate the support of Hon. Neil Oliver and Hon. Mick Gayfer for this Bill, although in the first case I might have wished that the support was less grudging, and in the second case that the questions raised were not so difficult.

I say to Hon. Neil Oliver that this is not a Bill designed for window-dressing. It is not an attempt to demonstrate that we have suddenly discovered a revolution that was not there before we came; nor is it an attempt to put onto a sort of whizz-bang basis what are really developments in the normal course of events. The fact is that even though the debate has tended to get away from it, this Bill really has very modest aims which are mainly directed to structural and administrative questions, rather than the use of technology or other developments.

Hon. Neil Oliver asked a specific question that I cannot answer with any confidence. His question was what happened to ILDA. So far as I know, that is not affected by this legislation. However, I will check with the Minister, and I will have the member directly informed if that is not correct.

Mr Gayfer gave what is a very difficult speech to respond to, if only because the questions he asked were so deceptively simple.

Hon. H. W. Gayfer: I am a simple person.

Hon. J. M. BERINSON: I think Mr Gayfer is an example of still waters running deep, or something like that, because for the life of me, faced with a simple question like, "Is the machine working for us or we for it?" I am bound to say I am not altogether sure. But I think we are capable of ensuring that the machine works for us, and although I am very far from expert in this field I personally find it difficult to doubt that this is the way of the future.

The other deceptively simple question asked by Mr Gayfer was, "When does activity become achievement?" When people ask questions like that in the area of technology I really feel sad that the Minister for Industry and Technology is not a member of this House to respond, as I am sure he could respond in a way that would carry this sort of discussion further. For myself, I am in the category of Mr Gayfer's "builder's father", and I am unable satisfactorily to respond. I personally tend to accept the views which go much further than Mr Gayfer would go with his fairly cynical attitude to what technology has to offer; I tend to accept that technology has a great deal to offer and in fact, without putting it to effective use in our own interests, we will fall further behind. I cannot demonstrate or prove that, nor even discuss it very well, because I am just not into that field; and to that extent I appreciate the comments, I think they do raise interesting questions, but they are questions I cannot answer.

We are dealing here essentially with a Bill that goes to administrative arrangements and to structural questions related to administration, and the Government is satisfied that

this is now an appropriate way in which to coordinate the activities which have been conducted previously by separate organisations.

In fact Mr Oliver, with some of his comments related to the view that says, "All of this is industry", is really not very far from the principle behind this Bill, which is that if indeed these various activities can be provided under one head, whether the one head be industry, or technology, or something else, it does make sense to coordinate the Government bodies that are active in that combined field. That is the restricted purpose of this Bill, and I am pleased to have the support of the House for it.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Leader of the House), and passed.

HONEY POOL AMENDMENT BILL

Second Reading

HON. C. J. BELL (Lower West) [11.45 pm]: I move—

That the Bill be now read a second time.

I bring this Bill before the House for the simple reason that recently I had brought to my attention a matter which related to the honey industry. There appears to be an injustice in some amendments to the Act which were made in 1978 by the previous coalition Government, in that a clause for liquidation was inserted in the legislation which quite frankly appears to be an obvious error.

In the *Hansard* on page 2852 of 7 September 1978, the then Minister for Agriculture, when introducing the Bill, indicated two main reasons for amending the Act as it then stood. He said—

> The Bill before the House has as its general aim the updating of the legislation in the interests of increasing the efficiency of the operations of the Honey Pool of Western Australia.
>
> Participation in the pool arrangements will continue to be on a voluntary basis, but other aspects of the legislation will be repealed and re-enacted in updated form using as a basis similar provisions in the Grain Pool legislation.

The basis of the proposal I have received is that there is no similar provision whatsoever in the Grain Pool Act. The liquidation clause of the Honey Pool Act is contained in section 26. Subsection (1) of that section reads—

> (1) In any liquidation of the Honey Pool a participant from whom the Honey Pool has accepted honey for a pool in operation, at the time of liquidation shall receive in the liquidation in respect of that honey only the amount of advances then due to the participant.

Nobody would have any qualms about that. Subsection (2) reads—

> (2) After the payment of the amounts referred to in subsection (1) any surplus funds in the hands of the liquidator after the payment of all debts and expenses of the winding up shall be distributed only to participants who have pooled honey in the Honey Pool at any time in the five financial years immediately preceding the date of the liquidation and in proportion to the honey accepted from them by the Honey Pool for any pool in operation during that time.

Earlier this year a proposal was floated around to the effect that the Honey Pool be privatised by using that clause. When one looks at the history of the Honey Pool, one sees that that idea has been floating around since 1924 in various guises, most of that time under the control of Wesfarmers Co-operative.

In 1955 the Act was amended to make it a statutory corporation because at that time the pool decided it wished to own its own premises; in fact it had already started to build before it discovered it was not legally entitled to do so. There was no problem with that because the situation then was that, should the Honey Pool be liquidated, the funds would be applied for the benefit of the industry.

However, in 1978 that clause—which I read a moment ago—was inserted in the Act. It has caused a substantial problem because at that time the pool had accumulated some property which was very valuable. It was accumulated via the mechanism of a levy on all honey which passed through the pool. I make that clear distinction.

When one reads the debates of 1955, it was quite clear that the vast majority of honey producers in Western Australia were passing

through the pool to the tune of about 80 to 85 per cent. All producers were contributing to the building-up of a capital fund which was invested in land and plant. Quite frankly, after 1978 the pool's performance was obviously very poor because producers stopped using the pool even though they had a capital asset which was paid for. They withdrew from the pool to the point where only approximately 50 per cent of the honey went through the pool. Other producers withdrew and set up their own operating plants and made their capital commitments on the basis that they were achieving a better marketing penetration.

Under the Act as it currently stands, if this liquidation were to proceed, premises which have been variously estimated to be worth $500 000 to $700 000 would finish up in the hands of a small number of people—the people who retained their use of the pool. It is considered that as little as 12 people would receive the bulk of that asset. Those 12 people would then be charged with an asset which they could duplicate again by about $100 000.

Over and above that, there is a large capital asset. They would effectively be getting it free from the levy of people in the past who have contributed to it and would have been competing in the marketplace against the other growers who have paid for their own equipment.

I searched through all the Acts of various agricultural instrumentalities looking for a liquidation clause. It was quite interesting to find that there was only one that has an effective wind-up clause at the end of the day. That was the Egg Marketing Board. It is important to put a liquidation clause back into the Honey Pool Act. It would seek to ensure that if the honey pool were to be liquidated the proceeds of the pool could be used for the benefit of the whole industry and not just a few individuals on the basis that the asset build-up by the industry over a long period would make it very difficult to identify all the people who had put money in on that basis. Therefore, it would be more appropriate for the pool to be used for the benefit of the whole industry.

I must say that in the debates from 1978 there is not one mention that this clause was to be inserted in the Act. It is not a very big industry. There are currently only about 199 suppliers of honey in Western Australia, of which only 90 are true commercial beekeepers. Several members are probably aware of those who have left the honey pool and set up other operations. Hon. Fred McKenzie is probably aware of some who have set up operations in the Swan Valley. They have put their money on the line to go into the marketplace with their product, and they feel very concerned about having their money used to subsidise a competing marketing operation if the liquidation were to proceed as was proposed late last year or early this year by an industry group.

I do not know what has happened to that proposal. It appears to have disappeared. I have had the problem raised with me as to the injustice and inequity which would prevail should this Act continue and it has been suggested that I should endeavour to do something about it. With that in mind, I brought this Bill before the House.

It is quite clear from the annual reports as far back as 1978 and 1979 that the assets were well and truly in place then and the financial statements clearly illustrate there has been little or no improvement in the financial position of the pool since that time. It is interesting to see that the land and buildings are still on the books at their values in 1978 and 1979. That figure was $162 000 for the land and buildings. I think Hon. Fred McKenzie would know that land and buildings—three acres in Bayswater—would be worth a lot more money today, particularly with a large industrial shed on it.

I hope the House sees fit to support my endeavours in this matter and to return to some normality in this area so that if any proposal comes forward in the future we will not see this very sharp division which has occurred in the honey industry where the organisation has been decimated by internal division and very serious concerns as to what might happen in the marketing processes of honey should the liquidation of the Honey Pool occur. I seek the House's support for this Bill.

Debate adjourned, on motion by Hon. Fred McKenzie.

FINANCIAL INSTITUTIONS DUTY AMENDMENT BILL

Second Reading

Debate resumed from 18 June.

HON. MAX EVANS (Metropolitan) [11.58 pm]: I feel I should start my speech with two minutes' silence because another part of Australia is now paying financial institutions duty. Joh's territory and the Northern Territory are the only States free of it. They are lucky.

This Bill is brought forward to amend our financial institutions duty provisions because the Australian Capital Territory is now to include some exemptions to prevent the double payment of financial institutions duty. The Act refers to "other States", and the Bill will extend the exemption by adding the words, " or a Territory". The Act also provides for an exemption from FID in respect of the deposit of stockbrokers' receipts which have been subjected to stamp duty in this or another State.

I hope the Minister will be able to answer my question: What is the rate of FID charged in the ACT and what is the anticipated loss of our revenue due to this exemption?

I support the Bill.

HON. J. M. BERINSON (North Metropolitan—Minister for Budget Management) [12 midnight]: I am sorry I do not have the rate of financial institutions duty which applies in the Australian Capital Territory, but I am very confident it would not be less than ours. It is much more likely that it would be more.

I am also unable to say what is the anticipated loss of FID, and in fact I doubt whether records are kept on a basis that would allow that to be isolated. I will check that with the Commissioner of State Taxation and advise the honourable member if an accurate response is possible.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Minister for Budget Management), and passed.

STATE ENERGY COMMISSION AMENDMENT BILL

Second Reading

Debate resumed from 18 June.

HON. NEIL OLIVER (West) [12.03 am]: This Bill seeks to vary the legal responsibilities of the State Energy Commission in areas which I doubt are in accordance with the State Energy Commission Act; that is, specifically in areas which, due to the expertise of the commission, it is now finding it has technical knowledge which is being sought not only by other Australian States but also by other countries such as India and Malaysia.

Initially I would have been inclined to wonder about this role because the SEC is a corporation, the primary role of which is to provide energy to domestic and industrial consumers in Western Australia. Nevertheless, as a monopoly it must, through its research and experience over the years, have an ability to sell technology for the benefit, one presumes, of increased revenue to the State. This increased revenue may ultimately either stabilise or reduce the number of power cost increases which we have suffered in recent years.

Having read the debate in the other place, it is not my intention to range across matters such as the North West Shelf project and other matters which do not appear to be associated with this Bill. I will not prolong the House with a two-hour contribution which will only prompt other speakers to join in. It is commendable that Western Australia, which is dealing with unusual problems different from those experienced by other countries—such as using anthracite coal which is available in other parts of Australia, and dealing with other problems associated with shifting from coal to oil, and the reverse—now has this opportunity.

From what I can gather from briefings I had at the time, I understand that Western Australia is the only place in the world where power stations which previously operated on a fossil fuel converted back to coal. No doubt these amendments are being brought in as a result of that achievement. I am aware that India, having been self-sufficient in oil but short of coal, is no doubt looking at our activities to see whether they are using the right form of plant in the use of oil and the likely reversal they can anticipate in the next decade.

I cannot imagine why the activities of the commission should be glossed over by saying that the legislation is, in effect, enabling the commission to operate in a more commercial and beneficial manner. Frankly, it is a monopoly and it does not operate in a commercial manner. I think basically that is wishful thinking.

The matter which the Bill seeks to amend is in respect of expenditure by the commission in excess of $1 million. Whereas previously any amount in excess of that amount would require the approval of the Governor-in-Executive-Council, it now seeks the consent of Treasury

and is supported by the Treasury to amend that figure to $2 million in line with similar instrumentalities.

This is a general tidying-up of the Act in conjunction with legal advice. Therefore, on that basis, I support the legislation.

HON. W. N. STRETCH (Lower Central) [12.06 am]: I express my support for the Bill.

In my electorate of Collie we have built up quite a degree of technology in the use of coal. As my colleague, Hon. Neil Oliver, pointed out, it is a very different type of fuel and one that requires a certain amount of special technology. The development of this technology cost a considerable amount of money and despite a few hiccups in the power generation from the Muja power station, we have reached a stage where it is working pretty efficiently. It seems a logical extension of the commission's activities that we utilise the experience and expertise which has been built up in this field, and profit by it for the benefit of Western Australia in whatever way possible.

The Liberal Party welcomes this. As members well know Collie is building up quite a stockpile of coal and anything we can do to help sell that coal and allow the mining operations at Collie to continue at their present rate, and hopefully expand, will naturally have the enthusiastic support of that area's members of Parliament.

Therefore, I support the Bill most wholeheartedly.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Leader of the House), and passed.

METROPOLITAN MARKET AMENDMENT BILL

Second Reading

Debate resumed from 18 June.

HON. C. J. BELL (Lower West) [12.10 am]: The Opposition supports this Bill. We believe it is a relatively simple and straightforward one. It seeks to allow buyers and agents a seat on the Metropolitan Market Board. While there are probably 100 people from various areas and interests who want representation, in this case they have a major part to play in the operations of the Metropolitan Market, and it is natural that they should seek representation on the board. This Bill seeks to increase the size of the board to allow for them and another ministerial representative.

The other thing the Bill does is to delete the name of the Perth City Council as the local authority and insert the phrase "the appropriate local authority". That allows for the removal of the market from the central city area to the new site at Canning Vale, and perhaps at some future time a move from there as well.

It is fair to say that the Metropolitan Market Trust will go through a very tight period over the next few years. There is no doubt there is a growing movement to direct sales of produce, so the trust will have the job in front of it to ensure the bulk of produce continues to flow through its market. If the trust does not perform the expenditure which this Government has made in resiting the markets will have been in vain. That is a very relevant factor; the people of Western Australia have put up substantial funds to resite the market. There is no doubt some of those funds will be recouped from the sale of the central site, but if the trust and the board do not perform in future the trust itself will cease to exist, as will the usefulness of a major investment by the State in a new facility.

If the trust performs in the way I anticipate, the new facility will be a very successful one. The challenge is in front of the trust; it must convince buyers and agents that the new market will be a worthwhile market where they can purchase the supplies they require and where sellers can be assured of getting a fair deal.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Leader of the House), and passed.

ADJOURNMENT OF THE HOUSE: SPECIAL

On motion by Hon. J. M. Berinson (Leader of the House), resolved —

That the House at its rising adjourn until 11.00 am today (Wednesday).

ADJOURNMENT OF THE HOUSE: ORDINARY

HON. J. M. BERINSON (North Central Metropolitan—Leader of the House) [12.17 am]: I move—

That the House do now adjourn.

Bunbury-Perth Railway: Renaming

HON. V. J. FERRY (South West) [12.18 am]: I regret the necessity to speak on the adjournment debate at this hour of the morning, but I do so to draw attention to the disappointing situation regarding the naming of the new passenger train to replace the *Australind* between Perth and Bunbury. The Government set up a committee to find a name for this new train and invited the public to make submissions. It is very disappointing indeed that the Government has decided to override a decision of the committee which suggested that the name for the train should be *John Forrest*, after the eminent first Premier of this State, later to become Lord Forrest, and a man who has a very special place in the history of Western Australia, not only as a parliamentarian, statesman and explorer, but also as a citizen of note of the south west.

The committee included the Mayor of Bunbury and the Lord Mayor of Perth and others, and they were given the task of sifting through all the entries to suggest an appropriate name and they chose the name John Forrest. The Government has overridden that decision and decided to retain the old name of the train and transfer it to the new train.

Hon. Garry Kelly: A good decision at that—an excellent decision!

Hon. V. J. FERRY: I have no particular favourite name for the train. I do not care whether it is called the *John Forrest* or the *Australind*. I find no fault with either name. However, I protest strongly at the Government's action of insulting the eminent members of the committee who gave their time and energy, and the public who were invited to submit names. They have been totally ignored by this decision to override the committee's decision. On the Australian Broadcasting Corporation tonight I heard His Worship the Mayor of Albany say how disappointed he was with the Government's actions. He said he felt extremely disappointed, to say the least. He indicated that the Government needs to smarten itself up.

I suggest the Government is playing politics in this matter.

Hon. Doug Wenn: And you are not?

The DEPUTY PRESIDENT (Hon. John Williams): Order!

Hon. V. J. FERRY: If the suggested name for the train had been to honour a person who had a political association with the Australian Labor Party, such as John Tonkin, the name might have been accepted.

Hon. Doug Wenn: What a load of garbage.

The DEPUTY PRESIDENT: Order!

Opposition members interjected.

Hon. V. J. FERRY: I do not need any help from the front bench either on this matter. It concerns the south west.

Hon. Doug Wenn: It's a load of rubbish.

The DEPUTY PRESIDENT: Order! I have called Hon. Doug Wenn to order twice. Some of his remarks are bordering on being unparliamentary. If he continues in that vein, he will not be with us later this morning.

Hon. Doug Wenn: I apologise, Mr Deputy President.

Hon. V. J. FERRY: I am disappointed that the Government has taken this action. It has insulted the members of the committee which it appointed and the people of the south west who took the trouble to submit names to the committee. It is an extremely poor show and I condemn the Government for its lack of concern.

Question put and passed.

House adjourned at 12.23 am (Wednesday)

QUESTIONS ON NOTICE

ANIMALS

Rabbits: Commercial Farming

247. Hon. C. J. BELL, to the Minister for Sport and Recreation representing the Minister for Agriculture:

What is the current position with regard to the review of commercial rabbit farming in Western Australia?

Hon. GRAHAM EDWARDS replied:

I will advise the member in writing in due course.

GOVERNMENT BUILDINGS

Old Perth Technical College: Sale

251. Hon. N. F. MOORE, to the Leader of the House representing the Treasurer:

(1) When was the Perth Technical College sold to Mid Town Property Trust and the State Superannuation Board?

(2) What was the sale price?

(3) What amount has been paid to lease the site in each year since its sale?

(4) What is the anticipated cost of leasing the site for 1987?

Hon. J. M. BERINSON replied:

The information requested is being collated, and the member will receive a response in writing as soon as possible.

COMMUNITY SERVICES

Day Care Centre: Mandurah

258. Hon. C. J. BELL, to the Minister for Community Services:

(1) Has Mrs Jacki Reilly of Mandurah been refused approval to operate as a child day care centre?

(2) If so, what are the reasons for this refusal?

Hon. KAY HALLAHAN replied:

(1) Mrs Reilly's application was not refused. When Mrs Reilly applied for a licence to conduct a family day care centre, she was advised that the unfenced swimming pool in her backyard must be fenced. Mrs Reilly subsequently withdrew her application.

(2) Not applicable.

LAND

Old Rockingham Golf Course: Sale

259. Hon. N. F. MOORE, to the Leader of the House representing the Minister for Works and Services:

Further to my question 218 of Tuesday, 9 June 1987, will the Minister advise the name of the vendor who sold Lot 106 Council Avenue, Rockingham to the State Government?

Hon. J. M. BERINSON replied:

Westgate Property Investments Pty Ltd and Prudential Assurance Co Ltd.

TECHNICAL AND FURTHER EDUCATION

Functional Review Committee Report

260. Hon. N. F. MOORE, to the Minister for Community Services representing the Minister for Education:

(1) Has the report to the expenditure review committee into TAFE been completed?

(2) If so, will the Minister make it publicly available and, if not, why not?

(3) If not, when is the report expected to be completed?

Hon. KAY HALLAHAN replied:

(1) So far as I am aware, there is no such committee.

(2) and (3) Not applicable.

QUESTIONS WITHOUT NOTICE

PRISONERS

Murderers: Release

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

I refer to the announcement in *The West Australian* of 22 June about the Government's new scheme to ensure that some wilful murderers are never released. I agree that many should not be released. Can the Attorney General tell us where else in the world the release of a capital offender depends on the Legislature after the offender has been sentenced?

Hon. J. M. BERINSON replied:

No, I do not have that information, but I am happy to explore the question further.

PRISONERS

Murderers: Release

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

When was the Attorney General first consulted on this plan, and is it correct that this new policy was formulated less than 48 hours before it was announced by the Premier?

Hon. J. M. BERINSON replied:

I know I may still be green, but I did not come down in the last shower. The honourable member will know very well from his own experience, as well as ours, that questions on Government decision-making will not be responded to.

PRISONERS

Murderers: Release

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

In what material way is the new plan different from the strict security life imprisonment legislation introduced in the early 1980s by the Court Government?

Hon. J. M. BERINSON replied:

The form of the new provision has not yet been finalised and is subject to further advice from our legal advisers and subsequently from Parliamentary Counsel. I would prefer to leave a comparison of this nature until such time as the form of the new proposals is finalised.

EDUCATION REGULATIONS

Corporal Punishment

91. Hon. N. F. MOORE, to the Minister for Community Services representing the Minister for Education:

(1) Is it the intention of the Government to amend the education regulations to change the situation relating to corporal punishment in schools?

(2) If so, when will those regulations be tabled?

Hon. KAY HALLAHAN replied:

(1) and (2) The matter is still under consideration.

GOVERNMENT BUILDING

Austmark, Bunbury: Ownership

92. Hon. W. N. STRETCH, to the Minister for Budget Management:

(1) Who is the current owner of the Bunbury tower?

(2) (a) How many square metres are rented by the State Government;

(b) at what rate per square metre?

(3) (a) Which State Government departments currently occupy the building, and what area does each occupy?

(b) What other departments is it proposed will occupy the Bunbury tower, when will they take up occupancy, and how many square metres will each be allocated?

(4) After the departments referred to above have been allocated space in the Bunbury tower, what area will remain vacant?

Hon. J. M. BERINSON replied:

(1) Bunbury Development Corporation Pty Ltd.

(2) (a) An area of 8 651 square metres;

(b) $150.82 per square metre per annum plus outgoings. Rental includes the lease of 82 car bays.

(3) (a)

Department	Area sq. m
Minister for The South West	279.00
Department for Community Services	200.00
South West Development Authority	586.40
Department of Employment and Training	33.00
Department of Transport	22.00
Department of Occupational Health, Safety and Welfare	55.00
Public Service Board	48.00
Tourism Commission	65.00
State Planning Commission	185.00
Education Department	1 770.90
Water Authority of Western Australia	1 159.00

Department of Services	40.00
Health Department of Western Australia	61.00
Small Business Development Corporation	72.00
Department of Lands Administration	107.00
Department of Sport and Recreation	116.00
State Government Information Service	53.00
Shared facilities—conference rooms, amenities, public areas	1 000.00
Common areas—circulation, etc.	321.90

(b) Several potential occupiers are currently under consideration.

(4) It is proposed that the building will be fully occupied by Government tenants.

COMMUNITY SERVICES

Adoptions: Child's Well-being

93. Hon. W. N. STRETCH, to the Minister for Community Services:

Is there within the Adoption of Children Act or its regulations a method by which a mother who has given up her child for adoption can ascertain the well-being of that child?

Hon. KAY HALLAHAN replied:

Under the amendments to the Act last year, it is possible for the departmental officers, negotiating with the adoptive parents, to arrange for them to supply perhaps a yearly update on the child's well-being, maybe supplying a photograph. All sorts of things are possible but are not enforceable by law; it very much relies on the cooperative goodwill of the adoptive parents to maintain any arrangement they are willing to enter into at the time of the adoption.

Hon. W. N. Stretch: Does that mean there is no way by which a mother who has relinquished the child can get information, but it is available if the family which adopts the child chooses to put that information forward?

Hon. KAY HALLAHAN: I will explain further because it is a new concept. It is moving towards a more open approach to adoption.

The relinquishing parent can now make certain stipulations about what sort of family she wants the child to go to. It may be also that the adoptive parents will enter into some arrangement such as I have explained. It could be quite open—it could involve the exchange of presents and even visits. It depends very much on the security the adoptive parents have about themselves and their ability to establish close relationships and incorporate other people into those relationships. However, if they do not want to continue what they have undertaken, under the law we cannot enforce it.

COMMUNITY SERVICES

Child Day Care Centres: Provision

94. Hon. V. J. FERRY, to the Minister for Community Services:

Is it the policy of the Government to provide child day care centres and to subsidise the children who attend those centres?

Hon. KAY HALLAHAN replied:

Under the Federal and State Labor Governments, a commitment has been made to provide child care in this State and to subsidise those centres provided by the Government. That is the fact, but I am not sure it is getting at the question the member is posing. Certainly we have 32 child care centres across the State, a wonderful improvement on what the State has ever known in the provision of child care.

COMMUNITY SERVICES

Child Day Care Centres: Private

95. Hon. V. J. FERRY, to the Minister for Community Services:

(1) Is it the policy of the Government to support privately run child day care centres?

(2) Will the Commonwealth Government subsidise children attending privately run centres?

Hon. KAY HALLAHAN replied:

(1) and (2) The member correctly identifies that subsidies are paid by the Federal Government. At present I understand no subsidy is paid to privately operated centres.

SPORT AND RECREATION

WA Football League Competition: Future

96. Hon. E. J. CHARLTON, to the Minister for Sport and Recreation:

In view of the publicised comments about the future of the Western Australian Football League competition, what role, if any, does the Government have in liaising with the WAFL regarding the future of that competition?

Hon. GRAHAM EDWARDS replied:

This State Government has been a very strong supporter of the WAFL, and if I have my way it will continue to be.

SPORT AND RECREATION

WA Football League: Support

97. Hon. E. J. CHARLTON, to the Minister for Sport and Recreation:

Does that mean that discussions are continuing with the Government about the current situation and the financial aspects likely to confront Western Australian league clubs in 1988?

Hon. GRAHAM EDWARDS replied:

I have had informal discussions with the president of the league and I have also had informal discussions with Peter Cummiskey of the league. We have had no formal discussions at this stage, but I shall be happy to enter into formal discussions if that is what the league requires. I am meeting Mr Roy Annear within the next couple of days, and one of the things I would like to put on the agenda is the future of the WAFL.

SWIMMING

Beatty Park Pool: Enclosure

98. Hon. MAX EVANS, to the Minister for Sport and Recreation:

I asked a couple of times before about the world swimming championship and synchronised swimming being at Beatty Park, not at the Superdrome.

(1) Has the Government considered the cost of enclosing Beatty Park and increasing the depth of the training pool?

(2) If so, how much will it cost the Government?

Hon. GRAHAM EDWARDS replied:

(1) and (2) I was surprised to see that report in the paper this morning. As far as I am concerned, the report has not been confirmed.

GOVERNMENT BUILDING

Austmark, Bunbury: Rental

99. Hon. W. N. STRETCH, to the Minister for Budget Management:

Referring to the Minister's reply to the question on the Bunbury tower, those figures indicate that barely half the area is presently occupied, yet the Government has been paying full rent on the whole of that area since completion.

(1) Will the Minister look into that and tell this House how much of that unused space we are paying for?

(2) What has it cost the Government to date?

Hon. J. M. BERINSON replied:

(1) and (2) I have not added the figures myself, but they can be extracted from those provided. The Government accommodation board which deals with these matters is not now within my ministerial authority, and any further questions on this matter should be put on notice.

COMMUNITY SERVICES

Child Day Care Centres: Private

100. Hon. V. J. FERRY, to the Minister for Community Services:

In view of the high capital cost of establishing child day care centres, will the Minister take up the thought that it would be more economically sound for the State to promote the use of privately run child day care centres and encourage the Commonwealth Government to make subsidies available to children attending private centres?

Hon. KAY HALLAHAN replied:

I will give that matter some consideration.