

Legislative Assembly

Thursday, 18 March 1982

MEETING OF THE ASSEMBLY

The Legislative Assembly met at 7.00 p.m.

The **SPEAKER** (Mr Thompson) took the Chair.

PROCLAMATION

The Clerk of the Assembly (Mr B. L. Okely) read the Proclamation of His Excellency the Governor (Rear-Admiral Sir Richard John Trowbridge, K.C.V.O., K.St.J.) summoning the third session of the Thirtieth Parliament.

SWEARING-IN OF MEMBERS

The Clerk of the Assembly (Mr B. L. Okely) produced the writs for the electoral districts of Nedlands and Swan and reported that from the returns thereon it appeared that Mr Richard Fairfax Court was duly elected as the member for Nedlands and that Mr Gordon Leslie Hill was duly elected as the member for Swan.

The Speaker announced that he was prepared to swear in the member for Nedlands and to hear the affirmation of the member for Swan.

The member for Nedlands took and subscribed the Oath of Allegiance and signed the roll, and the member for Swan made and subscribed the affirmation and signed the roll.

VISITORS

Welcome

THE SPEAKER (Mr Thompson): While we await the arrival of the Usher of the Black Rod, might I, on behalf of the members of this Legislative Assembly, extend to our visitors tonight a very sincere welcome. I wish you all a pleasant evening, and we look forward to enjoying your company after the House rises.

SUMMONS FROM THE GOVERNOR

The Speaker and members, in response to summons, proceeded to the Legislative Council Chamber; and, having heard his Excellency the Governor (Rear-Admiral Sir Richard John Trowbridge, K.C.V.O., K.St.J.) deliver the opening Speech (*vide* Council report *ante*), returned to the Legislative Assembly Chamber.

THE LATE MR EWART RUNCIMAN

Condolence: Motion

MR O'CONNOR (Mt. Lawley—Premier) [7.36 p.m.]: I move—

That this House records its sincere regret at the death of Mr Ewart Runciman, a former Member of this House, and tenders its deep sympathy to his widow and members of his family in their bereavement.

Ewart Runciman was probably not known by the newer members of this House. As the member for Murray he served in Parliament from 1962 to 1974. He was born in Edinburgh and was a dairy farmer in this State.

Ewart was a foundation member of the Farmers' Union and worked extremely hard for the farming and dairy community. He was also one of the foundation members of the Peel Inlet Management Authority. Ewart Runciman was a sincere and conscientious man. He was always willing to help people and was known generally for his assistance not only to the rural community, but also to the elderly and the young. Following his retirement from this House, Ewart Runciman spent a great deal of time in the Mandurah area assisting elderly people.

I should like to say how very much we regret the death of Ewart Runciman, and we pass on our sympathy to his family.

MR JAMIESON (Welshpool) [7.38 p.m.]: On behalf of the Opposition and my leader who was not here when Ewart Runciman was a member, I should like to join with the Premier in this condolence motion.

Ewart Runciman was a very fair man in this Parliament and I am sure he did not make any enemies while he was here. He followed Sir Ross McLarty who also was a Scotsman. Ewart Runciman held a prestigious position as far as the people of Mandurah and Pinjarra were concerned, and he was particularly well known by those involved in the cattle industry in that area; the people there had a high regard for him. Whenever Ewart Runciman met people, he would greet them, regardless of their political colour. He was always very happy to have a chat with whoever he met. At his last visitation to this Chamber he stopped in the corridor to have a short talk with me about certain things.

We regret his passing, but that must come to us all. To his remaining relatives the Opposition extends its sincere condolences.

MR McPHARLIN (Mt. Marshall) [7.41 p.m.]: Speaking on behalf of the National Party, I join the Premier and the member for Welshpool

in extending condolences to the family of the late Ewart Runciman.

He was a member of the Parliament at the time I was elected. I found him to be quietly spoken and most efficient in matters concerning his electorate and, in particular, the dairy industry. He had a thorough knowledge and understanding of that industry and was an important man with whom to speak on matters affecting it.

He would not have had one bad friend in this Parliament as a result of his attitudes and fairness, and his dedication to his electorate. We send our sincere sympathy to the remaining members of his family.

Question passed, members standing.

THE LATE HON. H. E. GRAHAM

Condolence: Motion

MR O'CONNOR (Mt. Lawley—Premier) [7.43 p.m.]: I move—

That this House records its sincere regret at the death of the Honourable Herbert Ernst Graham, a former Member of this House, a Minister of the Crown and Deputy Premier of Western Australia, and tenders its deep sympathy to his widow and members of his family in their bereavement.

I knew Herb Graham at Narrogin prior to his election to Parliament in 1943. Almost immediately upon his entering Parliament he made a great impact. In 1953 he became the Minister for Housing, and in 1971 he became Deputy Premier. He left this House in 1973 to become the Chairman of the Licensing Court, and he made substantial changes to licensing matters while in that position.

I had the pleasure of serving in this House with Herb Graham between 1959 and 1973. He was a great orator; certainly one of the best in this House. He was a dedicated and hard-working man who did a great deal of work on any matter before him; he made life difficult for anyone who was careless in what he did.

In the political field Herb and I fought to install different Premiers, but in the sporting field we fought to make the East Perth football team the premierships team in Western Australia. We used to laugh often about that. He was a strong supporter of sport in Western Australia and, in fact, was the Patron of the East Perth Football Club for the 15 years prior to his death.

He did a tremendous amount of work for ethnic communities in this State, particularly the Italian Club. From 1950 to 1971 he was a member of its committee—the longest-serving committee

member of that club. He was honoured by the Italian Government and held in high esteem by the Italian community.

I spoke to Herb on Monday morning, and even though he was in great pain he sent his best wishes to this House. As I went out the door his last words were, "Ray, thanks for coming. I know how busy you must be". Those words indicate that right to the last he had great concern for others.

His passing is a sad loss to our community and his many friends. I extend our sincere sympathy to the members of his family.

MR BRIAN BURKE (Balcatta—Leader of the Opposition) [7.45 p.m.]: Herb Graham was a strong and brave man. I saw him a few days ago when he was in hospital and close to death, but he took time to say that there were things I should do to ensure that the party we both loved was successful at the next election. He said, too, that he was sorry he would not be alive to see the success he was sure would come.

Herb Graham's passing is a loss to his family. We can say only that we will pray for them, and wish them the strength to go through successfully this period of great pain. Also we can say that we feel the loss felt by this State at the passing of one of its finest sons, a man who gave much of himself.

Herb Graham fought hard and uncompromisingly in pursuit of the things in which he believed. We on this side of the House feel more keenly the loss of this man who was one of our foremost leaders during difficult times, a man whose first love was for the Labor Party and who saw within the Labor Party and its philosophies the fulfilment of the ordinary people of this State and this nation.

For my own part, Herb's passing is a sad and distressing personal loss. I doubt I would be standing here tonight as leader of my party if it were not for Herb Graham and his constant encouragement, advice, and words of wisdom. Herb Graham taught me how to fight for, believe in, and not retreat from trying to obtain the things held dearly by each of us.

Herb Graham joined the Labor Party in 1929 and was elected the member for East Perth in 1943, the same year in which my father was elected to the Federal Parliament as the member for Perth. Until that year my father and Herb had alternately shared the task of bearing our party's flag in the Federal seat of Perth. Herb continued as the member for East Perth until 1961, and was elected the member for the reconstituted seat of Balcatta in that year.

In 1953 he first entered the Ministry as the Minister for Housing and Transport in the great Hawke Government until it was defeated in 1959. In 1971, when the Tonkin Government was elected, he was its Deputy Premier, Minister for Development and Decentralisation, and Minister for Town Planning.

In 1973 Herb Graham retired from Parliament to fulfil his word; he had often said, "Old men have no place in Parliament". It was his intention to retire before he reached the age of 65, and he did that. However, it was particularly unfortunate for this State that he was never its Premier, and it was particularly unfortunate for the Australian Labor Party that his premature retirement robbed us of our next natural leader; but Herb still contributed. In the period immediately after his retirement from Parliament he was perhaps the most vivid of chairmen of the Licensing Court. He still contributed to the progress and change in the way of life we have today.

Herb Graham was responsible for many great things. His efforts gave the provision of housing in the Hawke Government the high priority which saw money taken from other needy areas. That money was devoted to the most urgent need—the provision of shelter for families. He was the one who gave to the State Housing Commission the life it has today as the prime provider of shelter for disadvantaged and lower income families.

Herb Graham was forthright and compassionate. Who could forget how he felt about capital punishment? He said it often enough. He regarded capital punishment as murder by the State. I say tonight that that is one flame that will not die with his passing because we on this side of the House will continue to keep it burning brightly.

Many of us will remember how Herb Graham spoke for five hours in defence of the rights of people who wished to pursue scientology. I knew he was not particularly fond of scientology and that he had no affiliation with it, but he defended the right of those who sought to pursue it as they wished. That was a mark of the man. He would protect individual liberties and try to prevent encroachment upon them by the Government.

Another mark of the man was his involvement with and fondness for the Italian community. He was the longest serving member of the Italian Club's committee and the first non-Italian to be honoured with life membership. He was awarded the Cavaliere Ufficiale which is the highest civilian honour which can be bestowed by the Italian Government on any person, be he Italian or foreign.

Many people across this State will be saddened by the passing of Herb Graham. Stronger men are not often brought into this Chamber. More devoted and persevering men in authority rarely find themselves amongst us as members of the Legislative Assembly.

It is a great loss to see a strong man pass on. We will be made stronger if we reflect on some of the things he sought. This sadness at his passing will be justified by the example he set for us and by the actions we take in view of that example.

MR BRYCE (Ascot—Deputy Leader of the Opposition) [7.53 p.m.]: When I was elected to Parliament, Herb Graham was the Deputy Premier of Western Australia and I am very proud today to occupy the position which Herb Graham served with great distinction over such a long time.

It is a matter of great regret to me that my career and Herb Graham's career overlapped for only the last 18 months of his 30-year career.

I would like to record the fact that in my opinion Herb Graham was one of the finest members ever to be elected to this Chamber. He was a man of tremendous strength and inspiration to newer members.

The Premier and the Leader of the Opposition have referred to Herb Graham's great skills and ability. I concur with them and repeat that he was the finest orator I have heard in this House. Without doubt he was one of the finest orators of repute to have occupied a place in the Western Australian Parliament.

Herb Graham did not waste his skills and abilities as an orator. He dedicated them to quite a range of worthwhile causes including the economic development of our State, the abolition of capital punishment, and the democratisation of this House.

He was a man of great strength and inspiration to many people. His tremendous strength is something which was reflected in his wonderful courage, right up until the last days of his life, in his fight with cancer which finally beat him.

When he departed he left a gap in the Parliamentary Labor Party which was extremely difficult to fill. It is a gap which will be felt in the hearts and minds of many of the friends he made throughout Western Australia during his public life.

In passing my condolences to his family, I would like to give them the assurance that the

tremendous tireless effort and time he expended on behalf of other people was not wasted.

MR McIVER (Avon) [7.55 p.m.]: Although this is a sad occasion for all of us, it gives me pleasure to join with previous speakers in this condolence debate.

Tonight we witnessed several new members being inducted into the Parliament and I am sure they will find, as I did, that one can feel quite lonely and strange in this place. It takes one quite some time to become adjusted to the procedures and requirements of this place.

In Labor circles the year of 1968 is referred to as a golden year for the Australian Labor Party because at that time 11 new young members were in this Chamber and I am sure they found this place just as strange as I did. It was not long before a man called Herb Graham took us under his wing and gave us his guidance. He told us the path to take and the right way to make contributions on behalf of our constituents.

It must have been rewarding for Herb when in 1971, of those 11 apprentices, six were made Ministers. In that Ministry were the Deputy Premier and the Attorney General who, with the others, made a great contribution to the advancement of Western Australia's progress.

Members will appreciate that I feel a little emotional tonight because I was part of that team and I admired Herb Graham greatly. I can assure members that if one blundered during that time when speaking on any subject, Herb would single one out, though not in the Parliament, and one would not make that mistake again. I repeat that one would not make that mistake again, because after Herb Graham finished his piece, the Hon. John Tonkin would give the member another dose. The group at that time never made the same mistake again and we would not have accomplished what we did if we had not received that guidance.

I support what has been said tonight, even though it is a little strange to speak in this fashion on opening night. It is perhaps ironical that this is the occasion upon which Herb would have liked this to occur.

I feel very sorry indeed for Mrs Beryl Graham and her family. We wish them every success in the future and hope the spiritual guidance they receive will carry them through the years ahead.

Finally, I say without hesitation that in the years ahead, politicians will come and politicians will go, but there will be only one Herb Graham.

MR JAMIESON (Welshpool) [8.00 p.m.]: All that needs to be said about the late Herb Graham

has been said. However, as an ex-Cabinet colleague, I feel it is incumbent upon me to say a few words about his activities when we were together in that sphere. He undoubtedly gave the Tonkin Labor Government considerable drive. As a matter of fact, very often he expected to be achieved yesterday things which were very difficult to achieve tomorrow. Nevertheless, with that drive he was certainly able to keep an action flowing, and that was always part of the Herb Graham philosophy: One just should not stop; one should keep at it all the time.

Herb Graham applied that philosophy to the learning of Italian. Those older members present tonight will recall the way he used to practise the language on us in the corridors. We never knew just how word perfect he was! That was the type of man he was; when he took something up, he stuck at it until he achieved his goal.

I am sure Beryl Graham and his three sons and two daughters will be justly proud of the efforts of Herb Graham during his stay on this planet. I know we enjoyed life better by having been associated with him.

MR DAVIES (Victoria Park) [8.02 p.m.]: I wish to join my colleagues and the Premier in paying tribute to the late Herb Graham and to express how grateful and thankful I am for the great support he gave me and for the many arguments we had. It was impossible to know Herb Graham and be anywhere close to him without arguing with him. I sometimes thought he used to practise his debating prowess on we younger members. Sometimes, I think he acted as the devil's advocate. However, we always remained good friends and were always better off for the arguments and discussions we had with him.

I endorse all that has been said tonight and do not intend to repeat it. However, there is one thing that has been overlooked which I believe to be very important, and that is the fact that Herb Graham was fiercely nationalistic. He was proud of Australia and proud of being an Australian long before it became fashionable, as it has become in recent years and as it continues to be today. He was a member of the Australian Natives Association. No doubt, Mr Speaker, you will remember that, at one time, the only recognition of Australia Day used to come from the ANA; I recall it used to broadcast over radio station 6PR, and that seemed to be about the beginning and the end of our recognition of what should be a great holiday.

Herb Graham wanted to change all that, and if he did not change it on a national scale he

certainly managed to change it on a State scale because he was responsible for inaugurating Western Australia Week which, from a very small beginning, has developed into something of which we can all be proud.

We sympathise with his wife, Beryl, and his family; a great gap will be left in their lives.

I travelled overseas with both Mrs Graham and Herb, and enjoyed their companionship in many strange countries and situations. They were always good people to be with; people one was proud to call one's friends. I think each person on this side of the House, and each person in the Australian Labor Party, who knew Herb Graham, was proud to call him a friend.

Herb Graham always faced facts; there was never any half truth with him. I saw him four years ago last February when I thought he should have been overseas. He did not look well. I asked him why he was not overseas and he said, "I have cancer". He did not say, "I have a little stomach trouble" or, "I have a wog" or, "I am going into hospital to undergo investigation". He said, "I have cancer, and I am being operated on". The operation took place four years ago last Labour Day. I recall that he said, "What better day to be operated on than Labour Day?" We were all pleased that he made such a good recovery and had four years of quite good health. However, recently the cancer reappeared. Once again, to Herb Graham it was, "The cancer has reappeared". It was not rheumatism, arteries, or old age. I was pleased to hear the newsreader last night say, "Herb Graham died of cancer". He did not say, "After a long illness". There was no mystery about it. Right to the last, he faced facts. That was typical of Herb Graham.

Our sympathies go to his wife and family. They know that anything we can do to ease their way in the future we will be only too glad to do.

MR PEARCE (Gosnells) [8.06 p.m.]: Many members have acknowledged the prowess of the Hon. Herb Graham as a speaker or, to use the term most people associate with him, as an "orator". I wish briefly to support that sentiment, and to acknowledge his 50-year involvement with competitive debating in this State. Herb Graham became involved as a competitive debater in 1929, as a young man of 18, beginning thereby a 50-year association with the West Australian Debating League. In fact, members may not know that the last time Herb Graham spoke in this Chamber was not when he retired as a parliamentary member, but in September 1979, when he presented a parliamentary trophy to the winning team in the West Australian Debating

League, announcing at the same time that he was stepping down as patron of the league, a position he had held for many years, on the grounds that he wished to round off his association with the league after 50 years. He had that sense of completeness. Herb Graham arranged the finance for the trophy he presented by getting every member of this Parliament to contribute. He told me it took many months to accomplish that feat and that one person held out resolutely; however, Herb finally wore him down. He never would say who it was, which was typical of the man in another way.

When he presented the trophy he stood with his hands clasped in front of him and spoke with the same sonorous voice which not only reverberated around this Chamber in years gone by, but also echoed around the State.

I did not know Herb Graham as a parliamentary member, but as a result of his involvement in debating. I can understand from the stature of the man the impact he made on the State of Western Australia. This small side of his life of which I have spoken briefly tonight probably is not significant in assessing the man as a statesman; however, I think it is important to those of us who knew him as a man.

MR BATEMAN (Canning) [8.08 p.m.]: I support the remarks of members in this condolence motion. It is a sad occasion when we must support a motion such as this. Herb Graham was never one to waste time on such things as condolence motions. Knowing him as we did, we realise he would say, "Never mind that; get on with the business of Parliament for the betterment of this State of Western Australia". He served his whole life doing what he thought was right for this State, and for the people of Western Australia.

Herb Graham was a great inspiration to new members, and spared nothing in assisting them understand what the Parliament is all about. I agree with the member for Avon; there was many a time that Herb Graham would pull one of us aside and really dress us down on parliamentary procedure, or about not doing our homework or not playing the game as we were supposed to play it when Parliament was in session. On many occasions, we have had our differences and our arguments. This is what Herb liked most of all, because when we argued with him, he felt it brought out the best in us. So, he liked to do just that. Herb was a great politician and, rest assured, a great inspiration to me and to my colleagues who entered Parliament in 1968, and to those who came later.

Not only was the late Herb Graham my inspiration, but also he was a great friend to all of us. If ever we needed assistance, or if we were flagging, Herb was there to give us guidance and assistance. He will be missed sadly, not only by his family, but also by all people who knew him.

Herb Graham was a fighter for the cause in which he believed. That is how we will always remember him. I extend my sincerest sympathy and condolences to Beryl and all the family.

MR McPHARLIN (Mt. Marshall) [8.11 p.m.]: On behalf of the National Party, I join with other speakers in expressing condolences to the family of the late Herb Graham.

I remember coming into this House on the Government side, and Herb Graham was sitting on the front bench on the Opposition side. Before very long I took part in debates; and reference has been made to two of them. One debate was on the Scientology Bill, and another one was on the abolition of death duties. On both of those occasions, I was one member who received very strong attacks from one of the most capable debaters in this House. As a comparatively new member, on receiving that sort of attack I was set back a little. However, that sort of thing does one a lot of good. It makes one do one's homework properly.

The late Herb Graham contributed in that way. He was one of the most efficient and vigorous debaters in this House. He received criticism on many occasions for lengthy speeches—five and one-quarter hours on the Scientology Bill; and I remember another one that went for four hours. However, he was always vigorous and strong in his debates. No matter how savage was the attack across the floor of this House, and how violently differences of opinion were expressed in this Chamber, when one went outside one could talk with Herb Graham on a friendly basis. That was the stamp of the man who contributed for a period of 30 years to this Parliament and to the State.

I remember distinctly that on the night before Herb Graham retired, or very shortly before he retired, he was sitting on the front bench after dinner, and I said to him, "You're going to be missed from this Parliament". He said, "My contribution is but a drop in the bucket". We all ought to reflect on that—just a drop in the bucket. That was the philosophy of the man. He had a 30-year span of intensive dedication and contribution, and yet he was prepared to say, "It is but a drop in the bucket". I suppose that applies to all of us. However hard we may try,

however dedicated we may be, our contribution is but a drop in the bucket

I do extend to the family of the late Herb Graham the very deep sympathy of the National Party, and wish them all of the best that they can hope for in the years to come.

THE SPEAKER (Mr Thompson): I call upon members to rise in their places to signify their support for this motion.

Question passed, members standing.

TRANSPORT: BUS

Westfield Shopping Town: Petition

A petition bearing the signatures of 1 000 persons requesting a bus service, was presented by Mr Pearce, and directed to be brought to the Table of the House.

(See petition No. 1).

QUESTIONS

Questions were taken at this stage.

PUBLIC SERVICE AMENDMENT BILL

Leave to Introduce

MR O'CONNOR (Mt. Lawley—Premier) [8.25 p.m.]: Without notice, and in order to assert and maintain the undoubted rights and privileges of this House to initiate legislation, I move—

That leave be granted to introduce a Bill for "An Act to amend the Public Service Act, 1978-1980".

Question put and passed; leave granted.

Introduction and First Reading

Bill introduced, on motion by Mr O'Connor (Premier), and read a first time.

GOVERNOR'S SPEECH

Distribution of Copies

THE SPEAKER (Mr Thompson): Accompanied by honourable members of this Chamber, I attended His Excellency the Governor in the Legislative Council Chamber to hear the Speech which His Excellency was pleased to deliver to members of both Houses of Parliament. For the sake of greater accuracy, I have caused printed copies of the Speech to be distributed amongst members of this Chamber.

ADDRESS-IN-REPLY: FIRST DAY

Motion

MR WATT (Albany) [8.28 p.m.]: I move—

That the following Address-in-Reply to His Excellency's Speech be agreed to—

May it please your Excellency: We, the Legislative Assembly of the Parliament of the State of Western Australia in Parliament assembled, beg to express loyalty to our Most Gracious Sovereign, and to thank your Excellency for the Speech you have been pleased to address to Parliament.

Since the conclusion of the last session of Parliament we have seen the end of an era with the retirement of the former Premier (Sir Charles Court) and the election of a new Premier. I would like to place on record my appreciation of the contribution which Sir Charles Court made to the State of Western Australia. This sentiment was expressed eloquently by the Governor in his Speech tonight.

I would like to wish Sir Charles and Lady Court well for the future. I do not believe that Sir Charles Court has really retired—he has simply retired from politics. He is too young to retire.

I would like also to offer my congratulations to the two new members of Cabinet, the Minister for Housing (Mr Shalders) and the Honorary Minister for Education (Mr Clarko) and to wish them well. Of course, I offer our new Premier my congratulations on his appointment, and wish him every success in his endeavours on behalf of the people of the State.

I would like to offer my best wishes also to the two new members who were sworn in tonight—the member for Nedlands and the member for Swan. I trust they will find satisfaction from and rewards in the challenges they will face as they seek to serve the people who have elected them.

It is unlikely many people will argue with me when I say one of the most serious problems concerning the people of Australia at the moment is that of home ownership.

Mr Brian Burke: Hear, hear!

Mr WATT: Today's announcement by the Commonwealth Government contained some good and some bad news and only time will tell whether the proposal will be effective.

The housing problem falls into two areas. The first relates to the fall in home ownership which is caused by an increasing difficulty to bridge the deposit gap. It is becoming more and more difficult to find the sum of money necessary to make up a deposit in order to build or purchase a home. It is also caused by the increasing difficulty people are experiencing in repaying the loans they have negotiated to buy their homes. As interest rates increase, a higher and higher proportion of the family's wage is required to service the loan,

leaving less money for the other expenses the family has to meet. The other area which is being affected by the housing problem is the building industry. Not only does the problem relate to rising interest rates, but also the availability of funds for housing creates difficulties, and the two matters are very closely related.

I do not claim to be an economist, but it seems to me that if one attempts to subsidise the interest rates charged on money that is available for lending without increasing the available supply of loan funds, one could in fact drive up the price of the money available for home lending and the subsidy would not benefit either home purchasers or builders. Indeed, that appears to have happened already to some extent with today's announcement which indicates a subsidy on the one hand and a rise in interest rates on the other hand.

What is needed in addition to a subsidy for existing borrowers is an increase in the availability of capital. In today's *The West Australian* it was reported that the banks had told the Government they could expect to make available an additional \$400 million a year under the housing package. Only time will tell whether or not that becomes a reality.

Mr Brian Burke: People cannot afford the repayments.

Mr WATT: I should like to speak briefly to the proposal by the Premier which sought to raise money by a special negotiable security up to a limit of \$100 million a year. This would increase the availability of capital and have very little effect on the community generally. This scheme has been rather well publicised.

Mr Brian Burke: Mr Sorenson thought it was pretty shocking.

Mr O'Connor: He wrote back and said it was an excellent scheme.

Mr Brian Burke: He did not say that in the Press. He may have said something different in a letter to you.

Mr WATT: The scheme, which has been well publicised, proposes that the bonds, issued at par, would attract an interest rate of 10 per cent, but would be entitled to a tax rebate of 32c in the dollar. This would be attractive to a number of people and it would result in the availability of a great deal of money which is not being invested at the moment.

The scheme also has been modified to include the proposal by the Victorian Premier to the effect that the interest earned would not affect any pension entitlements. We all know sums of

money are being invested by pensioners in non-interest bearing deposits in order that pension entitlements are not affected.

I hope the State Premiers who have expressed a preference for this proposal out of a number of proposals put to them will be able to convince the Commonwealth of its merits in order that it may be proceeded with.

The control of both availability and cost of housing funds is essentially a Commonwealth issue, but this Government is to be commended for the initiatives it has taken, some of which were described tonight in answer to a question without notice. The mortgage assessment and relief committee has already approved subsidies to almost 300 people. That is indeed commendable. However, it does not mean we should cease our activities in this area; we must continue the battle.

I should like to turn now to another matter of special interest to non-metropolitan residents. A great deal of comment and discussion has occurred, especially in the country and particularly in major regional centres, on the subject of what some people refer to as "decentralisation", but which I prefer to call "regional development".

It is rather interesting to observe the way in which people's understanding of the subject differs.

Mr Brian Burke: You have not got either in Albany.

Mr WATT: Smaller country towns are sensitive about growth in regional centres, claiming centralism occurs there. The regional towns complain of centralism in Perth, while Perth, and for that matter the whole of the State, complains about the centralism which occurs in Canberra.

Governments generally are criticised for their lack of centralisation policies and sense of direction in that area, despite their stated support of the concept.

However, I sometimes think the criticisms are a little unfair. To a large extent I see the Government's role as providing the climate and the facilities which will enable industry to establish and communities to exist, so far as is possible, on terms comparable with those of their metropolitan counterparts. By this I mean that they should provide the power supplies, the water supplies, the roads, the schools, and all the other services which are needed in a community, and this should be done at a cost comparable with that charged in the metropolitan area.

For example, this State already heavily subsidises power and water supplies for country consumers to the extent that, in the case of electricity supplies, the charges are the same and, in the case of water supplies, they are much the same, bearing in mind they are on a different rating structure for their commodities.

However, while that is fine as far as it goes, it is obviously not sufficient to attract industry away from the metropolitan area where perhaps the advantages are obvious and the disadvantages are not so obvious.

The cost pressures on a massive urban sprawl are enormous and it is an acknowledged fact that the cost *per capita* of providing the total range of community requirements in regional centres is substantially less than the cost in the city. Freeways, costly bridges like the Mt. Henry bridge, and land resumptions such as that which is occurring in Servetus Street, become necessary only when a massive build-up in population occurs.

The consequences of civil disasters such as earthquakes and fires, or, worse still, the event of hostilities, should make it imperative for us to provide alternative communities. In other words, it is a dangerous policy to have all one's eggs in one basket. For example, we are far too dependent on the port facilities of Fremantle and Cockburn Sound and the water supplies of the Darling Scarp.

Mr Barnett: What about the facility at Cockburn Sound?

Mr WATT: It is interesting that the member for Rockingham comments about the port facilities at Cockburn Sound. If he is referring to the naval base at HMAS *Stirling*, I can assure him we regard that as a grave error and we believe it should have been established at Albany.

The question arises as to how we should improve the regional centres. How do we make them more viable and self-supporting, and how do we convince industry that there may be advantages in locating in a country region? What can or should Governments do to help bring this about?

Mr Brian Burke: Vote Labor!

Mr WATT: This State has a number of means by which it is intended that industry should be assisted. The Industry (Advances) Act was amended in 1980 to provide four key areas in which assistance can be given. They are a guarantee scheme; a capital establishment scheme; a regional industry assistance scheme; and a residual indemnity scheme for small industrial undertakings. With the exception of the regional industry assistance scheme, these are

available to assist industries in both metropolitan and country locations.

Mr Bryce: They are all part of the Labor Party's platform. I wrote it. It is excellent stuff!

Mr WATT: Since 1980 we have had a reasonable time to observe the effectiveness of these schemes and I very much regret that despite the fact that they are an improvement over the old schemes they are not working as effectively as they should. The main problem seems to me to occur with the guarantee scheme. A loan guarantee obviously makes the loan a gilt-edged arrangement for a banker, because no risk is involved. If the business fails, the Government picks up the tab.

The process through which an application for a loan guarantee must go before a decision is made is also excessively cumbersome, although it was improved significantly in 1980.

If the application is for less than \$100 000, it is processed by the Department of Industrial Development and Commerce and the Minister may then approve or reject the application. If, on the other hand, the request is for a guarantee in excess of \$100 000, the process is extremely cumbersome.

In either case, the Government may guarantee loans from lending institutions only where the applicant is unable to obtain a normal commercial loan on a "bank-risk" basis. Therefore, the viability of the venture is doubtful from the start. I think the banks are generally too conservative in their lending policies and should be prepared to take a few more calculated risks. On one occasion, I was told by a person trying to obtain some money for a venture in Albany that the bank would not lend money, but said that if the proposal had been in Perth it would have been accepted. Money was available in Perth but not in the region. I criticise the banks for that policy.

If an application for more than \$100 000 is approved by the officers of the Department of Industrial Development and Commerce after their thorough investigation, it is then referred to the Treasury where it again is subjected to a very close scrutiny. Bearing in mind that one can apply only when all else fails, and one must then survive the scrutiny of both the Department of Industrial Development and Commerce, and the Treasury, which are looking to see if the proposal is viable, the chances of approval are extremely remote. If it is unacceptable to any normal lending criteria, how can it satisfy the Treasury? The Treasury, too, must be prepared to take a few more calculated risks.

An Opposition member: It's taxpayers' money.

Mr WATT: Notwithstanding the fact that it is taxpayers' money with which we are dealing, if we are going to assist industry to establish in regions like the electorates of Kalgoorlie and my own, and if we are to do anything to provide employment opportunities for the people there, we must be more flexible in our approach.

The time taken for all this to happen could be six months or even more, during which time the applicant does not know what to do. His limited capital loses value and starts to dwindle and there is a good chance that, if it were approved, the project would be no longer viable.

This means that the number of country applicants is likely to be limited because of the inordinately long time which it usually takes to process an application, the fact that a 40 per cent equity is usually required to provide a reasonable interest, and the fact that the proposal has usually already been knocked back by the Commonwealth Development Bank, in addition to the private banks.

The incentive of an establishment grant which can be up to 15 per cent of capital required in the country or 10 per cent in the metropolitan area is a good concept, but, again, appears not to be working. In truth, to a larger organisation the maximum of \$200 000 well may be negligible in the overall establishment costs.

Considerable room for flexibility is given in all these incentives in the proviso that the projects must be "in the best interests of the State". This could well mean projects are knocked back and those involved might never know the reason.

So I think we can assume that, while the range of incentives has a value, it probably has little real impact in the decentralisation process. They have been described as the "icing on the cake" rather than the "carrot" which should be dangled as an incentive. In truth, they are generally not large enough to affect the viability of a reasonably-sized project. If they did, the project's viability without Government assistance probably would be suspect, anyway. It may be that financial incentives have more value for Governments and Oppositions to argue about than any value in achieving a real and significant level of decentralisation.

What then is the alternative? I would like two things to occur. Firstly, I would like the Government to sponsor a study in Western Australia to determine the real cost *per capita* of providing community needs, such as roads, freeways, bridges, sewerage and effluent disposal, transport, industrial estates, hospitals, parking, and parks and reserves—the whole range.

About 1970 the Commonwealth Government financed a study of this type in New South Wales to determine the relative costs of providing the necessary facilities to increase the population by 100 000 people. The brief for that study was to identify the public cost, including all those facilities supplied by Commonwealth, State, and local Governments, to add 100 000 people to the city of Sydney and 10 country cities and towns. I believe the Commonwealth Government agreed only because it was convinced the costs would be less in the city. In fact, prices were dramatically lower in the country.

Most large cities are under-designed and their facilities are usually only just keeping pace with demand. By contrast, most regional towns are over designed, with considerable potential for growth at limited additional cost.

When the report of the New South Wales study was produced it showed that Dubbo's costs were less than half those in the Sydney area.

I would like this Government to sponsor a similar study in Western Australian for centres such as Geraldton, Bunbury, Albany, and Kalgoorlie, perhaps based on an increase in population of, say, 50 000 people. Assuming the results of such a study would be similar to those of the New South Wales study, the second thing I would like is a deliberate policy by the Government and all its agencies to restrict the growth, expansion, or establishment of certain industrial activities in the city and metropolitan area, requiring them to establish in decentralised locations.

For example, industrial land for such things as steel fabrication now taking place south of Perth can be provided far more cheaply in the country. The Government could provide land in regional locations for ship building and certain types of noxious industries which would obviously be better suited to a regional location.

Mr Brian Burke: Ship building at Northam.

Mr WATT: The incredible alternative.

Mr Brian Burke: Do not be so nonsensical.

Mr WATT: Such industries then would be forced to consider future expansion in a decentralised situation. The Government would need to have the political courage to back such a scheme because it also would require the provision of the necessary facilities. I am already on record as saying how inappropriate the live sheep trade is for Fremantle. This trade is obviously suited to ports like Albany and Esperance, and facilities should not be permitted at Kwinana.

Mr Brian Burke: You have been in Government for eight years.

Mr WATT: Given a little time, selected industries which were relocated would improve and expand as they gained community acceptance and improved regional facilities.

Regional communities must be assisted by Government in a practical and businesslike way to reach a self-sustaining size. This would be of tremendous benefit to local government bodies in the regions, which are already facing tremendous difficulties trying to provide better civic facilities.

I welcome the Government's campaign announced today in *The West Australian* to attract industry from the Eastern States; but the very arguments being used to do so apply equally to the regional centres of our State which also could stand to gain considerably.

Mr Parker: It is a pity you cannot convince the Government of that.

Mr WATT: Different regional centres do have advantages of location, facilities, climate, or other things, and these must be developed to allow deliberate and planned growth. The alternative is an escalation in the urban sprawl, the disproportionate costs which that involves which are a dis-economy, in both social and economic terms, while regional centres will still battle on with their losing war against the centralism of shipping and industry in the metropolitan areas and the Eastern States.

I urge the Government seriously to consider the study of comparative costs I have proposed and, if it produces the results I think it will, to take a fresh look at the whole question of assistance to industry, especially small industry in the regions.

I commend the motion to the House.

DR DADOUR (Subiaco) [8.48 p.m.]: I formally second the motion.

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

ADJOURNMENT OF THE HOUSE: SPECIAL

MR O'CONNOR (Mt. Lawley—Premier) [8.49 p.m.]: I move—

That the House at its rising adjourn until 4.30 p.m. Tuesday, 23 March.

Question put and passed.

House adjourned at 8.50 p.m.

QUESTIONS WITHOUT NOTICE

INCOME TAX

Tax Sharing Arrangements

1. Mr BRIAN BURKE, to the Treasurer:

Does he support the change from personal income tax collections to total Commonwealth taxation receipts as the basis for tax sharing between the Commonwealth and the States; and, if so, for what reasons?

Mr O'CONNOR replied:

No.

FUEL AND ENERGY: PETROL

Prices

2. Mr TONKIN, to the Treasurer:

(1) Is he aware of the tremendous impact that the highest fuel prices in Australia have on country residents, and the way they affect decentralisation in Western Australia?

(2) I refer him to comments in *The West Australian* attributed to the Honorary Minister for Consumer Affairs in which the Minister rejects any possibility of our introducing in Western Australia legislation similar to that in New South Wales, South Australia, and Victoria, which has reduced the wholesale price of petrol by 3c a litre. Do the comments of the Honorary Minister for Consumer Affairs accurately reflect the policy of the Government on this matter; and, if so, how does the Government justify denying cheaper petrol to Western Australian motorists?

Mr O'CONNOR replied:

(1) and (2) A fair amount of work has been done by the Minister for Labour and Industry in this State in connection with the aspect referred to by the member who said that the wholesale price of fuel is 3c a litre cheaper in the Eastern States than it is in Western Australia. If he looks into this matter, he will discover that the retail price is approximately the same.

Mr Tonkin: Nonsense!

Mr O'CONNOR: While it is dearer in some places it is cheaper in others. This has

been proved by figures obtained by the Department of Labour and Industry and the Bureau of Consumer Affairs.

Mr Tonkin: What about country areas?

Mr O'CONNOR: I am talking about the State generally. In some country areas an additional cost is involved because of the distance to be travelled, particularly in remote areas, where there is very little fuel turnover.

The answer to the member's question is "Yes"; I support the comments made by the Minister for Labour and Industry and as far as possible, we will endeavour to ensure that the price of fuel in this State remains comparable with the price in other States.

HOUSING: INTEREST RATES

Opposition's Proposal: Cost

3. Mr HERZFELD, to the Premier:

I refer him to an advertisement in *The West Australian* in which the Leader of the Opposition promulgated his 12 solutions to the problem of rising housing interest rates.

Noting that the Leader of the Opposition claims the cost of his proposal to be between \$6 and \$7 million, I ask—

(1) Has he had the proposal costed?

(2) If "yes", what are these costs—

(a) to State Treasury;

(b) to the Commonwealth Treasury, and in particular the proposal for converting future family allowances into a lump sum payment?

(3) Would he outline the initiatives already taken by the Western Australian Government and advise when they were taken?

Mr O'CONNOR replied:

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

- (1) No, but an examination of the proposals indicates that the cost would considerably exceed \$7 million and it should be borne in mind that it is the general taxpayer who will have to contribute by one means or another. The Leader of the Opposition should be prepared to supply the public with detailed calculations justifying his cost estimates so that taxpayers can judge the true merits of the proposals in terms of the cost to them.

Mr Brian Burke: I will give you the whole scheme. You are having trouble yourself.

Mr O'CONNOR: We are not having troubles.

An Opposition member: You mean you have a house for yourself?

Mr O'CONNOR: If the member would like to listen, he will hear of some of the things we are doing. The Leader of the Opposition is behind in some of the things he mentioned because they were done weeks or months ago. To continue—

The family allowance scheme, unless discounted, could cost hundreds of millions of dollars

Mr Brian Burke: Rubbish!

Mr O'CONNOR: I have conferred with Treasury about this.

Mr Pearce: You said you had not had it costed; that was the beginning of your answer.

Mr O'CONNOR: I said that I did not know whether it had been discounted, and that unless it was discounted, probably it would cost hundreds of millions of dollars. I hope the member will listen next time. My reply continues—

(2) Answered by (1).

(3) A variety of initiatives have been taken by the Western Australian Government over the last year.

Interest rate subsidy (all homes)

Interest rate subsidy (new homes)

Stamp duty relief

Mortgage relief
Loans for housing pensioner parents
Pensioner housing—joint programmes
Land partnerships
Sale of SHC rental homes to tenants
Home purchase loans scheme
Ingoing costs relief

I request permission to table the information relating to these initiatives.

The information was tabled (see paper No. 7).

RAILWAYS

Australind Service

4. Mr McIVER, to the Minister for Transport:

I wish to direct a question, of which some prior notice was given, to the Minister for Transport. The question is as follows—

- (1) Is it a fact that the Government intends to discontinue the Australind passenger service Perth to Bunbury and replace the service with buses?
- (2) If the answer to (1) is "yes", when will the service cease and what buses will operate on the route?
- (3) When were the Australind coaches refurbished and what was the total cost involved?
- (4) If the rail passenger service is to cease, will the Minister explain the reasons, having regard for the fact that the Government has informed Parliament and the residents of Bunbury on many occasions the Australind passenger rail service will be maintained?

Mr RUSHTON replied:

I thank the member for Avon for some notice of his question, the reply to which is as follows—

- (1) to (4) There is no truth in the member's suggestion.

In fact it also coincides with rumours I am getting that the *Prospector* service may cease and Westrail's midland workshops may

be sold. These rumours are completely false.

In regard to the Australind service, patronage is increasing and the carriages were overhauled between 1977 and 1980 at a cost of \$325 000—hardly ingredients for the service to be discontinued.

The Government in fact is positively planning for the future and the Commissioner of Railways is working on an economic study

into a possible replacement passenger train for the Perth to Bunbury route. Present thinking is that a replacement train—probably similar to the *Prospector* standard of comfort—will be necessary within the next five years.

The SPEAKER: Order! I call on the Premier to move the privilege Bill.

