

Legislative Assembly

Tuesday, 3 August 1982

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

LEGISLATIVE ASSEMBLY: PROCEEDINGS

Misreporting by TVW Channel 7: Statement by Speaker

THE SPEAKER (Mr Thompson): On 13 May this year I found it necessary to draw to the attention of members of this House a serious matter of misrepresentation on the part of TVW Channel 7 in a news item concerning the visit of certain school children to this Parliament. On the following day I wrote to the News Editor of Channel 7 and, having received no written response, on 16 June I again wrote, this time to the Chairman of TVW Enterprises.

In my statement I referred to the fact that the news item had appeared under the caption "Uproar" and would have left the impression on viewers that uproar had occurred in this House. The news item gave the impression that in a debate in the House "accusations flew thick and fast" as soon as the children left the Chamber.

As all members know, this was absolutely not the case. In keeping with my undertaking to the House on 13 May, I have requested an apology from the television station concerned. I have received that apology in a letter from TVW Enterprises Limited dated 21 June 1982. It is addressed to me and reads as follows—

Thank you for your letter of the 16th June 1982.

I did speak to the Leader of the Opposition who advised me that he did not wish to take the matter any further.

I also obtained written reports from the journalist and cameraman involved. They state that the word "uproar" was used by yourself in your discussion with them after the film and, consequently, that was how the word came to be used in the news item.

My own assessment would be that the journalist concerned misunderstood your statement and acted in good faith but I think with less care than was necessary in the circumstances and I think that the ultimate report did misrepresent the subsequent proceedings in the House.

I wish to record an apology on behalf of the Company to you for this report. The

persons responsible have been reprimanded for failing to observe a high enough standard of care in reporting the procedures of the House.

Kind regards.

Yours sincerely,

And the letter is signed by M. R. H. Holmes a Court.

Mr Holmes a Court's letter makes reference to my discussions with a journalist. I said nothing to the journalist that would reasonably give rise to the blatant misrepresentation implicit in the news item.

The apology having been received, I now submit to the House that no good purpose can be served by taking the matter any further.

MEMBER FOR MT. MARSHALL

National Country Party Membership

THE SPEAKER (Mr Thompson): I have received a communication from the member for Mt. Marshall. It is addressed to me, dated 24 May 1982, and it reads—

I wish to advise that I have now re-joined the National Country Party and will be representing my electorate as a member of that Party, and consequently as a member of the governing Parties.

Instructions have been given to have the necessary alterations made to the records of the House.

BILLS

As to Messages: Appropriations

MR PEARCE (Gosnells) [4.35 p.m.]: While you are giving out edicts, Mr Speaker, could I ask when you are intending to rule on the points of order raised in regard to messages of appropriation for the Equal Opportunity Bill introduced by me and the Racing, Trotting and Greyhound Racing Appeal Tribunal Bill introduced by the member for Canning.

Speaker's Ruling

THE SPEAKER: The situation is that there is a requirement for Bills that appropriate revenue to be accompanied by a message and for the messages with respect to such Bills to be presented within the session that the Bill comes before the House. No such message has been received and, until such time as one is received, the Bill to which the member refers will be left in its present position on the notice paper. If someone is prepared to advise me that there is no

chance of a message being presented, I would have no alternative but to rule the Bill out of order.

Points of Order

Mr PEARCE: On a point of order, Sir, I do not wish to take up time on this matter and I appreciate that in regard to the Bill I introduced a message is required. That point is beyond dispute. Do I understand from your comments that the Bill will remain at the bottom of the notice paper until the end of this session when it will lapse? If that is the situation, then the Bill introduced by the member for Canning is in a quite different category. The member for Canning does not concede that a message is required in relation to the Racing, Trotting and Greyhound Racing Appeal Tribunal Bill. If I remember correctly, in this case the question about a message was raised by the then Chief Secretary. Do I take it that you are waiting to see whether a message arrives in this case?

The SPEAKER: I have not been asked to rule on the matter of a message for the Racing, Trotting and Greyhound Racing Appeal Tribunal Bill. If I were required to rule on that matter, I would rule in the way that I have ruled on the Bill introduced by the member for Gosnells.

Mr BATEMAN: I rise on a point of order, Mr Speaker. In regard to the Bill I introduced, absolutely no cost to the Crown is involved, so I do not know how you can make such a decision without a more careful investigation of the matter. A similar Bill was allowed to proceed by a former Speaker, so if you rule as you have said you do, you would be ruling against that Speaker. I cannot see how you could do so because the Bill will not incur a cost against the Crown. Any cost involved would be borne by the three associations concerned. There has been no thorough investigation of the Bill so I cannot see how you can rule as you have done.

The SPEAKER: Perhaps my comment was a little premature. I discussed this matter with the Clerks and a statement is being drafted presently to deal with the Bills referred to. I believe the matter should rest until that has been prepared. I will then make the statement in the House and it can be discussed at that stage.

HOUSING: INTEREST RATES

Appointment of Standing Committee: Motion

MR WILSON (Dianella) [4.55 p.m.]: I move—

That in the opinion of this House a Standing Committee on interest rates should

be established with special reference to home finance.

Only a decade ago the goal of home ownership was unquestioned in Australia; it was a right to be enjoyed and encouraged as a symbol of prosperity and a path to growth. All that has changed, and some influential areas of the Commonwealth Government continually have been advancing high-powered arguments in support of less investment in and assistance for housing. The most noticeable figure amongst these areas has been the Federal Secretary to the Treasury (Mr John Stone) who in a speech delivered in November last year warned of what he called the perils—the perils!—of devoting too many of the economy's resources to housing. He claimed that the measures to succeed in making home ownership more attractive have the effect, by definition, of bringing about more investment in dwellings than would otherwise occur, so that increased investment generated in the home-building sector of the economy could only reduce the availability of savings to finance resource and other development. There is every indication that this kind of reasoning is sinking through from the bureaucrats in the Treasury to the politicians in the Federal Liberal Government. I believe no greater evidence of that is available than the package of housing measures announced in March.

Although the Federal Treasury lost its argument against tax rebates for interest payments, it was able to score what I think was a more significant victory, and set in train the diminishment of housing priorities. More subtle indications of this radical shift in the Federal Government's policy on the relative priorities of home ownership have come in statements by the Federal Treasurer and the Prime Minister in which those men have sought to play down the effects of interest rate increases on home ownership levels. Their comments have included statements to the effect that no evidence exists to indicate people are being forced out of their homes as a result of high mortgage repayments. Their comments have included also statements which, if put into practice, were meaningless, and based on insubstantial data.

These people were not concerned to take into account the sacrifices and social costs involved in many home buyers desperately striving to retain their homes at all costs. Those costs are indeed considerable in individual cases, examples of which must have been made known during the past 12 months or so to members on both sides of this Parliament.

In some cases, people have been forced to sell their furniture in order to hang on to their homes. In other cases, the struggle to maintain home repayments has led to increased rates of marital breakdown.

There can be little credibility for those in the housing industry and those in the financial institutions who try to turn the argument, as they do from time to time, and say that people are being forced to give up their homes because of marital breakups. It is a ridiculous twist of the truth because the truth is that the increased rates of marital breakdown, in a depressed financial situation, are due to the extra strain and stress placed on a family striving to keep up with increased mortgage payments.

Mr Herzfeld: What evidence have you?

Mr WILSON: If the member for Mundaring wishes to ask that sort of question and is stupid enough to sit there complacently while asking that question, he has no right to be in this House.

Opposition members: Hear, hear!

Mr WILSON: He has no right to represent people in this Parliament because he is out of touch with reality. If he has to ask that question he has no right to represent people. Many people in his own electorate are faced with this problem.

Mr Herzfeld: At least I am honest.

Mr WILSON: About what? Many people in the member for Mundaring's electorate are facing these problems and are not receiving an ounce of sympathy or compassion from the member or the Government.

Mr McIver: Many people in the country are losing their homes every week.

Mr WILSON: The member is asking, in a clinical way, what evidence I have. He should ask the home buyers in his own electorate.

Mr Herzfeld interjected.

Mr Brian Burke: You are out of touch.

Several members interjected.

The ACTING SPEAKER (Mr Watt): Order!

Mr WILSON: The member for Mundaring will have plenty of evidence if he asks the home buyers in the electorate of the member for Whitford. He should ask those people if they are being forced to give up their homes because of the increased mortgage rates. Do not let me hear the member for Whitford ask that sort of unfeeling, insensitive question about people suffering this hardship!

Mr Herzfeld: You made a statement that the cost of finance was causing marital breakups.

Mr Bertram: Not unusual!

Mr WILSON: Mr Acting Speaker, you will not mind if I break in on the member for Mundaring because I am addressing myself to the Chair.

Mr Bryce: Mendacious member for Mundaring.

Mr WILSON: The evidence the member for Mundaring asks for is evidence he had better seek amongst his own electors, who are being pressured into hardship.

Other people are in the position where wives are being forced to work outside the home in order to meet these increased mortgage payments. The member for Mundaring and those other members who have interjected might find themselves at variance with their own argument from time to time, because the member is always telling us about his regret about the breakdown of the family and the increased welfare payments being made to separated parents and so on. Let us look at the social costs involved and find the explanation for them. The increase in interest repayments that people are having to meet in order to preserve the security of their own homes is one explanation for the costs.

Let us not ask clinical questions such as "Where is the evidence?" The evidence is clearly in front of us—in the cases that are coming to the Labor members of Parliament in their electorate offices. I am not surprised that people are not going to the members of the Government because the response they would receive—as indicated by the member for Mundaring—would be negligible and therefore they would be wasting their time.

The Opposition recognises that the prime responsibility for interest rates rests with the Federal Government. However, given this drift from a firm commitment on the part of that Federal Liberal Government to home ownership, the State Government is required to take a firm stand.

Mr Brian Burke: Should be doing more.

Mr WILSON: The State Government should be doing more, as my leader said. If the Premier wishes to laugh about that comment, that is his affair. I would think he has very little to laugh about because it was at the last Premiers' Conference, after this Premier had surrendered the right of the States to have any influence in the setting of bond rates which govern—

Mr O'Connor: Did the Premiers for New South Wales and Victoria agree to that also?

Mr Brian Burke: It is still the wrong decision.

Mr WILSON: The Premier is not answerable to the Premier of New South Wales or the Premier of Victoria; he is answerable to the

people of Western Australia. The Premier should not talk about the Premiers of New South Wales and Victoria; he should talk about the people of Western Australia who are his responsibility.

Mr Brian Burke: Hear, hear!

Mr WILSON: They are the people he has to serve, not the people of Victoria and New South Wales. We in the Opposition address ourselves to the interests of the people of Western Australia and the Premier would do well to do the same.

Mr O'Connor: That would be a change if you did.

Mr WILSON: This Premier caved in at the last Premiers' Conference. This Premier caved in to the Federal Government on the question of interest rates. He caved in—he caved in!

Mr O'Connor: What were those words you used four times?

Mr WILSON: A few days after he had caved in to the Federal Government on the question of interest rates, a Federal Government committee met on the subject with a recommendation before them that the interest rate should be increased by two per cent. It was not to be two per cent. A few days later the Federal Government was not shy to come forward and announce an increase of 1½ per cent on the bond rate. That was a direct result of the decision by the Premier of Western Australia.

Mr O'Connor: It was not.

Mr WILSON: It was along with the Premiers of other States—if he wishes. He caved in to the Federal Government on the question of interest rates. I notice that shortly afterwards, when tackled on the subject, he shrugged it off and said it would mean a mere ½ per cent increase for home buyers, as though ½ per cent was acceptable.

He made no protest or criticism; he simply accepted the fact with the words that it would mean only a mere ½ per cent increase in home interest rates. He was quite happy to accept that.

Mr O'Connor: Can you tell me where I accepted the increase?

Several members interjected.

The ACTING SPEAKER (Mr Watt): Order!

Mr WILSON: The Premier now is trying to salvage some respect, after having been a party to a Government which made this decision on home interest rates. His excuse has been that it is only a mere ½ per cent increase and he is quite happy to accept that situation.

Others, of course, have a different view. They are convinced that in a number of months—possibly by the end of this year—the

result will be something like a 1½ per cent increase in home interest rates. Many home owners will be driven to the wall as a result of that increase.

What we have is a deliberate monetary policy of the Federal Government, based on high interest rates and complemented by a State Government which has not been prepared to take a firm stand against its Federal counterpart on this issue.

The situation in Western Australia is especially grim and there is a particular reason for that. In that package which was introduced by the Federal Liberals in March, a biased degree of attention was given to borrowers from savings banks to the exclusion of borrowers from building societies. That situation has been and will continue to be felt hardest in Western Australia. The Federal Government has again shown its scant concern for the special needs of Western Australia.

Between February 1981 and February 1982, the building societies' share of the market in Western Australia fell from 56.7 per cent to 40.8 per cent and loan approvals fell from \$32.6 million to \$20.9 million. Even at almost 41 per cent, the building societies' share of the market in Western Australia was well ahead of the Australian average of 28½ per cent.

In the same period the savings banks increased their share of the home loan market from 26.2 per cent to 33.5 per cent while lending increased from \$16.24 million to only \$16.90 million. The total assets of building societies in Western Australia amount to something of the order of \$2 300 million.

When we consider that amount in relation to the size of our population, we realise it makes for a relative giant when compared with the situation in Victoria which has a population four times ours and has raised total assets for building societies at only \$2 400 million.

There is a special case for Western Australia as far as increases in interest rates go because of the relatively high proportion that the building societies hold here and the extra disadvantage that has been suffered by the building societies and by those people who have obtained loans from building societies in Western Australia.

What is required is a more gutsy and firm stand by the Western Australian Government against the Federal Government on this question of interest rates.

Mr Brian Burke: Hear, hear!

Mr WILSON: Such a stand would be strengthened by a standing committee on home interest rates which would allow a free flow of

public information from Western Australian financial institutions, including home buyers, building societies, the construction industry and others in establishing housing priorities. Such a standing committee would allow the accumulation of information which would reflect the true situation affecting home buyers in Western Australia and allow the Government to pitch its programmes more accurately in line with the needs of the people in this State.

I am afraid that if the attitude of the Government is reflected by the interjections and banal questions of the member for Mundaring, we cannot be very hopeful of this Government's ability to take a firm stand and accept this sensible motion which I am pleased to put forward on behalf of the Opposition.

MR BRIAN BURKE (Balcatta—Leader of the Opposition) [5.14 p.m.]: I second the motion moved so ably by the member for Dianella. I say quite clearly to members of this House that if the Government fails to support this motion, let the public understand it is not dinkum about trying to do anything to combat high and rising home loan interest rates. This is not a political motion; this motion does not seek to criticise the Government. If members read the motion—obviously, the member for Mundaring has not bothered to do so—they will see it contains neither explicit nor implicit criticism of the Government's performance.

What the motion seeks to do quite simply is to establish a standing committee of this Parliament which will be able to assemble expert advice and information on what is the most pressing social problem facing the community today. It seems clear to members of the Opposition that the Government's apparent reluctance to support this seemingly innocuous motion firstly underlines its inability and incompetence and its failure to grasp the realities of this issue and, secondly, demonstrates very clearly that the Government is not sincere about trying to do anything to combat high and rising home loan interest rates.

In a nutshell the Opposition puts the point of view that the Government should be doing more than it is doing. The Premier is on public record as saying, "I cannot do anything about home loan interest rates." I heard him say that on a radio news broadcast. He followed it up with the clincher, "If Mr Burke thinks I can do anything about home loan interest rates, he thinks I am smarter than I am." I can tell the Premier that the second part of his proposition is not true: I do not think he is smarter than he is. In regard to the first part of his proposition, given a chance the Opposition will do something about home loan

interest rates. The Government may be bereft of ideas, but the Opposition is not.

Mr MacKinnon: I hope you are going to explain exactly what it will be.

Mr Sibson: You will buy all the homes for the State.

Mr BRIAN BURKE: The Opposition believes it is neither appropriate nor acceptable for the Premier to say he can do nothing about home loan interest rates.

Mr O'Connor: What would you do?

Mr BRIAN BURKE: In a few moments, I will tell the Premier in chapter and verse what I would do. In addition, I will tell him a few of the things I would not do. One of the things I would not do is indulge in the sort of harmful nonsense contained in his housing bonds proposal. I will explain in detail just why that proposition deserves the support of neither the other Premiers—whether or not that support actually is forthcoming—nor the building societies and other financial institutions. Indeed, the building societies, through the former president of the association (Mr Harry Sorrenson) are on record as stating that the housing bonds scheme is a piece of nonsense.

Mr O'Connor: You had better ask Mr Sorrenson to give you a copy of the letter he sent to me.

Mr BRIAN BURKE: We will demonstrate that that is true in a moment or so before we outline to members exactly what State Governments can do. The first thing State Governments can do is not to accept defeat.

Mr O'Connor: That in itself would not achieve a reduction in interest rates.

Mr BRIAN BURKE: I would put to the Premier and members of the Government that if they start from the point where they say, "We can do nothing", they will actually achieve very little; that seems to me to be self-evidently true, and represents the first conviction to stand against this Government's record in the matter of home loan interest rates.

Let us look at the housing bonds scheme put forward by the Premier amid much fanfare.

Mr O'Connor: Supported by Treasury, by banks, and by the Premiers of other States.

Mr BRIAN BURKE: The Premier seems to think that because Mr Bjelke-Petersen or Mr Wran supports a proposition, somehow or other the Opposition must accept that it is worth while.

Mr O'Connor: I did not say that.

Mr Wilson: Yes you did.

Mr O'Connor: You are stupid.

Mr BRIAN BURKE: One might ask the Premier whether he intends to throw over the concept of a sugar industry on the Ord simply because Mr Bjelke-Petersen opposes it. I do not think the Premier would agree that Mr Bjelke-Petersen's opposition was a good and sufficient reason for him to abandon plans for that industry. We say that, simply because the Premier of this State or that State accepts an idea as worthy of investigation—and that is what was accepted—it does not automatically follow that the idea is worth while, and will be beneficial to the State.

The truth is this: The housing bonds scheme proposed by this State Government in its only feeble and weak attempt to do anything about combating home loan interest rates would simply redirect scarce housing funds from one loan institution to another.

Mr O'Connor: That is not so.

Mr BRIAN BURKE: I ask the Premier how he can guarantee that people at present investing in building societies would be prevented from simply taking their money out of their building society accounts and investing it at a tax-free or low-tax rate in housing bonds.

Mr O'Connor: You have not gone through the whole process and you do not know what you are talking about. We will give all those details directly.

Mr BRIAN BURKE: I have 38 minutes remaining for the Premier to answer that simple question—

Mr Pearce: And there are plenty more members on this side who are prepared to ask it.

Mr BRIAN BURKE: I repeat: How can the Premier guarantee people will not withdraw money from one savings institution—perhaps a building society, which provides money for housing—and invest it in his bond scheme which would be taxed at a lower rate to provide money for housing? That is a simple question. I ask the Premier whether his scheme provides for a mechanism to prevent that sort of relocation of funds.

Mr O'Connor: You are commenting on a scheme about which you know nothing. You are asking me whether it includes certain things. We will tell you in due course.

Mr BRIAN BURKE: The Premier obviously does not know his own scheme, because it contains no mechanism to prevent that relocation of housing funds. I will tell members how I know there is no such mechanism. It is because the Premier was challenged about the way in which

building societies may be deprived of funds as a result of his housing bonds scheme, and the Premier said, "We could put the money back out through building societies."

That level of understanding is astounding. We have now reached the situation where the money is withdrawn from building societies, invested in housing bonds, and returned to building societies and on-loaned in the way the money could have been loaned had the societies retained the money in the first instance.

The only way in which the housing bond scheme might work is that instead of compensating investors for the money they invest by paying them interest, the Government could agree to provide those investors with a reduction in the costs of services provided by public utilities. That is the only way to guarantee that the money provoked into circulation by the bonds scheme would be new money, not presently available for housing. As we all know, many pensioners and others on fixed incomes enjoy supplementary benefits or fringe benefits by virtue of their not exceeding certain income levels laid down under Commonwealth legislation. It is widely believed that many of these people have significant amounts of money invested in non-interest bearing accounts, such as cheque accounts, or have their money hidden under mattresses or carpets in their homes.

Following the last survey the amount of money invested or retained in this way was estimated to be \$500 million. It is generally thought that Western Australia's share of the national cake is one-tenth of the total, so it may be reasonable to say that \$50 million is the amount of money presently not invested in a way that provides housing funds, and which might be encouraged to be made available for housing fund bond schemes. The problem is that when interest is paid to those people who presently invest their money so that they will not receive interest, they lose their fringe benefits and they find the penalty exceeds the benefit. So we say that the State Government should be looking actively at ways in which reductions could be extended to pensioners in the amounts they pay to the Metropolitan Water Authority, the State Energy Commission, and to the various other licensing and insuring authorities for services rendered. If the Government were serious about its housing bond scheme, it could provide a way by which people would not lose their fringe benefits by virtue of interest received; they would be encouraged by compensation in kind to invest their money in a bond scheme.

Mr O'Connor: You are on your normal course now of following what we suggest. We suggested that and you are doing as you do with all your operations—following us. You have said in regard to the Ord sugar proposal that you will put a new industry there if you become Government.

Mr BRIAN BURKE: I really do not follow this Premier.

Mr O'Connor: Yes you do, all the way. You are following all right—like a bloodhound!

Mr BRIAN BURKE: The Premier is failing to understand that he is being presented with an idea which may well advance the Opposition's cause at the next election.

Mr O'Connor: It is an old idea.

Mr BRIAN BURKE: If it is an old idea, why has not the Premier done something about it?

Mr O'Connor: I have suggested it, as you know.

Mr BRIAN BURKE: It is within the Premier's power to do something, and not just to suggest it. To whom did he suggest it? Did he suggest to the Prime Minister that pensioners should be given a reduction in the amount they pay to the Metropolitan Water Authority? If he did that, I would like to tell him something that he may not know—the Metropolitan Water Authority is a State instrumentality.

Mr Parker: I bet he wishes it was a Federal instrumentality.

Mr BRIAN BURKE: So it is idle for the Premier to say that he has suggested it. To whom did he suggest it?

Mr Pearce: The Premier has gone very quiet now.

Mr BRIAN BURKE: Has he suggested it to the Minister for Water Resources?

Mr O'Connor: The bloodhounds again—following everything we do.

Mr BRIAN BURKE: Can the Premier tell us to whom he has suggested it?

Mr O'Connor: You will get your reply in due course.

Mr BRIAN BURKE: The scheme envisages participation by the State. There would be no participation by the Commonwealth Government.

Mr Trethowan: Are you saying that the Commissioner of Taxation might not be interested in it?

Mr BRIAN BURKE: It is interesting to hear the member for East Melville raise the one passingly intelligent comment; it probably would be interesting not only to the Commissioner of

Taxation, but also, I suspect, to the Social Security Department.

I suggest to the member for East Melville that the precedent has been set already in that discounts are provided in many instances to pensioners who do certain things in respect of accounts they receive. For example, if pensioners pay their local authority rates promptly, they pay much less than the full amount. That fact has not excited the interest of the Commissioner of Taxation, and it has not excited the interest of the Social Security Department. In any case, surely that is a reason for the setting up of a standing committee.

Mr MacKinnon: Surely the majority of the people who are affected by high interest rates are not pensioners.

Mr BRIAN BURKE: I am not saying they are pensioners.

Mr MacKinnon: I thought we were talking about interest rates.

Mr BRIAN BURKE: I am saying that the money pensioners may have invested in non-interest-bearing deposits has been estimated to be as much as \$500 million. This course has been taken by the people concerned so that they will not lose their fringe benefits and other concessions. I am suggesting that this money could be provoked into the housing market by providing pensioners with concessions on the accounts they pay for the provision of State Government services and by way of State taxes and charges.

Mr Pearce: That is clear enough.

Mr BRIAN BURKE: I am not saying that pensioners are paying high interest rates on the housing they own, although some of them are doing this of course.

Mr Parker: If the Minister has his way they would be.

Mr BRIAN BURKE: I am saying simply that the primitive bond scheme of which the Premier boasted lacked any refinement whatever, and that here is a way in which some refinement might be added to the proposition. The State Government may be able to unlock funds which would be available at negligible interest rates. I am not suggesting that the money should be free of any interest charge.

Mr MacKinnon: I think it is confusing it—not refining it. I cannot see how it would be any improvement.

Mr BRIAN BURKE: In the case of the Minister for Industrial, Commercial and Regional Development, it certainly is confusing him.

Hopefully people such as the member for East Melville are able to follow what I am saying.

Mr MacKinnon: I understand what you are saying.

Mr BRIAN BURKE: I am not saying that it would release funds that cost nothing because obviously there would be a cost involved in providing the discounts or rebates to pensioners. I am, however, saying two things: Firstly, the money provoked into the home finance industry would be new money—this would get over the big problem in the Premier's scheme. What is the point in relocating limited funds that are priced too highly? I am saying that this new money would be available under the scheme we have outlined. Secondly, people in this community of ours who deserve concessions are the age pensioners about whom no-one could say that they are maintaining themselves in a life of luxury.

The scheme we are proposing would accomplish two worth-while ends. Pensioners would be provided with concessions which they need desperately, and scarce housing funds would be provided at very low or negligible interest rates. Why cannot such a proposition be considered by a standing committee? If the Government rejects this proposition, it is not dinkum about controlling interest rates. This Government, whose members are of a political party which boasts that it supports home ownership, is not dinkum about allowing people to buy or retain a family home.

I wanted to touch also on one of the points raised by the member for Dianella when he moved the motion, and that is the Premier's abdication of any control over Commonwealth Government interest rates, and noticeably the Australian savings bond interest rate. Members will recall that just prior to his leaving for the Premiers' Conference, the Premier was asked in this place, "Have you been approached by the Federal Government with a request that you agree to an increase in the Australian savings bond rates?" The Premier replied that he had not agreed to an increase that was sought by Mr Fraser and that he had told Mr Fraser to consider the situation and to come back to him in a few months' time because he felt that to increase the Australian savings bond interest rates would fuel the fires burning beneath home loan interest rates. That is what the Premier said, and yet within the space of a month or two, the Premier has had to let the Commonwealth Government do what it likes. This State deserves to have explained to it why the Premier changed his mind, why it was that from the time when it was thought not appropriate to allow Mr Fraser to

adjust the interest rate because of the pressure that action would have on home loan rates, it has suddenly become appropriate and acceptable for this Premier to abdicate any protection he could offer the people of this State.

The Premier knew that the Australian savings bonds and their interest rate put pressure on home loan rates, because he said so in this place. However, why did the Premier refuse to keep the control, meagre though it was, that he had, over the Federal Government's activities in this area? Perhaps the Premier can tell us if there was a good reason. He seldom seems to find good reasons when questions are put squarely to him.

I think that the people of this State do not want a "do nothing" Government. They do not want a Government that says, "We're doing well, because we've done nothing wrong." I think the people of this State are looking for a lead from the Government—a lead in the search for solutions to difficult problems.

A Premier who sits on his hands, when he is not throwing them up into the air in disgust and dismay, will not suit the electorate in the months ahead, I am sure, because difficulties are affecting people in all sectors of the economy. The Premier is unable to explain satisfactorily to the members of this House why he said to Mr Fraser, "Do what you like on interest rates. We aren't concerned." That is what the Premier did.

Mr Clarko: Why do you think interest rates moved upwards?

Mr BRIAN BURKE: I do not know that we have sufficient time; but perhaps the Minister might benefit by having explained to him the two or three reasons that exist. I suppose the Liberal Party would say that interest rates are the price of money, and because of changes in supply and demand, interest rates have risen. That is what has happened, but it is not why it has happened.

Mr Clarko: Are you suggesting the significant increases in interest rates are due to Australian-caused factors?

Mr BRIAN BURKE: I am sure that the Minister is a fair man who will answer while his Premier is quiet. Let me put to him the proposition that, traditionally in this country, housing has maintained a favoured status. That status has been reflected in lower interest rates, in welfare housing programmes, and other programmes that assisted—

Mr Clarko: It is still applying right now.

Mr BRIAN BURKE: Generally it has been said that the favoured status is justified by the social desirability of the sheltered—

Mr Clarko: And that is why we have got the highest ownership proportion in the world.

Mr BRIAN BURKE: I am sure the Minister would be dismayed to know it is falling.

Mr Clarko: There are only two or three countries above 70 per cent, and Australia is one of them.

Mr BRIAN BURKE: The Minister would be dismayed to know that it is falling and that it appears likely—

Mr Clarko: It fell during the Whitlam era, too.

Mr BRIAN BURKE: That is absolutely wrong; but in any case, let me put it clearly to the Minister—

Mr Clarko: It began in America, and until it is solved in America, the actions in Australia will be minimal rather than maximal.

Mr Wilson: What a lot of nonsense!

Mr BRIAN BURKE: Would the Minister for Education have surrendered control over Australian savings bonds rates to the Federal Government?

Mr Clarko: You are not talking about where the prime cause of interest rate pressures is coming from. It is coming from America. Until they are solved there, what happens in Australia will be minimal.

Mr BRIAN BURKE: In a moment I will deal with that matter in as straightforward a manner as I can. Would the Minister have surrendered control over Australian saving bonds rates to the Federal Government?

Mr Clarko: I am not in a position to comment on that particular question.

Mr BRIAN BURKE: At least the Minister is not prepared to support what the Premier did, although he will not say that he would have contradicted the Premier's actions. At least he has the honesty to say that he cannot necessarily agree that the surrender of that control was right.

Mr Clarko: It is a big factor. There are numerous factors that affect it in many different ways. The way the Premier is doing it is very sound.

Mr BRIAN BURKE: That is the best recovery action I have seen in this part of the session so far; but we have been sitting for a day only!

The truth of the matter is that at the present time the favoured status that has always been accorded to housing is being abandoned. As the member for Dianella pointed out so clearly, that abandonment is founded in arguments of an ideological nature which are embodied in the recommendations of the Campbell committee of

inquiry that there should be no preferential treatment for housing. We in the Opposition want to know simply whether the Government supports that proposition.

While there is a deal of truth in what the Minister for Education says, he cannot deny that the provision of housing finance at lower rates than normal is within the capacity of the Federal Government. I am not talking about a situation in which interest rates across the board are controlled completely, to the exclusion of influences from other countries. I am saying that in the area of housing it is possible for a Government to ensure an ample flow of funds at realistic and manageable rates.

Mr Wilson: They have done so in the past.

Mr BRIAN BURKE: Of course it has been done in the past. It has been done in respect of reconstruction loans, drought relief, and disaster relief where preferentially priced money has been provided to meet a social need. We say that the Government has been bereft of any intelligent appreciation of what has been happening. It has sat idly by with Band-aid schemes that were funded poorly while it has acknowledged publicly that it could do nothing about the high and rising interest rates.

Mr MacKinnon: What is your pensioner scheme if it is not a Band-aid scheme?

Mr BRIAN BURKE: In the context of this Government's activities, a Band-aid scheme is one that attempts, after an injury has been done, to rectify the damage or relieve the pain. The scheme of which I speak would provide money at the start of the operation.

Before I seek leave to continue my remarks, let me point out to the House what could be done. For example, it is within the province of the State Government to move to control the activities of cash management trusts. That has not been done. Perhaps the Premier can tell us why cash management trusts have not been the subject of State Government activity.

Mr O'Connor: Because, as you would well know if you had a financial brain, once we took action on this, those funds would flow out to other States and we would not have the funds here at all.

Mr BRIAN BURKE: Whether the funds would flow out to other States is a matter about which discussion could take place. However, it is within the capacity of the State to prevent people from investing in cash management trusts. It is as simple as that.

Mr MacKinnon: The mind boggles!

Mr BRIAN BURKE: I do not know whether the mind of the Minister for Industrial, Commercial and Regional Development is so small that it boggles very easily. Let us look at the situation—

Mr MacKinnon: How do you implement control?

Mr BRIAN BURKE: We have a financial market in this country that is such a hodgepodge of variations of control, of regulation, of deregulation, and of freedom as to be absolutely laughable.

Mr MacKinnon: On your suggestion, we are making it more "hodgey-podgey" by putting—

Mr BRIAN BURKE: I accept the Minister's concession that it is "hodgey-podgey". It is clear that cash management trusts have caused a major distortion in the financial market. If that is true, we need to find out about their operations.

Mr MacKinnon: It is clear they have provided the single most beneficial service to the small investor in quite a number of years.

Mr Parker: You are contradicting the Premier on that one.

Mr BRIAN BURKE: I do not know whether there is a rift in the Government. At Premiers' Conferences the Premier talks about controlling tax management trusts because of the damage they are doing, but his Minister for Industrial, Commercial and Regional Development says they are most beneficial.

Mr MacKinnon: I did not say that.

Mr Parker: The Premier said in this House that they were not doing anybody any good.

Mr BRIAN BURKE: We cannot have it both ways. Either the Premier is right in saying tax management trusts are not doing anyone any good or the Minister for Industrial, Commercial and Regional Development is right in saying they are terrific. We cannot have it both ways.

Mr MacKinnon: I didn't say that they were terrific.

Mr BRIAN BURKE: The Government can depend on obtaining sound economic knowledge in relation to tax management trusts by establishing the standing committee referred to in the motion.

Leave to Continue Speech

Mr BRIAN BURKE: I seek leave of the House to continue my speech at a later stage.

Leave granted.

Debate thus adjourned.

BILLS (36): ASSENT

Messages from the Governor received and read notifying assent to the following Bills—

1. Companies (Administration) Bill.
2. Companies (Consequential Amendments) Bill.
3. Land Tax Assessment Amendment Bill.
4. Government Railways Amendment Bill.
5. Parliamentary Commissioner Amendment Bill.
6. Acts Amendment (Country Water and Sewerage) Bill.
7. Stamp Amendment Bill (No. 2).
8. Machinery Safety Amendment Bill.
9. Coroners Amendment Bill.
10. Companies (Co-operative) Amendment Bill.
11. Public Trustee Amendment Bill.
12. Acts Amendment (Criminal Penalties and Procedure) Bill.
13. Off-shore (Application of Laws) Bill.
14. Liquor Amendment Bill (No. 2).
15. Superannuation and Family Benefits Amendment Bill.
16. Lotteries (Control) Amendment Bill.
17. Acts Amendment (Motor Vehicle Fees) Bill.
18. Motor Vehicle Drivers Instructors Amendment Bill.
19. Skeleton Weed and Resistant Grain Insects (Eradication Funds) Amendment Bill.
20. Fire Brigades Amendment Bill.
21. Real Estate and Business Agents Amendment Bill.
22. Health Amendment Bill.
23. Electoral Amendment Bill.
24. Western Australian Meat Industry Authority Amendment Bill.
25. Petroleum (Submerged Lands) Bill.
26. Petroleum (Submerged Lands) Registration Fees Bill.
27. Supply Bill.
28. Metropolitan Water Authority Bill.
29. Metropolitan Water Supply, Sewerage, and Drainage Amendment Bill.
30. Western Australian Water Resources Council Bill.
31. Iron Ore (Hamersley Range) Agreement Amendment Bill.

32. Uranium (Yeelirrie) Agreement Amendment Bill.
33. Public Service Arbitration Amendment Bill.
34. Acts Amendment (Soil Conservation) Bill.
35. Local Government Amendment Bill.
36. Reserves and Land Revestment Bill.

QUESTIONS

Questions were taken at this stage.

Sitting suspended from 6.15 to 7.30 p.m.

HOUSING INTEREST RATES: APPOINTMENT OF STANDING COMMITTEE

As to Motion

MR O'CONNOR (Mt. Lawley—Premier) [7.30 p.m.]: I move—

That we proceed with notice of motion No. 1.

MR BRIAN BURKE (Balcatta—Leader of the Opposition) [7.31 p.m.]: I do not know whether the Premier realises it, but it was not necessary to move the motion. I had simply sought leave to continue my remarks at a later stage.

Mr O'Connor: The information I have was that I did have to. I do not know whether it is a debating point or not.

Question put and passed.

Motion

Debate resumed from an earlier stage of the sitting.

MR BRIAN BURKE (Balcatta—Leader of the Opposition) [7.32 p.m.]: As I was attempting to emphasise prior to question time tonight—

Mr O'Connor: All I can say is you are wrong again then.

The **ACTING SPEAKER** (Mr Watt): Order!

Mr BRIAN BURKE: —the State Government stands convicted of not doing enough to assist with efforts to control home loan interest rates. I am sure the public will see that in its opposition to the establishment of a standing committee the Government has given further evidence of the fact that it is not dinkum, because a standing committee presumably will engage in the assemblage of information that will assist this Government and this State in the matter of home loan interest rates, their effect on people, and the means by which they may be ameliorated in their

effect, or restricted in the extent by which they rise.

Mr Herzfeld: Perhaps before you sit down you can explain the sorts of things the committee might be able to assist in.

Mr BRIAN BURKE: Apart from those two matters I outlined in the first part of my speech, which may satisfy to some extent the member for Mundaring—the refinement of the Premier's bond scheme and the investigation into the activities of cash management trusts—there are many other things that the standing committee could profitably undertake. In the first instance, it could look at building societies and their levels of efficiency.

Mr Tonkin: Hear, hear!

Mr MacKinnon: You don't believe they are efficient?

Mr BRIAN BURKE: It could investigate whether or not building societies are efficient and it could determine whether or not there is any wasteful duplication in their operations. In other States it has been found that societies are best amalgamated in contributing to overall efficiency. That may be a desirable thing to have happen in Western Australia. I do not think anybody has done the work, but a standing committee of the Parliament could consider whether or not the efficiency of some building societies would increase as a result of amalgamation.

It also is possible that the standing committee as envisaged could consider whether or not building societies have been wasteful in the duplication of their advertising programmes, whether or not the various schemes by which the societies extend their influence—some by opening branches which they own and operate, and others by operating agencies—are founded in the concessions paid to the operators according to the deposits and withdrawals they handle. The standing committee could consider which of those is the most efficient way the societies could operate.

It also would be feasible for the standing committee to investigate the possibility of extending last resort facilities, lender of last resort, or last resort guarantee facilities to building societies on a State basis. It could consider whether that would contribute to their efficiency, would allow them to borrow at lower rates, and would cause home finance to be made available at lower rates to building societies. They are some of the specifics with which the member for Mundaring, I am sure, will be satisfied, but there are many more.

The standing committee could investigate the desirability of a secondary mortgage market in this State and whether or not that facility would be an aid to the efficiency of building societies. The standing committee also could investigate the levels of liquidity at which building societies are required to operate and whether or not those societies are able to earn on their liquid funds an average of the cost of carrying those funds.

The standing committee also could inquire into the growing practice by large building societies to lend about 10 per cent of their borrowings for other than housing projects and whether that 10 per cent should be increased—and I think that it should not be—or decreased, and whether some change to the percentage would allow them to operate more efficiently. So that is one way in which the standing committee could investigate things that might impinge upon the efficiency of building societies.

Turning to terminating societies and the multiplicity of those, each with its own administrative structure, the standing committee could determine whether or not the low interest Government money is being used as effectively as possible by its distribution through 14 or 15 terminating societies, or whether or not there should be two or three terminating societies to more efficiently use the funds.

It is true, too, that the standing committee could be charged with the obligation of determining whether or not banks in this State were lending the amount required under Federal legislation for housing from the funds that they take from depositors.

It also is possible for the standing committee to investigate the effect of increasing interest rates at times when building costs are rising and to make some indicative planning details available specifically with reference to interest rates and the likely effect of interest rates on things such as those touched on by the Minister for Education when he talked about overseas influences.

It also is possible, if one wanted to extend the ambit of the proposed committee, for it to look at a range of effective ways to ameliorate the results of rising interest rates, bearing in mind that unless there is some commitment on the part of this State Government to assistance, it is idle to embark upon devising schemes that might work provided they were funded.

We can look at things like income-geared loans and deposit subsidies. We can look at realistic funding to permit stamp duty on first home purchases to be waived. We can look at interest subsidies and the standing committee can, on an

ongoing basis, monitor these programmes, some of which the Government has implemented—I might add, many months after they had been suggested by the Opposition. It could inform the Parliament on the progress the schemes are making.

In conclusion let me emphasise that the challenge to home ownership in this country is the most serious challenge to the Australian way of life that we have encountered in the past 25 years. We are facing the threat of being transformed from a nation of homeowners—a characteristic about which we have boasted with some justification—into a nation of tenants.

Recent research shows that only 30 per cent of those seeking finance to purchase or build a home were able to obtain that finance. In Western Australia, the proportion of first home buyers fell from 49.7 per cent in the December quarter of 1980, to 35.35 per cent in the December quarter of 1981. They are alarming figures and there is no justification for any hesitation on the part of this Government to do everything it can do to try to control, within its reasonable power, the effects on people of high and rising interest rates.

It is particularly depressing to see the Premier put up a white flag so quickly and say, "I can do nothing about interest rates". It is particularly depressing that the Premier saw fit, after saying in this House that ASB rates affected home loan rates, to then in such a short space of time agree to hand over to the Prime Minister the control of those Australian savings bond rates.

If the members of the Government vote against the establishment of a standing committee, two things are clear: The first is that this Government is not dinkum about doing anything to assist people suffering from high and rising home loan interest rates; the second is that it stands condemned by what we have previously laid at its door; that is, that it could do more than it is doing.

MR SHALDERS (Murray—Minister for Housing) [7.44 p.m.]: The motion being debated tonight is whether or not in the opinion of this House a standing committee on interest rates should be established with special reference to home finance. To give credit where credit is due, I point out that the member who introduced this motion took about the amount of time that it warranted. However, the Leader of the Opposition, in an endeavour to upstage his shadow Minister, and in an attempt to give this motion more credibility, spent the last three minutes of his speech indicating some of the purposes for which the standing committee might

be established. The remainder of his speech was confined to an attack on the Federal Government and the State Government.

Mr Davies: Very properly.

Mr Wilson: You are happy with the Federal Government, are you?

Mr SHALDERS: His speech had an interspersing of some suggestions, the majority of which already have been implemented by the State Government.

The member for Dianella attacked the monetary policies of the Federal Government and it is no secret that the Premier today, and the former Premier, have done the same and have been more effective in their criticism than he has.

Mr Wilson: With no result.

Mr SHALDERS: Let me just open an argument as to whether or not the Premier has been successful in obtaining some result.

Mr Wilson: In rising interest rates!

Mr SHALDERS: The Opposition members talk as though high interest rates are confined to Western Australia; they are not.

Mr I. F. Taylor: You are responsible for Western Australia.

Mr SHALDERS: They are not confined to Australia; they are a worldwide phenomenon.

Mr Parker: Many countries don't have this problem.

Mr SHALDERS: The Opposition members are well aware of the fact that high interest rates exist in many western countries.

If members of the Opposition think that Australia is isolated from this worldwide escalation in interest rates, they are more foolish than I thought.

Mr Parker: A number of countries have lower interest rates and are much poorer economically than is Australia.

Mr SHALDERS: Opposition members have made great noise this evening without any substance. They have said that this Government has done nothing whatsoever to assist home buyers, both existent and prospective. Nothing could be further from the truth.

This State, under the former Premier and the former Minister for Housing as well as this Premier, has led Australia in the fight to help home buyers. Recently the Government published a booklet entitled "Fight for Fairness".

Several members interjected.

Mr I. F. Taylor: Very helpful.

Mr SHALDERS: It was distributed Australia-wide and was well acknowledged. The booklet outlined the measures that this Government has taken. However, I will not go through those measures tonight because I notice that the member for Dianella has another motion, of which he has given notice, so I think it is pertinent to reserve some of my comments about what has happened in Western Australia for that motion.

Mr Davies: Do you happen to have a copy of that booklet with you?

Mr SHALDERS: It is no secret that the members on this side of the House have been critical of the monetary policies of the Federal Government.

Mr Parker: You support them.

Mr SHALDERS: Let both sides of this House give some credit where credit is due.

Mr Brian Burke: For inflation.

Mr Wilson: Speak for yourself.

Mr SHALDERS: The Federal Government allowed Western Australia an extra \$6 million for welfare housing recently. I am not saying that it was obtained easily; the Federal Government had its arm twisted. The person who did the arm twisting and prevailed upon the now Federal Minister responsible for funding welfare housing—a Western Australian, Senator Chaney—did so at the behest of and due to the adequate representation of this State by the Premier at the Premiers' Conference.

Mr Wilson: Is it adequate?

Mr I. F. Taylor: You have obviously not read the transcript.

Mr O'Connor: Have you?

Mr SHALDERS: Opposition members may remember that I showed the courtesy of listening to the member for Dianella and the Leader of the Opposition in total silence because I think this is an important matter and felt that if I were to reply to this motion it warranted my full attention. I do not expect the same courtesy from the Opposition.

Mr Brian Burke: Your members were fairly active in interjecting when I spoke.

Mr SHALDERS: In addition to the extra funds provided by the Commonwealth Government, the Premier has seen fit to add to welfare housing a further \$5 million of loan funds from this State.

This means that an additional \$11 million will be provided this year for welfare housing in Western Australia.

Mr Davies: What interest are you paying on that money?

Mr SHALDERS: I think it is 4.5 per cent.

Mr O'Connor: Correct.

MR SHALDERS: It is all very well for the Opposition to launch these attacks; it is all very well for members opposite to beat the drum and say nothing is being done; it is all very well for them to do the Nelson trick and put a blind eye to the telescope and not be prepared to acknowledge what has been done by both the State and Federal Governments. I will go further and mention what has been done by the Federal Government.

Several members interjected.

The ACTING SPEAKER (Mr Watt): Order!

Mr SHALDERS: Let *Hansard* note that the Leader of the Opposition, by shaking his head, is opposed to the scheme financed by the Federal Government for first home buyers. Let *Hansard* record that the Leader of the Opposition is opposed to the relief which has been provided for first home buyers.

Several members interjected.

The ACTING SPEAKER: Order!

Mr SHALDERS: Firstly there is a tax relief scheme. The relief provided does not go as far as this Government would wish it to, but for members of the Opposition to simply shake their heads and dismiss it, indicates they believe it is valueless and they are opposed to it.

Mr Davies: Who is shaking his head?

Mr SHALDERS: The member for Victoria Park is shaking his head.

Mr Davies: I am not.

Mr SHALDERS: I am sorry; it was the Leader of the Opposition who was shaking his head.

The ACTING SPEAKER: Order!

Several members interjected.

Mr Davies: He shakes his head in disbelief at you.

The ACTING SPEAKER (Mr Watt): Order! This may be an opportune time, at this very early stage of the session, to make the point that when I call for order I expect the House to come to order. However, after three calls for order several members of the Opposition and one member of the Government continue to interject. It is simply not acceptable and I ask the House to respond when I call for order.

Mr SHALDERS: Perhaps I could ask the member for Victoria Park whether he is in favour of the scheme introduced by the Federal Government to assist first home buyers.

Mr Davies: Yes. It is only a matter of how small.

Mr SHALDERS: It is interesting to learn that the member for Victoria Park, whom I regard as a very sage person, is obviously at loggerheads with his leader.

Mr Davies: Nonsense! Have you been smoking pot?

Mr Brian Burke: Ask me if I support the Federal Government's scheme.

Mr SHALDERS: When I mentioned the Federal Government's scheme the Leader of the Opposition shook his head. Perhaps he could explain to me what the shaking of his head meant.

Mr Brian Burke: I was shaking my head because I could not believe that you could see merit in what the Federal Government had done—amazing as it was—after it had caused the whole problem. I would not give credit to it. I would beat its head around with a stick. That is the difference between the Government and the Opposition.

Mr SHALDERS: The Leader of the Opposition obviously has laid the complete blame for high interest rates in Australia on the present Federal Government. He has said that it is responsible for the problem of high interest. Does he acknowledge that it is a worldwide problem and that Australia could not possibly expect to have interest rates much lower than the majority of western world countries?

Mr Parker: What about Japan—?

Several members interjected.

Mr Brian Burke: I will try to explain in a serious manner what the Opposition wants in the hope that you will follow. Banks in this country are unable to adjust interest rates in respect of housing loans without Federal Government approval. For many years that approval has not been forthcoming—it has been forthcoming only under the Fraser Government. The second thing is lateral pressure on building societies is the result of the decision to let banks put up interest rates and this has caused societies to put up theirs. So we can say that the Federal Government is responsible as far as housing is concerned.

Mr SHALDERS: I appreciate the explanation given by the Leader of the Opposition. The fact that it does not hold water—there are more holes in it than in a sieve—is a fact which should be noted by this House. As you, Mr Acting Speaker (Mr Watt), would be aware, building societies do not have controls over their interest rates. There is no doubt that the enormous competition for finance throughout Australia has forced building

societies, in order to retain and compete for that finance, to increase their interest rates.

Mr Parker: Are you blaming the building societies now?

Mr SHALDERS: It is crazy to suggest that the Commonwealth Government should have denied banks the opportunity to compete for finance because they simply would not, like building societies, have been able to hold funds invested with them, and there is no point in arguing about that. Banks do have their interest rates controlled, but if they had not been permitted to increase their level of interest rates, they would not have been able to compete for finance or retain the funds they had—I know the Leader of the Opposition wants to interject, but he had 45 minutes in which he had the opportunity to develop his argument; now he wants to sit there and continually interject on the remarks I am making.

Mr Wilson: You are asking questions.

Mr SHALDERS: I am not asking questions.

The ACTING SPEAKER (Mr Watt): Order!

Mr SHALDERS: The fact that the Leader of the Opposition now wants to patch up his argument by means of the Band-aid process—by way of interjection—is an example of the merit of his early remarks. Now the poverty of those has been demonstrated he is anxious to retrieve his position as best he can. I am not going to continue giving him the opportunity to do that.

Mr Parker: May I ask you a question?

Mr SHALDERS: Notwithstanding the fact that it appears some fish are biting down Fremantle way, I am going to continue my comments. In addition to the tax relief provided by the Federal Government for first home buyers, the Commonwealth Government also has revamped its former home savings grant scheme. Previously the scheme could have been regarded as reasonable, but I think it gradually became outdated and there was certainly no doubt that the delay in the provision of funds for which a person was eligible under this scheme was a big drawback to its effectiveness.

An Opposition member interjected.

Mr SHALDERS: The new scheme, the home deposit assistance scheme, has increased the amount of finance for which couples may be eligible and the waiting period has now been removed. I am not going to telegraph the punches of this Government, but I would like to inform the House that certain consultations will take place in the very near future and we believe that if they are successful the funds a couple may be eligible to receive under the home deposit assistance

scheme will be of greater use to them in respect of qualifying for a home loan. I think it would be premature of me to disclose the argument that this State will be taking to the meeting which will be held shortly. I can say only that I believe that we have a very good case to put forward. It will be put forcibly, and if it is successful there is no doubt that more people will qualify for home loans.

Mr Wilson: Is it to be put to the Federal Government?

Mr SHALDERS: As a further indication of the assistance provided by the Government in this State I will mention one or two of the schemes that have been introduced and that have been of concrete and obvious assistance to home buyers. The mortgage assessment and relief committee has assisted hundreds of home buyers who otherwise probably would have lost their homes. I am not going to go over the means by which the scheme operates. It has been explained in this House and the Opposition is fully aware of it. The State Housing Commission has provided assistance to low income earners to purchase the homes in which they are living. I know the Opposition cannot see the merit of that scheme, but the finance that flows to the Housing Commission from those sales enables it to build further rental homes. We also have a programme to sell homes to those people on the waiting list for accommodation with the commission. That scheme also provides accommodation, and reduces the number on the waiting list.

The Opposition has said more than 7 000 people are on the State Housing Commission waiting list, and I acknowledge that. The Government acknowledges that is too many and it wants to do as much as it can to reduce the number. It is all very well to talk about it, but the Government has put its money where its mouth is by the allocation of an additional \$11 million for welfare housing. This will allow 800 homes to be built this year. It is not as many as the Government or the Opposition would like to see built, but surely the Opposition realises that the Government is providing as much money as possible with all the competing interests for Government finance.

Last year, the Government introduced an interest subsidy scheme. The Leader of the Opposition talked about it as if it were something new. It is old hat; it has been going for a long time. Last year, \$20 million of interest subsidy money was available. Only \$12 million was taken up by the end of the last financial year—\$8 million is still available.

Mr Pearce: That is a ridiculous situation. Nobody can get it. Are you telling me the money was left there? People were starving in their houses and they could not get subsidy money. It is a disgrace and a scandal.

The ACTING SPEAKER (Mr Watt): Order!

Mr SHALDERS: I am pleased to see the member for Gosnells has stirred from his lethargy and is taking an interest in something other than education. He has not been performing well in that field and has decided to try something else. He runs on and on like a babbling brook. He is well known for the way that he shoots from the hip. He makes statements; he made one on drugs at one stage, and changed his story the next day.

Mr Pearce: I am not changing my story on housing. My constituents are having to sell their houses for lack of subsidy, and you are saying there is \$8 million in the coffers.

The ACTING SPEAKER: Order! A few moments ago I warned that members who continue to interject after my calls for order can expect to be dealt with. If the member for Gosnells persists I will have to take action against him.

Mr SHALDERS: It is not my wish to show the member for Gosnells to his colleagues for what he is. He made the statement—and *Hansard* will have recorded it—that home buyers in his electorate were having to sell their homes for lack of an interest subsidy. He is talking about people who own their homes.

Mr Pearce: People who do not own their homes.

Mr SHALDERS: If they do not own them, what are the homes they are selling which the member mentioned two minutes ago?

Mr Pearce: They are buying their homes from the building societies.

Mr SHALDERS: I thank the member for Gosnells for clarifying that point, because the interest subsidy scheme is not for people who are buying a home; it is for people who want to buy a home. That demonstrates that the member for Gosnells leaps in without the faintest idea of what he is talking about.

Mr Pearce: You haven't a clue, you idiot.

Mr SHALDERS: The scheme is for people who go to a building society and borrow money to buy a home. The member for Gosnells is talking about a scheme to help people who have already taken out a loan from a building society.

Mr Pearce: What does it matter?

Mr SHALDERS: The people about whom the member for Gosnells is talking should be seeking

relief through the mortgage assessment and relief committee.

Mr Pearce: They are, and they are not getting it.

Mr Bryce: If they do, it is insignificant.

Mr SHALDERS: Hundreds of people have been assisted by the mortgage assessment and relief committee.

Mr Pearce: I forwarded 60 applications, and only two got it.

Mr SHALDERS: Let me venture into the reason some people have not been assisted.

Mr Pearce: Most people have not been assisted.

Mr SHALDERS: If people take out a home loan which commits them to pay 27.5 per cent of their wages or salaries, and with the escalation in interest rates, that commitment rises to 28.5 per cent or 29 per cent of their salary they will usually be assisted.

Mr Pearce: Or 35 per cent.

Mr SHALDERS: However, there are other people, and I do not criticise them for it, who may have been paying 27.5 per cent; for example, when they took out their home loan. They have received wage increases since then and the percentage may have dropped to 25. That left them some spare money to buy carpets, or a colour television set, or a second car. Having committed money which was spare at the time, they suddenly receive notice that interest rates have increased and their home loan repayment is going up. It will probably go back to somewhere near the percentage of their income they were paying when they took out the loan. Many find they cannot meet the increased mortgage payment as well as the extra commitment they took on after entering into their mortgage. I feel genuinely sorry for those people.

Mr Pearce: You are doing nothing about it.

Mr SHALDERS: If they could afford to pay a certain percentage of their income at the time they took out the loan, surely it is not unreasonable to expect them to pay the same percentage of their wage or salary at some time in the future? I do not believe that is an unreasonable expectation.

Mr Pearce: What do you expect those people to do specifically—sell their carpets and television sets? How can they get out of any commitment they have made subsequently? Just tell me what you expect those people to do? Give them some advice?

Several members interjected.

Mr Pearce: I hope *Hansard* got that interjection, "They should work a 50-hour week." Which buffoon said that?

Mr Bryce: The new member for Nedlands may be?

Mr SHALDERS: For the information of the member for Gosnells—

Mr Pearce: Do you support that interjection? Is that your policy?

Mr SHALDERS: I did not hear the interjection.

Mr Pearce: He said they should work a 50-hour week.

Mr O'Connor: Fair go!

Mr SHALDERS: I have my hands full trying to answer the interjections of the member for Gosnells without trying to answer third hand an interjection made by some other member.

Mr Sodeman: What about the people who work 60 and 70 hours a week?

Mr SHALDERS: For the information of the member for Gosnells, I indicate that this State does not have the resources to assist those people, much as it would like to. I said that we recognise the difficult financial position in which these people are placed. It is something they did not foresee. I have said, and I will say again, that the type of assistance provided for first home buyers by the Federal Government should be extended to other home buyers. If it were, it would provide relief to the people about whom I have been talking.

Western Australia led the fight for a tax relief scheme for home buyers. The Federal Government finally succumbed and introduced a scheme for first home buyers. The scheme does not go far enough; we have said that before and we will say it again. We would like it extended because other people need it.

Mr Pearce: What advice would you give to people in that situation?

Mr SHALDERS: The Leader of the Opposition—

Mr Pearce: None!

Mr Bryce: You believe in the law of the jungle and you are really happy with its effect.

Mr Pearce: It is your fault because you cannot keep interest rates down.

Mr MacKinnon: And you could keep them down?

Mr Pearce: Well you cannot.

Mr SHALDERS: Give us a go. The Leader of the Opposition spoke as though this Government

had done nothing, and nothing could be further from the truth than that. Anyone who would stand up and say that this Government has done nothing is simply not an honest person.

Mr Pearce: That is getting a bit unparliamentary. I would watch it, or you will have to withdraw.

Mr Brian Burke: I do not know about unparliamentary—it is a little patronising.

Mr SHALDERS: It is not unparliamentary at all. I said that if the Leader of the Opposition said a certain thing, then he would be a person who is not honest. If he does say it, then he is not an honest person.

Mr Pearce: He has not said it, so you are putting words in his mouth.

The ACTING SPEAKER (Mr Watt): Order!

Mr SHALDERS: When I asked what the Opposition would do, he said, "Number one, we would not accept defeat as the State Government did. The State Government accepted defeat."

Opposition members: Hear, hear!

Mr Bryce: It caved in a long time ago.

Mr Brian Burke: Now you are talking sense.

Mr Pearce: We are 14 per cent winners on this side!

Mr SHALDERS: Having said the Government accepted defeat, the Leader of the Opposition then went on to criticise the very scheme that showed the Government had not accepted defeat—the housing bond scheme proposed by the Premier.

Mr Bryce: Window dressing!

Mr SHALDERS: Opposition members cannot have their cake and eat it, too. The Leader of the Opposition said we accepted defeat and did nothing, and then he went on to criticise what we did do. Obviously he contradicted himself. It is a shame that the Leader of the Opposition who, technically, is a very competent speaker, continually contradicts himself. As members of the Government parties know, the people outside this place are waking up to the fact that when he is here he says one thing and in another place he says something different.

Mr Carr: The people of North Province were fairly wide awake on Saturday.

Mr SHALDERS: I am sure that I do not need to remind members opposite of the statements made by the Leader of the Opposition about royalties. He told us in this House that royalties were not high enough and that the Government was missing out on millions of dollars. When he

went to Kalgoorlie he said that royalties were too high.

Mr I. F. Taylor: Why don't you get back to housing.

Mr Old: It is more comfortable perhaps!

Mr SHALDERS: If ever a person in this House lacked credibility it is the Leader of the Opposition. One of the criticisms made by the Leader of the Opposition about the scheme proposed by the Premier was that it would take funds away from lending institutions which already provide finance to home buyers. That may have been the case, and it was for that precise reason that the Premier suggested we should operate a trial scheme involving \$100 million.

The Premier's idea was that we should try to ascertain the sources of that finance. In other words, he suggested that we try out the scheme on a limited scale to see whether it would have the effect of siphoning off funds from institutions already lending to home buyers. The Leader of the Opposition failed to acknowledge that point.

Mr Brian Burke: I asked the Premier and the Premier did not know of it himself.

Mr O'Connor: That is a silly remark.

Mr Brian Burke: Well you did not answer it.

Mr SHALDERS: The principle involved in that scheme was recommended to the Federal Government by all the State Premiers, including two Labor Premiers. I do not believe that Neville Wran and the former Labor Premier of Tasmania would obtain a great deal of pleasure in supporting a scheme proposed by a Liberal Premier. Obviously at least Neville Wran was prepared to put politics aside on that day so that he could support a scheme which he felt would be of assistance not just to Western Australians, but also to the people of his own State. To give credit where credit is due, I indicate that he saw the merit of this scheme and he supported it. I do not believe that anyone in this State would suggest that the Leader of the Opposition here has the same political nous as has the Premier of New South Wales. He has a long way to go!

Mr Wilson: So have you.

Mr SHALDERS: I would not want to be the Premier of New South Wales with the financial situation that State is in after years under a socialist Labor Government. I assure members it is the last place of which I would like to be Premier.

Mr Bryce: It is all Fraser's fault. Did you not know that Fraser did it to them? They even have a Fraser petrol tax.

Mr SHALDERS: It is my opinion that a standing committee as proposed by the Opposition tonight would achieve absolutely nothing in the way of a reduction in home interest rates. If there were any possibility that by voting to establish this committee it would lead to a reduction of even a quarter of a per cent in the interest rates in this State, all members on this side of the House would support the motion. However, it is a political stunt, and Opposition members know that as well as we do. In fact, the member for Dianella acknowledged that fact by the brevity of his remarks. He is looking for a headline, and probably he will achieve one. However, he himself recognised the paucity of his argument and he did not try to pad it out.

Mr Wilson: Like you are doing.

Mr Bryce: Unlike you. You are running a close second to "Squirrel" Rushton.

Mr SHALDERS: The Leader of the Opposition, however, attempted to give some credibility to a motion that has none.

I would just like to acquaint members with the fact that a State Government interdepartmental committee has been set up to evaluate the recommendations and effects of the Campbell report. One of those recommendations, of course, is the deregulation of interest rates. That interdepartmental committee is composed of representatives of the Treasury, the Corporate Affairs Office, the Rural and Industries Bank, the Department of Agriculture, the Registrar of Building Societies, and representatives from private financial institutions may be co-opted also to serve upon it.

The committee already has reported to the Government on a number of occasions. It has the authority to consider such subjects as housing and rural finance; and it has addressed its mind also to whether a secondary mortgage market might be of any value, were one to be established in this State. We have spoken in this House before about establishing a secondary mortgage market. The Leader of the Opposition and I agree about the difficulties we could face in doing that; but nevertheless we agree on the value of giving it consideration, at least.

That work is being done by a team of people who are expert in financial matters—a team of people who are trained to evaluate financial considerations that possibly would not be within the capabilities of many members of this Parliament. I do not say that in a derogatory sense; it is simply not something that we have been trained to do. If we are to have a job done,

at least we should have the people with the capabilities and the qualifications to do it.

I mention the committee so that the members of this House are aware that the Government is tuned into the best possible intelligence in respect of finance and interest rates throughout Australia and the world. I have no doubt that if the committee is able to recommend something that would be of assistance to home buyers in this State—whether they are existing home buyers or prospective home buyers—the Government will certainly give it full consideration.

Mr Davies: I am sorry, I was out of the House. When was that committee set up?

Mr SHALDERS: I cannot say when it was set up, to be perfectly honest. It was set up prior to my entering the Ministry. Perhaps the Premier, by way of interjection, might be able to give the date. I have indicated the representation on the committee; but I cannot say when it was established.

Mr Davies: Tell us what good it has done so far.

Mr Carr: It has looked into it, like everything this mirror Government does.

Mr SHALDERS: I am not prepared to release details of a report made to the Government by the interdepartmental committee. It is not for me to do that. The committee reports to the Treasurer, and it would be up to the Treasurer, if he saw fit, to release the information provided to him by the committee. The member for Victoria Park would recognise that it is not my prerogative to release information that is provided to the Premier and Treasurer.

Mr Davies: When did they bring down their report?

Mr SHALDERS: The Leader of the Opposition really got down to taws towards the end of his remarks; and the old socialist philosophy started to creep in. "Let us look at the efficiency of building societies", he said. Is the Leader of the Opposition suggesting that building societies have not done everything within their power to keep interest rates down? That is what they want to do. They recognise that high interest rates preclude many people from borrowing from them. Now, that is not what they want to see. They are doing everything within their power to keep interest rates at the lowest possible level.

Mr Parker: Ten minutes ago you were blaming them for increasing the interest rates. You said they had forced the Commonwealth Government's hand.

Mr SHALDERS: I am not blaming them. The member for Fremantle is more twisted than a sandshoe.

Mr Davies: A corkscrew, not a sandshoe.

Mr Parker: Let us get our similes right. Take it from the top. You might get it right this time.

Mr Barnett: What do you mean, a sandshoe?

Mr SHALDERS: The building societies have done everything within their power to keep interest rates at a level which allows them, at least, to retain the funds which are invested with them.

Mr Parker: Ten minutes ago you were saying the building societies had forced the Commonwealth Government's hand with respect to the bank interest rates.

Mr SHALDERS: Not accurate. I said that many financial institutions, including the building societies, have interest rates that are not regulated. Those institutions have competed against each other for finance. Once they started to compete, the building societies were forced to follow. They are the victims of the interest rate escalation charge. It was not the building societies that led the charge, as the member for Fremantle would know. We have many other providers of credit with interest rates to lenders higher than those of the building societies.

Mr Parker: You do not have to convince me. I am just pointing out the inconsistency of your argument.

Mr SHALDERS: For the building societies to compete and to retain the funds invested with them, they had to follow the upward trend of the deregulated financial institutions—those over which there is no interest rate control.

Mr Parker: A moment ago you were saying the building societies were deregulated.

Mr SHALDERS: We have no regulation over the interest rates of the building societies.

Mr Parker: I agree with that. You have just said that the building societies are deregulated. Get your argument straight.

Mr SHALDERS: Goodness gracious me! The member for Fremantle is going around in circles, as if he had one foot nailed to the floor. Perhaps he has.

The Leader of the Opposition questioned the efficiency of the building societies. Of course, their efficiency is subject to the scrutiny of the Registrar of Building Societies in this State, so in actual fact the Opposition questioned the competence and the integrity of the Registrar of Building Societies.

Mr Parker: Are you sure that their efficiency is subject to scrutiny of the registrar?

Mr SHALDERS: I believe that the scrutiny of building societies in this State by the registrar, and the self-imposed efficiency of the building societies is sufficient to ensure their integrity and good management.

Mr Brian Burke: That is not what you said. The registrar does not check their efficiency at all.

Mr SHALDERS: I said that the Leader of the Opposition questioned the scope of operations of the building societies. Part of the scope of the building societies is subject to the scrutiny of the Registrar of Building Societies in this State.

Mr Brian Burke: But not their efficiency.

Mr SHALDERS: The Leader of the Opposition has questioned the competence of the registrar to advise and direct societies in the areas for which he has responsibility. I believe that duty is fulfilled properly. In other areas, the building societies have exercised self-responsibility; and they are as efficient as they possibly can be.

The Leader of the Opposition has spoken about the amalgamation of building societies. In Western Australia we are fortunate to have only a small number of building societies. In the Eastern States, the situation is quite different; literally hundreds of building societies operate there. In the interests of efficiency, it may be better for the very tiny societies which exist in the Eastern States to amalgamate. There is no need for the amalgamation of building societies in this State.

Mr Brian Burke: You disagree, then, with the building societies themselves, do you?

Mr SHALDERS: It boils down to the fact that the Leader of the Opposition was saying, "Give us the chance and we will dictate to private enterprise." Of course, we all remember a former Labor Premier who decided that he would control the interest rates of building societies. What a disaster that would have been.

Would it not be marvellous if the Government were to introduce a Bill to regulate building society interest rates to, say, 12 per cent? Can members imagine the queues of people waiting to take their funds out of building societies so that they could reinvest them where they could get a better return on their capital?

Mr Pearce: Where can the average depositor do that? You are just supporting high interest rates.

Mr SHALDERS: The socialistic colours of the Leader of the Opposition showed through in his final remarks. We on this side of the House—

Mr Pearce: Support high interest rates.

Mr SHALDERS —will not have a bar of it.

Mr Pearce: You support high interest rates.

Mr Nanovich: We do not. You want to look at some of the interest rates charged elsewhere. In New South Wales they are charging up to 162 per cent.

Several members interjected.

Mr Brian Burke: 162 per cent! You have been borrowing with the wrong people! I'll tell you what—you should be Treasurer! That is loan-sharking!

The ACTING SPEAKER (Mr Watt): Order!

Mr SHALDERS: The Government of this State is extremely concerned about the effect of high interest rates on existing and prospective home buyers. We have exhorted the Commonwealth Government as much as we can about the situation. It is not our fault that it has not done as much as we would like, but at least we have achieved some success. Within the level of this State's financial capacity, the State Government has done as much as it can to assist people who can only afford to purchase a home at low interest rates. A standing committee of this House would do absolutely nothing to reduce interest rates in Western Australia and, for that reason, we oppose the motion.

MR I. F. TAYLOR (Kalgoorlie) [8.32 p.m.]: The reply of the Minister for Housing to this motion was a disgrace to his portfolio. If one listened to the Minister, one would be led to believe that interest rates were not a problem in the area of housing today. The Minister has not advanced one rational reason for failing to ensure a reduction in interest rates. He padded out his speech, and it appears the Minister is about to walk out of the House because he can see the padding in his speech was insufficient.

One cannot commence a speech such as this without referring to the outrageous interjection made by the member for Nedlands who suggested to the member for Gosnells that the people's answer to high interest rates and the problem of repaying home loans was to work a 50-hour week. I should like the member for Nedlands to show me a metal worker who can work a 50-hour week today. The honorable member is completely out of touch with our present society when he suggests people can work a 50-hour week to overcome the problem of high interest rates.

Mr Wilson: They can't get jobs at all.

MR I. F. TAYLOR: As an indication of the increases in interest rates which have occurred in Australia recently, it may be interesting for members opposite and, in particular, for the

Minister for Housing, to know that since June 1981 interest rates charged by savings banks on money borrowed for housing purposes have increased from 11.5 per cent to 13.5 per cent. Building societies have shown an increase from approximately 12 per cent to 15 or 16 per cent in the same 12-month period. We all know what happened to interest rates in the two or three years prior to June 1981.

High interest rates in this country have resulted from the monetarist policies adopted by the Federal Government. Those policies show tunnel vision and come from a Federal Treasury in Canberra where John Stone sits in his stone castle and does not care less about what happens to the people. He adopts a monetarist viewpoint and believes the flow of money is all-important. As a result, interest rates are pushed up along with unemployment levels.

That is the reason we have high interest rates in Australia today. The monetarist policies adopted by the Federal Government are placing a real brake on the Australian economy. That is borne out when the high interest rates, the rate of inflation, the level of unemployment, and the recession we are experiencing today. Let us not be in any doubt about the fact that we are currently in a recession. Those four issues result from the monetarist policies adopted by the Federal Government and this Government is not prepared to speak out against them.

The Minister for Housing pretends the problem does not exist. If it does exist, the Government does not intend to do anything about it, nor is it prepared to produce any realistic answers.

Mr Sodeman: What did Bob Hawke say last week?

Mr I. F. TAYLOR: The Minister for Housing also seemed to think interest rates had increased in Australia only because they had increased overseas. What arrant nonsense! Interest rates in Australia have increased for four reasons: The first is the money supply and the money supply targets put forward by the Federal Government. Interest rates could have been reduced were it not for those money supply targets. The second reason is the flow of overseas funds into Australia. We are relying on overseas funds to keep this country going and the Federal Government believes that if it tries to reduce interest rates, or does not keep them at a reasonably high level, those overseas funds will flow out of the country. Therefore, the Federal Government is bound by overseas bankers to ensure that interest rates in Australia stay at the present level or are increased.

Mr MacKinnon: Aren't you going to explain why we need the overseas funds?

Mr I. F. TAYLOR: We need the overseas funds to correct the balance of payments. Some of the overseas funds coming into Australia are for resource projects and the balance is "funny money" and that money can go out of Australia just as quickly as it entered the country.

The third reason for the increase in interest rates in Australia is that in December 1980 the Federal Government deregulated bank rates, which resulted in competition between the building societies and the banks for the money available. As a result, interest rates increased.

Let us not say the Federal Government was not involved in increasing interest rates, because it was there right at the beginning. The Federal Government knew what it was doing.

The fourth reason for the increase also can be traced back to the Federal Government, and I refer here to inflationary expectations. It is a fact that inflation is increasing in Australia today and that is one of the reasons interest rates have crept up. Indeed, one might say increases in interest rates are well above the real rate of inflation; in fact over the last few years they have been in the vicinity of seven or eight per cent.

It is nonsense to suggest that interest rates have increased in Australia as a result of events overseas, because the Federal Government has failed to control the inflow of capital, it has failed to keep down inflation, it has deregulated bank rates, and it has implemented monetarist policies that we shall have nothing to do with.

Mr Harman: Who has taken advantage of the high interest rates?

Mr I. F. TAYLOR: I shall come to that a little later. It was suggested also that interest rates in Australia were not out of keeping with those charged in other parts of the world. That also is arrant nonsense. Obviously the people who make those sorts of comments are not in touch with what is happening in the rest of the world, because since the commencement of 1981 interest rates in the USA have fallen from 18 per cent to 16.5 per cent. Interest rates in West Germany have remained at 14.6 per cent during that period. In the United Kingdom interest rates have increased from 13 per cent to 13.9 per cent and, quite amazingly, in Japan interest rates have dropped from 7.6 per cent to 6.6 per cent in the last 12 months.

I ask members: What do we have in Australia? In general, interest rates have increased from 13 per cent to 18 per cent since the beginning of 1981. Therefore, let us not say Australia is in

keeping with the rest of the world because Australia's position in this regard is quite different. Our interest rates have increased at a level far out of line with rates charged elsewhere in the world today.

Mr Evans: They have gone quiet over there.

Mr I. F. TAYLOR: Interest rates in Australia today are the highest in our history and those interest rates are having a real impact on the people of this country. There are two classes of people in Australian society today: the needy and the greedy. It is the needy people that the Labor Party is looking after and it is the greedy people which members opposite always have in mind.

These interest rates also have impacted on the rate of income growth and the level of employment in Australia. As they have impacted on the whole range of the Australian economy they have therefore slowed down the country's economy. As I said earlier, we are in a recession.

Interest rates have affected dramatically the level of the living standards of the ordinary Australian; we cannot be in any doubt of that. Even though the member for Nedlands is obviously out of touch with such matters, perhaps some members opposite have had people come into their electorate offices and suggest that they cannot pay the increases in their building society loans because interest rates have gone up.

The increases in interest rates effectively have reduced the disposable income of Australians today because their loan repayments have increased dramatically. Let us consider the example of a \$30 000 loan to purchase a house, which is not an untypical loan. Let us consider that it is taken over a 25-year period. Recent increases in interest rates have increased the repayments on that loan by in the vicinity of \$80 a month or \$20 a week, which is taken out of the pay packet of the ordinary wage and salary earner who is trying to pay for a typical home loan in Australia today.

What do people do when they are faced with those increases? They try to meet the increase from their own pockets, and if they do it has an impact on their standard of living. It will mean \$20 a week going from the house, forcing them to cut back in other areas, such as clothing for their children, food to eat, or perhaps going without a holiday at the end of the year.

The alternative is to sell the home, and many people are being forced to sell their homes; let us not be in any doubt about that.

Lending institutions have made it known that they will lend amounts on which the repayments do not exceed up to 27.5 per cent of the income of

the borrower. This means that if a person is earning in the vicinity of \$300 a week he will be able to borrow money with repayments of \$300 a month. Therefore on a typical loan of about \$30 000 we require an income of around \$16 600 a year to be able to afford that loan.

Mr Shalders: On what deposit?

Mr I. F. TAYLOR: Perhaps \$20 000 or \$10 000, depending on what they can afford.

At the moment, average weekly earnings in Australia are about \$300 a week. About four-fifths of Australian wage and salary earners are on average weekly earnings or less, therefore four-fifths of Australian wage and salary earners can no longer afford to borrow the \$30 000 necessary to buy a home.

Mr Sibson: If they put in \$10 000 they are not borrowing \$30 000.

Mr I. F. TAYLOR: It all depends on how much the home costs, dummy.

What high interest rates do is benefit the rich and have an adverse, negative effect on the poor. The poor are the ones who have to pay the price of high interest rates. They are the ones who cannot afford to buy a washing machine, a car, or a house. They are the ones who have to go to the financial institutions to borrow money to be able to afford a washing machine, a car or a house. They are the ones who are paying the price of high interest rates.

The greedy people are the ones who are benefiting from high interest rates, because they are the ones who have the money to put into the financial institutions and get back the high interest rates. They are the ones who can afford to invest in cash management trusts and earn 18.5 per cent or more on their investment.

Mr Shalders: You are saying that anyone who invests is greedy. If people didn't invest there would be no money.

Mr I. F. TAYLOR: That is not a rational argument from the Minister, who earlier could not even make a rational speech on this matter. He does not believe there is a problem. He is a disgrace to his portfolio.

The high interest rates are effectively redistributing income throughout Australia, from the needy to the rich.

Mr Laurance: Who are the greedy people—the BLF?

Mr I. F. TAYLOR: I would like to put paid to one myth created by the Fraser Government and also pushed by the Premier of this State. The myth is that one of the prime causes of interest rate increases is Government borrowing which

makes it necessary to reduce dramatically the level of Government funding in our economy so that we can afford to make more money available for housing, etc. That also is arrant nonsense, because it is not true that Government borrowing has been increasing. I have taken out some figures that show conclusively that Government borrowing in Australia in real terms has decreased since 1975-76.

Mr MacKinnon: Do these figures include statutory authorities?

Mr I. F. TAYLOR: They include all Government borrowing. In real terms, planned capital expenditure by Governments in Australia, both State and Federal, when deflated by the national accounts deflator for public gross fixed capital expenditure—we are assuming we have a deflator of 11 per cent for 1981-82—showed the following movement between 1975-76 and 1981-82. Total borrowings in the Commonwealth sector, including statutory authorities, decreased in real terms by 30.7 per cent. The total capital funds available to the States in that period decreased in real terms by 29.4 per cent. Total capital funds available to the Commonwealth, the States, and the Northern Territory combined over that period between 1975-76 and 1981-82 decreased in real terms by 28.5 per cent.

They are dramatic cutbacks in Government borrowings in anyone's terms, so let us not suggest that Government borrowings have caused the increase in interest rates, because that is not true.

I strongly support the motion moved by the member for Dianella and condemn very strongly the reply made by the Minister for Housing.

MR SIBSON (Bunbury) [8.47 p.m.]: I rise to make a few comments about the motion before the House which reads—

That in the opinion of this House a Standing Committee on interest rates should be established with special reference to home finance.

From the Opposition tonight we have heard a most cunning contrivance to lead the people of Western Australia in particular and Australians generally to believe that a very simple answer exists to the problem of high interest rates. The whole idea behind this motion is dedicated to that deception, a deception the Opposition is trying to put across without any shred of evidence that interest rates in the country can be controlled, monitored, and brought down.

That is not true. A lot of the argument put forward from members opposite actually supports the fact that interest rates are controlled by world influences. The member for Kalgoorlie carried on

and cited figures, but it was quite obvious he was using the higher echelon of rates in this country and the lower echelon of rates from outside. That was so evident that any fool could see through the deception he was putting before the House.

Mr Parker: Even you.

Mr Pearce: I met someone from New Zealand who attended the CPA conference who spoke of you as "the fool in the green suit".

Mr SIBSON: I did not have a green suit, so he had the wrong bloke.

Mr Pearce: You made a big impact; he said you were the biggest fool in the whole show.

Mr Nanovich: That is typical of your standard—low.

Mr SIBSON: I would far rather address the Chair so that we can get on with the debate. The member for Gosnells mentioned New Zealand, and I was recently in that country.

Mr Pearce: In a green suit.

Mr SIBSON: The situation in regard to interest rates which exists in this country has evolved also in New Zealand. When I was there in February of this year the competition for money was so great that banks and building societies—almost 100 per cent of lending institutions—placed placards outside their premises, placards indicating their rates. On some days those placards were changed three times; this did not happen every day, but on a couple of occasions during the period interest rates were fluctuating greatly, those placards were changed two or three times a day.

Anyone in this House who says that there is an easy and simple way out of the problems associated with interest rates would be confusing and deceiving the public, and would be only a fool. The public understand our monetary system far better than does the Labor Party, which for a long time has not had to manage our monetary system and therefore has no experience to do so. The public do not like the present situation in which they find themselves, and neither does the Premier, the Minister for Housing, nor anyone else. It was scandalous for the Opposition to say the Minister does not appreciate that a problem exists.

Mr Pearce interjected.

Mr SIBSON: We have this chirping little devil from the other side.

Mr Pearce: Well, you can't answer the question. If you can't take the heat, stay out of the kitchen.

Mr SIBSON: This Government has shown the way in Australia in providing relief not only to first home buyers, but also to home buyers generally. It has instigated initiatives to enable new home buyers to buy homes more readily. This House should have a general debate on the current situation, and that is what the motion by the Opposition should have sought to achieve.

Mr Parker: Don't worry, there is a motion on the notice paper.

Mr SIBSON: Problems related to home ownership are not related solely to interest rates. Whilst we do not like our reliance on overseas monetary fluctuations—there are indications around the world that interest rates are falling, and hopefully that will follow through to the Australian market—we must accept that situation. Overseas trends do not relate simply to our keeping the cash flow in order so far as borrowings are concerned, but relate also to our reliance on overseas capital for development in this country. If any fool on the other side of the House indicated that we in this country could afford for one moment to drop our guard in relation to resource development, he would be only kidding himself. Not one member of the other side would go onto the hustings to speak in that way.

It is obvious we need to consider all sectors of the home building industry rather than concentrate on interest rates alone which we all know are controlled by the waft and wane of the international money market. Once that point is accepted, and we consider the whole situation more sensibly by endeavouring to talk about the industry as a whole, we will be better off.

At the moment building costs are high, and this can be attributed to reduced working hours and increased wage demands. Those factors are ones to which we should direct our minds a little more. We must accept the reality of the situation in our community. The push for reduced working hours and higher wages by certain unions is making it almost impossible for members of the public to continue to balance their budgets and to keep their expenses at a reasonable level. These factors have not been raised tonight, but they are ones which have a great influence on the housing industry. In addition, we must consider the cost of the development of building blocks, and I am not talking merely about the initial cost of the land. The production costs have been pushed up as a result of the factors I have outlined, and no way has been found to decrease the development costs of building blocks in order to assist people wishing to buy homes.

Mr Parker: You are in a position to do something about it.

Mr SIBSON: For a number of years finance was readily available at reasonable interest rates, and people purchasing homes were lulled into a false sense of security. At the time of purchasing under favourable conditions people found their repayments reasonable; previously we did not experience a cost push to the extent which now prevails as a result of increased wages and reduced working hours. That false sense of security led people to purchase their homes with only a five per cent or 10 per cent deposit.

Mr Grill: Are you conceding that interest rates in this country—

Mr SIBSON: Mr Speaker—

Mr Grill: Are you conceding that interest rates in this country are not affected by overseas factors?

The SPEAKER: Order!

Mr Grill: Is that what you are saying?

Mr SIBSON: If the member has finished, I will answer his question.

Mr Grill: Are you saying overseas factors have not increased interest rates?

Mr SIBSON: The member's question is so ridiculous that it is almost not worth answering, but I inform him that overseas monetary factors have a great impact on this country. I am not talking about piddling little amounts, but about huge amounts involved in resource development. The member has been involved in the mining industry and would be aware that it uses hundreds of millions of dollars of overseas money. For him to say that overseas monetary factors do not have an effect shows his complete ignorance. As I said, low deposits and high borrowings for homes have created long-term repayment periods, and this has had two effects. People who bought homes under that situation have very quickly got into trouble as a result of their having little or no equity in their homes, and this has happened particularly in this period of home value increases tapering off and, in some cases, values dropping.

If the interest rate on a loan over a period of 25 or 30 years is increased by one per cent the total interest payable escalates greatly, and the equity decreases. Home buyers able to purchase with a 25 per cent or 30 per cent deposit, and meet the terms of a loan over 15 or 20 years, have after five or six years a much better equity in their homes and are able to withstand the pressures of rising interest rates.

Mr Parker: Are you saying people with only a 10 per cent deposit should not have bought their houses?

Mr SIBSON: We need to retrace our steps a little and consider the situation some years ago when a greater equity was required before a person could purchase a home. We must consider also the building industry as a whole along with the practices of lending institutions and the real estate industry. Of course, the Government cannot escape its responsibilities in this regard. It must become involved and try to impress upon the public—particularly young people—the need to consider responsibly their abilities to buy a home, and to understand that at an earlier age than at present they should start saving for a home or a building block rather than involve themselves in package deals of land and homes. Package deals were a quite good concept so long as low interest rates were available and secure employment was assured, but now this concept has proven to be the downfall of the housing industry. Package deals involve the land and the home with all the trimmings such as fences, driveways, and even furniture and airconditioning. The total bill at today's values is between \$45 000 and \$60 000, but the home buyer runs into serious trouble if he buys that package on a five per cent or a 10 per cent deposit with repayments over 30 years. We should encourage young people to save. The wages of young people today are quite high in comparison—

Mr McIver: You are lucky to buy a pound of chops today!

Mr SIBSON: If these young people start saving and working towards a home at an early age and perhaps return to the idea of buying a block of land first and establishing a fence and a garage plus a few improvements upon it, they could go along to the lending institution to borrow money and not be committed to the same extent. This is the sort of situation we should be discussing here tonight. We should not be arguing or trying to prove there is an easy way to overcome the interest rate problem, because the fact of the matter is that there is not. It is a matter of time. Hopefully, the interest rate pressures will blow out or at least level out and start to reduce. It is all right for the Opposition to laugh about this—

Mr Parker: We are laughing at you.

Mr SIBSON: I do not mind that. If members of the Opposition want to laugh at me, that is their prerogative. I hope they continue to do so; but if at the same time they are prepared to ignore the facts and rave on about some ridiculous

situation involving interest rates, that is their choice.

There is a challenge to the housing industry, the building industry, the real estate industry, lending institutions, and the Government itself to have a hard look at the question of home ownership. People should reconsider the way in which they go about it. Young people have come to me and said, "How can we face up to a package deal of \$50 000 or \$60 000?" At the low end of the scale it is \$40 000 to about \$60 000. These people are locked into that type of thinking. The planning and saving process should start when the young person first goes to work, and then over a period of time he will save enough money to purchase a block of land.

Mr Parker: Over what period of time?

Mr SIBSON: We should consider also going back to one of the old methods of owning a home and building it in stages. The Opposition will bleat and laugh about that, but many successful home owners in this State today established their homes by doing just that, instead of trying to get four bedrooms, a games room, and an upstairs room all done in the one hit. These people were prepared to develop their homes over a period of years so they could pay them off in two or three stages. If one is borrowing small amounts of money, the savings are fantastic. I will quote an example of a mortgage taken out for \$23 000 in 1973 and being paid off at the normal rate over 25 years until last December. The building society was asked, "What would happen to that mortgage if an extra \$100 a week was paid off until it was completed?"

Mr Parker: \$100 a week?

Mr SIBSON: \$100 a month, I am sorry; thank you for the correction. That is the only good thing the member for Fremantle has done all night. The result of paying an extra \$23 or \$24 a week on that mortgage which had been running for 8½ years of a 25-year contract was that the term of the contract would be reduced by 9.4 years and \$21 000 would be saved.

Mr Parker: In fact, interest rates have probably taken care of that because they have gone up since then.

Mr SIBSON: The member is clearly trying to confuse the issue and take the heat out of it. This silly-looking motion before this House has not an ounce of credibility. The Opposition knows this and is trying to use every way it can to try to give it some credibility. In the example I have quoted of that low mortgage there would be a saving of \$21 000 simply by paying an extra \$23 or \$24, which proves my point that high borrowings, low

equity deposits, and long-term repayments are the killers within the housing industry. They are really causing the trouble.

I am not making excuses for the high interest rates. Nobody wants high interest rates. I have two mortgages and I am paying high interest rates on them, so I have a vested interest in the rates dropping at least 0.5 per cent overnight.

Mr Pearce: Depriving some poor widow of her mortgage!

Mr SIBSON: For goodness sake, can we have a sensible debate? Every time there is a debate in this House the member for Gosnells says we are depriving some poor widow or some poor school child of something. Nobody on this side of the House wants to deprive anybody of anything, including the member for Gosnells.

Mr Pearce: Why are they doing it then?

Mr Carr: Do something about it.

Mr SIBSON: The Opposition is now falling into tatters over this motion and is probably wishing to God it had never put it on the notice paper because there is not one ounce of credibility in anything Opposition members have said tonight. They have not come to this House with anything constructive. We were out of this House for a couple of months and they have had all that time to put together a case that could fill a page. Surely, in the time they have been out doing nothing in the hustings—

Mr Davies: We won a by-election!

Mr Pearce: A 14 per cent swing!

Mr McIver: Yes, a 14 per cent swing!

Mr Pearce: What would happen if there was a 14 per cent swing in Bunbury?

Mr SIBSON: It is nearly as high as the interest rates.

Mr Pearce: You will be a dispossessed mortgagee in a couple of months if there is a 14 per cent swing in Bunbury.

The SPEAKER: Order!

Mr SIBSON: Bunbury is held by 0.5 per cent only. Speak the truth. Do not talk a lot of nonsense; say the truth. The Government has been introducing schemes, promoting them, and giving assistance to people, and the Opposition moves a motion of which notice was given before we left this House in May. They have not come up with one new idea.

Mr Pearce: That is because the Premier insisted that we deal with motions that were already on the notice paper. The Opposition's desire was to deal with a different motion this evening.

Mr SIBSON: Why did the member not put in an amendment?

Mr Pearce: The Premier prevented us from doing that. Quite plainly, no-one has told you what is going on.

Mr SIBSON: The Opposition quite easily could have moved an amendment to the motion to incorporate all those things it should have done.

Mr Pearce: You are getting the wind-up signal, in case you have not noticed.

Mr O'Connor: Thanks for helping.

Mr SIBSON: The business of this House would be facilitated if the member for Gosnells would interject instead of making the speech and allowing the speaker on his feet to interject. If he were able to reverse that situation this House could work a lot easier and *Hansard* and the other people would be better able to follow the debate.

I have nothing further to say on the matter except that we all have a responsibility to accept the problems in regard to interest rates within the home ownership industry. They will not be resolved by talking, screaming, and yelling in this House. We must look at the proper issues within that concept along the lines I have mentioned, supported by the methods which the Government has implemented to improve the situation.

On that note, I register my protest against the motion and urge the House to vote against it.

MR DAVIES (Victoria Park) [9.10 p.m.]: As I have always understood, a standing committee is appointed by the House so that it can gather information and report to the House and monitor a situation so that members can be kept advised as to what is happening from time to time.

The debate that has taken place this evening, particularly the contribution from the Government side, indicates that there is considerable confusion about interest rates. This House needs a standing committee to monitor the situation and keep us advised as to what is happening. There is not the slightest doubt that there is confusion about interest rates and how they are affecting us.

The motion says that we should look at interest rates and a standing committee should be established with special reference to home finance. Whilst home finance is a factor that affects each of us, it is not the only factor in life which is affected by interest rates. This motion proposes to deal with interest rates generally, with special reference to home interest rates.

It has been suggested that if we can find an answer to home interest rates, we have the answer to all our problems. That is not so. There has been

nonsense spoken from time to time about how interest rates affect us, but I wish to refer to some nonsense that was written about this subject in *State Report* by the Premier. He spoke about the employment of farm labour being the greatest cost affecting farms. The answer he gave to a question this evening was quite wrong because the greatest factor affecting farms is interest rates.

Mr O'Connor: It depends how much you owe.

Mr DAVIES: If the Premier were to obtain the latest agricultural review he would find out. The review is compiled from information supplied by farmers and it does not state that wages are the greatest single factor affecting farms. Interest rates are the greatest single factor.

Mr O'Connor: When did I say wages were?

Mr DAVIES: The Premier said that in answer to a question this evening.

Mr Brian Burke: You said it in the *State Report*.

Mr DAVIES: On the question of the *State Report*, it is obvious the people who are advising the Premier are trying to cover up, or he does not understand the situation himself. Interest rates are affecting the farmers' costs and we should be looking at interest rates generally, and not only in relation to housing.

Whilst we do recognise we need a special reference to home finance, there are other factors which require monitoring at the same time. I am not too proud to be part of a committee, or to think that we need a committee of this Parliament, that will be watching the situation and reporting to Parliament from time to time.

The representatives of this Government over the years have been coy about appointing standing committees. The American parliamentary system might have too many standing committees, but that is not something that could be said about the Legislative Assembly in Western Australia because we have one standing committee—the Public Accounts Committee.

We have ample scope for members of Parliament to be employed on other committees and to do the work one would expect parliamentarians to be doing instead of fixing up pensions and footpaths, and worrying about vicious dogs.

We must consider whether there is any way we can do something about the interest rates. I regret I did not hear the Minister for Housing fully because I was called away to the telephone and I am sorry I am not *au fait* with the committee that

he said had been appointed by the Government to do something about the interest rates.

The Minister for Housing was not sure when the committee was appointed and was not sure what was in its report. He was not sure what the Cabinet was doing about it and was not sure when Parliament was to receive the report.

This is a motion addressing itself to the matter of interest rates, and the Government does not seem to know what is happening, despite the fact that it has the best financial brains—according to the Minister for Housing—advising it. Apparently the advice to the Government so far is to do nothing because nothing can be done.

I do not accept that situation because we have a responsibility to investigate every possible avenue or suggestion to improve the position. Housing interest rates are of considerable concern to everyone. This problem is one that comes before us more regularly than others, but it is not a phenomenon of only the past 12 months to two years.

During the parliamentary recess, when I was clearing away the files in my office, I found my earliest reference to housing interest rates went back to 1974, when the first increases commenced. From 1974 until 1982—eight years—the whole matter has just escalated and the best this Government can do is blame the Federal Government or say that interest rates are beyond its control because they are a worldwide phenomenon; therefore, as the member for Bunbury said, "Let the whole thing blow itself out." It is arrant nonsense to say that we should sit here and wait until the situation rights itself.

Mr Nanovich: Tell us what to do.

Mr DAVIES: I am not offering any suggestion other than to say that we as parliamentarians have a responsibility to look as closely as we can at the problem, and the way to do this is by setting up a standing committee to investigate every avenue.

The Leader of the Opposition made some suggestions which were sound, but because they were made from this side of the House the Government disregarded them completely. Indeed, on a matter as serious as this, I would have thought the Premier would be on his feet. We heard from the member most interested in moving the motion, the member for Dianella, and the Leader of the Opposition, who ably supported him. It was not unreasonable that the Minister for Housing might reply, but I thought the Premier should have been on his feet as quick as a flash telling us what he has been doing at Loan Council meetings and at the Premiers' Conference. I

thought he would have told us how successful he had been and what he would do in the future. I hope before the debate is over we will hear from the Premier because if he says we have no suggestions, I am anxious to hear the suggestions from the Government.

The best the Minister for Housing had to offer was that he did not know what might have been in a report on this matter. He took some pride in the fact that a booklet had been published, detailing some of the problems of housing interest rates. I am sorry he has not supplied members with a copy, but I certainly will put a question on the notice paper asking whether he will table a copy so that we might know the Government's thinking on the subject of interest rates for housing.

The Minister said the Government has made some considerable progress because between the Commonwealth and the State Governments \$11 million has been spent on welfare housing. This was long overdue. However, it will not even begin to fill the need for welfare housing and it will do nothing whatsoever in regard to interest rates. It will only take up some of the slack and I believe that, in due course, it will provide housing for some of those people who are buying their own homes at the present time, but who will find they will not be able to do so for much longer. It seems that now the average person is paying in excess of \$25 a week over and above the amount he was paying 18 months ago. The only thing I see in regard to interest rates is that they are continuing to escalate despite the fact that from time to time there are reports from overseas about interest rates dropping—that never seems to filter through to Western Australia or Australia. The next thing we know is that there is another application for an increase—I do not think an application has to be made, but an announcement is issued indicating an increase will be made.

On this morning's news at 6.45 an announcement was made that the prime rate in America has dropped to 15 per cent which is the lowest it has been for some 2½ years, I think. However, there is not the slightest indication that we will follow suit in Western Australia. The Government has not examined whether or not it should, or could, control building society interest rates. There is nothing to say that that has been done and yet in South Australia last Friday Premier Tonkin—and he is one of the fellows who sits, as does our Premier, at the Premiers' Conference and at Loan Council meetings—announced that an application for a 1.5 per cent increase in building society rates had been rejected. It was a test case put forward by one of the building societies which thought once

its application had been agreed to all the other building societies would follow suit.

Apparently, under the Act in South Australia the Government has the right to reject an application for any increase and on this occasion it has rejected the application for a 1.5 per cent increase.

Mr O'Connor: What is the rate in South Australia?

Mr DAVIES: I think it is about the same as in the other States. I am referring to an article which was in *The Advertiser* in Adelaide last Friday and which was important enough to reach the pages of *The Australian* and our Western Australian newspapers. Unfortunately I cannot state what South Australia's rate is. However, I cannot imagine that it is any less than it is, or was, in Western Australia. I am wondering whether all the money in South Australia is flowing through to the Perth Building Society or the WA Building Society where it will attract better interest rates.

Mr O'Connor: It will not be if it is the same rate.

Mr DAVIES: That is a reasonable assumption, but it seems that building societies would not have been able to apply for a 1.5 per cent increase over and above the rate which applies in other States, particularly as an application had been before the Government for some weeks. It is true that it would have been some weeks before the interest rates in Western Australia would have been increased, but Premier Tonkin was apparently giving the matter some consideration and decided that at least he would bite the bullet and see what happened. In his statement to the Press, he admits that he may not be able to maintain it, but at least he is trying to do something, and he is using the authority he has. It will be interesting to see whether, as an experiment, the societies are able to maintain the lending rate and I believe that people will continue to put their money into building societies which are probably a marginally better investment than banks if the position in South Australia is the same as it is in Western Australia.

Premier Tonkin said that the building societies have been trying to get to him, but he had been talking to an advisory committee and had not just made a decision off the top of his head. He had been using the expertise available to him, just as the Government here is supposed to be using the expertise available to it, to see how the matter should be handled. He is showing concern and deserves our applause for it. It remains to be seen

what may happen if there is a serious downturn in the building industry.

The Advertiser of the same date says that the whole blame rests with the Federal Government and in the same paper another article by the financial writer makes several suggestions as to how the position may be eased for home buyers if action is taken by the Federal Government.

These are the things that a standing committee of this House should be looking at. We do not expect the committee immediately to come up with an answer, but at least it would have the opportunity to talk to the people working in this field and discuss with them what might be done to ease this intolerable burden.

The drop in the interest rate in America, as announced on the news this morning, indicates that that drop will probably be a greater single factor in aiding economic recovery than any action taken by a Government in the past 12 months. If interest rates alone can aid economic recovery, we cannot expect such a recovery unless something is done about interest rates. In the meantime, nothing is being done about interest rates. All that is hoped is that in due course the position will right itself. As responsible legislators we cannot continue to take that position. We have to do something about it and take every single possible step to ensure no stones are left unturned to correct what has become an intolerable burden on most of the community. The amount involved is not only the \$25-plus a week that many people are now having to pay in increased repayments on mortgages, but also interest rates in every facet of our lives including money for resource development and capital investment. There are so many I cannot begin to imagine them all. The people who should be imagining them all and who should be investigating them should comprise a standing committee of this House because on this sort of thing we should be united—both sides of the House should be involved. All parties should be doing their very utmost to examine the question of interest rates and to ascertain how the difficulties might be overcome. Instead of that we get a diatribe from the Minister about what the Government is doing. He is particularly vague about it and the only concrete evidence he gives us is the names of the members who were on an advisory committee. The suggestions it has put up have been rejected by the Federal Government.

I believe the only factual statement made by the member for Bunbury in his speech was that there is no simple answer to the problem. I agree with him wholeheartedly on that, but he then went on to say that we just have to wait until the position rights itself. We cannot afford to do that,

as I have already said, and we cannot afford to take the attitude that the Premier stated in his latest weekly report; that is, "Look for the silver lining". That reminds me of John Juan and the "Hospital Half Hour" which was on air some 25 years ago. The session was introduced on 6WF at 8.15 a.m. with the words of the song, "Look for the silver lining". That is what the Government is telling us to do at the present time.

Mr Speaker, did you ever hear such nonsense? We on this side of the House want to take some positive action; we want to contribute. We want to offer whatever brains we have over here—and the Government may think that is not too many, but it cuts both ways. Let us get together and see whether there is one brain we can use to find out how the intolerable burden on the community might be eased. It is the greatest single factor holding back economic development. It is recognised by everybody, and we need to do something about it.

The Opposition has not come to the House with nothing more than it had when it left last May, as the member for Bunbury charges. In the meantime, we have won a by-election with probably one of the greatest swings to any political party in the last 10 years. Interest rates may have had something to do with that, because the result may reflect the lack of resource development, and it does reflect the concern about housing in the northern area. We have other motions of which notice has been given tonight, designed to discuss matters that have developed since the House adjourned on 13 May.

The matter of interest rates was on the notice paper then, and had the House dealt with it before we rose, and acknowledged that there was a need for something positive to be done, the representatives of both sides of the House between 13 May and tonight might have been able to monitor and investigate the situation, and to report. We are able to proceed with this business tonight only because the Government has no business to go on with. We are grateful that it has provided us with an added opportunity for private members' business. The member for Dianella is to be commended on the way he introduced the motion and was able to bring together all the important facts in a tight package without boring the House. It made the House realise there was a great need for action to be taken.

The Government has made no response of any substance. It should realise that its future depends on economic recovery. While interest rates remain at present levels and the Government shows an apparently capricious attitude towards them, we

will not see economic recovery. We will see the demise of the Government unless something positive is done along the lines suggested tonight.

MR TRETHOWAN (East Melville) [9.33 p.m.]: I have listened with some interest to the economic arguments put forward by the Opposition. It seems to me that among the superficiality and inaccuracy, and sometimes contradiction, the Opposition is putting forward two fundamental economic principles to handle the problem of high interest rates. The first is that Governments should control interest rates.

Mr Brian Burke: Who said that?

Mr TRETHOWAN: The Leader of the Opposition did.

Mr Brian Burke: No, we did not.

Mr TRETHOWAN: I can quote the Leader of the Opposition. He should check in *Hansard*.

Mr Brian Burke: I already have.

Mr TRETHOWAN: The Leader of the Opposition said the Government is not dinkum about its desire to control interest rates, and he mentioned the words "controlling interest rates" a number of times. He inferred that the Government has the power to control interest rates. The member for Kalgoorlie went further and said the Federal Government had power to control interest rates, by reference to overseas examples.

Mr Brian Burke: No-one was talking about blanket controls on all interest rates.

Mr TRETHOWAN: The Opposition was proposing the control of interest rates. The second point which the member for Kalgoorlie took up, was an attack on the monetarist policies of the Fraser Government. He was promoting the concept of a Keynesian solution—an expansion of deficit fiscal budgeting to stimulate economic recovery. In other words, "Spend your way out of it no matter what the inflation rate is".

Mr Brian Burke: You have not done too well with your policy.

Mr TRETHOWAN: I would like to quote an overseas example of those two good socialist economic principles. They are the basis of most socialist economics. I refer to the situation that occurred when the Mitterand Government took office in France. It came in on a policy of good socialist economics, including the control of interest rates, and deficit budgeting to spend its way out of problems which France had, including a rising rate of unemployment. Let us see how that country went about it and what were the results. At the end of 12 months those involved had tried to achieve the control of interest rates

by nationalisation of the banks—a good socialist economic objective. I wonder how close it is to the measures the Opposition would propose to achieve its objectives.

Mr Brian Burke: At least we do not sell salted goldmines.

Mr TRETHOWAN: The second part of the French package involved its spending its way out of difficulty. The result was a rocketing inflation rate and an increasing rate of unemployment. As a result, the French have had to reconsider their policies. A by-product of these two policies has been a dramatic outflow of capital funds from France which led to a heavily enforced embargo on the export of funds.

Mr McIver: So capital was going on strike?

Mr TRETHOWAN: It means the free market forces were being interfered with, because the performance of the Government was not sufficient to attract the funds needed in the economy. The result was an outflow of French money, a major impact on the balance of trade, and rising interest rates.

Mr Brian Burke: Much the same as our economy.

Mr TRETHOWAN: These were the things the French Government initially said it would tackle through the policies the Opposition is now proposing. The devaluation of the French franc was dramatic, and to save France from economic catastrophe a change in course was and is being considered.

I raise this example to show that the two points the Opposition put forward—that Governments should control interest rates and that they are not affected by what happens in the rest of the world—are blatantly false. These two socialist economic policies have failed dramatically where they have been put into operation.

Mr Brian Burke: In respect of housing, Governments of all political complexions have controlled interest rates for many years.

Mr TRETHOWAN: That is certainly true in terms of a small section of the fund raising for housing.

Mr Brian Burke: Have you read the motion? What do you think it is talking about?

Mr TRETHOWAN: The Opposition was complaining about deregulation. The four points made by the member for Kalgoorlie are important. They are factors which have affected interest rates in Australia. But the member for Kalgoorlie misinterpreted the importance of the four points which were the implementation of Federal monetary supply targets; the effect on the

balance of payments, particularly the increasing inflow and outflow of overseas funds; deregulation of one section of bank interest rates; and inflationary expectations in the economy. It is important to realise that only a relatively small proportion of housing funds comes from regulated interest sources. Essentially, they are savings bank loan funds provided through the banking institutions.

The building societies always have operated in a free market and the free market forces have determined their rates of borrowing and lending. In fact, the reason savings bank interest rates had to be allowed to be raised was that the banks were not able to attract a sufficient proportion of the funds to meet even the meagre amount they were able to provide previously from that section of the market. Without the increase in interest rates, there would have been no money to lend.

Market forces are affected by Government regulation though restricting the supply of funds available to be lent. This is the precise point that the Opposition has overlooked. If we control one section of the capital market and it is controlled at a substantially lower level than that of the free market, free market forces will draw funds away from that controlled area leaving less funds available to be lent. This means that those people who wish to borrow funds from that area will not be able to do so because the funds will not be available, and people will have to queue up. By implementing a socialist policy, people generally are forced to queue.

Mr Bryce: Your system has them queuing at soup kitchens right now. That is the consequence of you and your free market mechanism, and your next-door neighbour says, "Let them work 50 hours a week".

Mr TRETHOWAN: I would like to illustrate the inaccuracies of the implication of the member for Kalgoorlie that Australia is not affected by the international level of interest rates.

Mr Bryce: Do you have any money wrapped up in a cash management trust?

Mr TRETHOWAN: Australia is affected because it has no choice. France thought it could choose not to, but it has found that it cannot continue with that policy.

Mr Bryce: What about Austria?

Mr I. F. Taylor: What about Japan?

Mr TRETHOWAN: I am glad that the member for Kalgoorlie mentioned Japan. That is the precise point I am coming to. I feel that the member for Kalgoorlie will regret having referred to Japan because the situation in that country

illustrates the side of the argument I am putting forward.

Mr Bryce: What about Austria?

Mr TRETHOWAN: Japan's interest rates are causing concern. What is the situation that Japan is facing at present? It is facing a very heavy outflow of currency. This outflow is balanced by the fact that exports have increased and imports are being controlled. The Bank of Japan issued warnings, the member for Kalgoorlie may recall, 2½ weeks ago, when statements were made about the seriousness of the situation that the Japanese Government was facing, a situation caused by the outflow of funds from Japan to other countries, including Australia. The outcome of this has been the substantially weakening nature of the yen on the world market. Initially this assisted the Japanese manufacturing industry, but if it gets out of control it will affect it seriously.

The other factor that is common to West Germany and Japan—two of the countries to which the member for Kalgoorlie referred—is that they have very responsible work forces which do not look to excessive wage demands. These work forces are cited throughout the world as being responsible, through not making demands for increases in wages without equal increases in productivity; knowing that their jobs depend on the ability of their countries to export their products on the competitive world market. These work forces know that they cannot afford to ask for dramatic increases in wages which will affect the viability of their export industries. Unfortunately that is not the situation within Australia. The result has been that those countries have been able to maintain inflationary rates, on an historical basis, substantially lower inflation rates than the rest of their trading partners and this has maintained their competitive edge.

The result has been that their currencies have remained strong and they have been better able to sustain the devaluation pressures which have occurred because of the world situation. They have endeavoured to maintain low interest rate policies, but even Japan has had to review that policy at the present time.

Mr Bryce: The John Hyde of the State Parliament!

Mr Laurance: You used that one earlier.

Mr Bryce: No I didn't.

Mr TRETHOWAN: We have a major problem with our export industries at present because internal wage demands have far outstripped productivity. We have not been able to face the competitive market in which we find ourselves.

The result is that our export earnings have not been growing at the same rate as over the past 10 years.

Mr Parker: You are dead right—they have not.

Mr TRETHOWAN: This is because of the irresponsible wage demands throughout the country. The member for Kalgoorlie said that we are in a recession at present. He stated also in one of the four points to be made: "We are subject to inflationary expectation" and this is not normally considered to be compatible with recession.

Mr I. F. Taylor: This is not a normal situation.

Mr TRETHOWAN: The people who make the inflationary pressures are those who are demanding excessive increases in wages. These people are not reasonable because they do not recognise the fact that wage demands cost jobs.

Mr Bryce: What about the greedy five per cent at the top who are not paying taxes?

Mr TRETHOWAN: Unless we approach sensibly and realistically the effect this has on the international trade of this country, we will be subject to a calamitous situation referred to.

It requires a two per cent increase in the difference between the interest rates prevailing in Australia and those prevailing in the United States to prevent an outflow of funds from this country to the United States market. That is accepted as the approximate balance. On the figures quoted by the member for Kalgoorlie, that balance is being maintained.

The member for Kalgoorlie overlooked the fact also that monetary supply targets, the control of interest rates, the ability of this country to maintain a favourable balance of trade, and the inflationary expectation within the economy are all linked. We cannot change one without affecting the others. Should this country pursue a policy of controlling interest rates, our overseas trading account will be seriously affected.

Mr I. F. Taylor: Why, because this Government has created its own difficulties?

Mr TRETHOWAN: It would fuel inflationary pressures, those inflationary pressures the member has already recognised in one of his four points as "inflationary expectations", and seriously affect the achievement of the monetary supply targets and so will decrease the viability of this country as an area where investment can occur. That will deter the inflow of capital to develop our natural resources because we will become increasingly less competitive, compared with other countries, in selling our goods on the international market.

The points the member for Kalgoorlie made are the very points I use to substantiate the argument that the Opposition's proposition of a good socialist economic solution to the interest rate problem will not work. This proposition has not worked in France and it will not work in Australia. It would cause this country to change from being a very attractive investment area situation in which to develop natural resources and our industries to the situation where we would find it very difficult to attract the funds we need.

Mr Davies: You come on to a committee and convince us about this. That is what we want.

Mr TRETHOWAN: I believe the main thrust of the motion has been well and truly taken care of in the comments of the Minister. If the creation of a standing committee could have even a marginal effect on the interest rates which the people in our community face, the setting up of a standing committee may be a worthwhile exercise. However, I believe I have established quite clearly that such a standing committee would have absolutely no effect on the interest rates prevailing in Western Australia. We cannot isolate ourselves from the interest rates prevailing in the rest of the country. Anyone who thinks we can is misinformed.

Just as France with a socialist Government is unable to isolate itself from what occurred in the rest of the world, so is Australia unable to isolate itself. We are locked into an international situation which has a significant effect on what occurs internally. Therefore, I believe that the Opposition's motion has little substance, and I support the views of the Minister.

I firmly reject the motion.

MR PARKER (Fremantle) [9.51 p.m.]: When listening to members opposite, one would have thought that they were describing a country in which the economy was thriving, which had economic growth, and in which people were well off and happy with their lot. That is what one would have thought after listening to the member for Bunbury and the Minister. One would have thought we were going pretty well, and there were just a few problems about which we could do nothing anyway, so we might as well sit back and wait for it to blow over, or blow out, as the member for Bunbury said.

Of course, in our situation members of the Government could advantage themselves by increasing the profits because of the policies about which we are speaking. The same high interest rates which cripple the ordinary people, the wage or salary earners who are buying their own homes

advantage the people who have significant sums of capital to invest on the capital market. I do not doubt that that would advantage the member for East Melbourne, since he has just sold Piccadilly Arcade. He is advantaged by the fact that interest rates are high when he invests his funds. However, the people who have to borrow funds are disadvantaged. Those people include the ordinary wage and salary earners, and they are the people whom we represent on this side of the House.

Let me state as a basic proposition, without necessarily advocating it at this stage, that to a very large extent the Australian Government can insulate—not isolate—interest rates within Australia from international pressures. To an even greater extent, the Government can insulate that portion of the moneys which are made available for housing from both international and domestic interest rate pressures. It is a question of the political will and the desire being there. It is a question of the people wanting to do it.

As a matter of deliberate policy, the Federal Government has determined to increase interest rates. This is not something that has happened by accident. It has not happened simply because interest rates are higher in the United States of America and elsewhere, although I do not deny that the fact that interest rates are high in other countries has some influence on the level of interest rates here.

I will quote a few figures about capital formation in Australia to show to what extent it is possible to insulate the Australian interest rates from international pressures. Only eight per cent of gross capital formed in Australia is formed internationally; yet in excess of 50 per cent of capital formed in Australia is formed from the domestic sector; that is, the housing sector including the ordinary wage and salary earners who have money invested in savings banks or building societies, together with the small, unincorporated businesses, partnerships, and the like. They comprise what is called the domestic sector which forms somewhere in excess of 50 per cent of Australian capital. In addition, about 30 to 35 per cent of Australian capital is formed by the business sector; that is, the commercial companies, major public companies, and the like. Only eight per cent of capital is formed on an international basis.

Of course, that eight per cent has a significant impact. The question of whether Australian investors invest their money here or overseas will, to some extent, depend upon the competitive nature of interest rates here and in other parts of the world. I am not claiming that we can ignore

or treat as irrelevant the interest rates applicable in other parts of the world; but Governments of both political complexions in Australia have chosen for a long time to regulate all interest rates. Not only Mitterand in France, or the Japanese, but also Australian Governments have chosen to regulate interest rates to a considerable degree, both in the housing sector and for Australia as a whole—for the commercial and other sectors. That situation has prevailed in Australia since the Second World War and until very recently when the Fraser Government became enamoured of Friedmanism and monetarist policy. Like all countries which have become enamoured of those policies such as Britain and America, Australia is facing economic disaster.

As I said, anyone listening to the Liberal members opposite would think that they were not aware that Australia is in the middle of an economic disaster; but the people everywhere—it does not matter to whom one is talking—are all united on one issue, and that is that the Australian economy is in the worst mess in which it has been since the Depression. Even people who have been critical of Whitlam would say that, compared with what is going on, the situation during Whitlam's time was an economic dream. That is the universal view of the Australian population, but it does not seem to have reflected itself on the Government benches. Hence the Government decision to allow interest rates to go up—in fact, to implement already the recommendations of the Campbell committee report for deregulation in so far as those recommendations relate to interest rates.

I tell the Premier and the Minister for Housing that their interdepartmental committee is much too late, because the Federal Government, although it has not announced it has done so, has already deregulated interest rates in Australia. Because it has deregulated interest rates, it is only the other aspects of the Campbell committee report that remain to be implemented. As well as the deliberate policy decisions made by Liberal Governments in this country, they have also made another decision which was revealed in a rare moment of honesty by the Treasurer and the Federal Treasury recently that they really feel that people should not own homes, and that it was quite wrong that 60 per cent or 70 per cent of the Australian population should own their own homes. It is their view that people should not be able to buy homes. They believe that it is in Australia's economic interests for fewer people to own homes, and that people should have to rely on rental accommodation. They are setting about creating a situation in which that is the case. Let

there be no doubt about that whatsoever. They want a situation in which an everdeclining proportion of the Australian population will live in homes which they own themselves or which they are buying.

The Federal Government made a deliberate decision, which has been advanced by Stone of the Treasury and which has not been denied by the Federal Treasurer. They believe the money which is invested in homes would be better used if it were invested somewhere else, and they have said as much. They do not advertise it on the hustings, as the member for Bunbury would say, but they have revealed that policy on a number of occasions. Other members have referred to the policies of the Federal Government. On listening to some of the members opposite, one would think that the Federal Government and the State Government had policies which were accepted by the electors in relation to housing; however, all the evidence points to the contrary. All the evidence shows that wherever one goes, whether it is at the Victorian elections at which the Federal Government's housing policies had a major impact, or the Lowe by-election, or the North Province by-election in this State—wherever there is an expression of opinion by the population of this country—the people are condemning the economic policies of the Fraser Government and, in the case of this State, of the O'Connor Government as well.

Again, on listening to members opposite, one would have thought that we were in a situation of economic growth, and it is simply a question of tinkering with the mechanism to maximise the return. That is not the position at all. In fact, we are in a situation of disaster.

The Minister for Housing mentioned the Commonwealth scheme which was announced just prior to the Victorian election as an election gimmick. That was advertised considerably on television until 3 April, and not thereafter. Of course, two things have happened in relation to that scheme. A few days after the Federal Government announced the scheme, which would have saved a certain amount of money, the banks and the other financial institutions announced an increase of one per cent in their lending rate, which wiped out whatever benefits would have been applicable to the people involved in the scheme.

Secondly, and most recently, the banks have told the Federal Treasurer they are not sure whether they will be able to lend the \$400 million which they promised to make available for housing as a result of agreeing to that package. The Bank of New South Wales and The National

Bank of Australasia Ltd. are amongst the five most profitable banks in the world. However, they have told the Federal Treasurer that they cannot find the \$400 million which they agreed to lend for housing purposes. They have increased their interest rates, which will wipe out all the benefits of Howard's scheme, and they have told the Federal Treasurer they are not able to lend that money.

That is the sort of country in which we are living at the moment. It is a country in which the Government has said it does not want people to own their own homes.

Mr Nanovich: That is rubbish!

Mr PARKER: Obviously the member for Whitford has not heard what I have been saying. Perhaps he has just woken up, but, for the information of the member, let me inform him it is on the record that the Federal Treasurer of this country—a Liberal member of Parliament—and the Federal Treasury are of the view that far too much capital is invested in the ownership of homes and they believe less money should be invested in that area. They have said that, not me.

Mr Young: So did Jim Cairns.

Mr PARKER: The member for Bunbury said there is no evidence that interest rates can be controlled. Like the member for East Melville I concede that international pressures have a major effect and it is true European countries have put a great deal of pressure on Mr Reagan, the President of the USA, to reduce interest rates which he, as a matter of deliberate policy, has allowed and encouraged to rise, in order that their economies may flourish. However, the USA is more integrated with international economics than is Australia and I have demonstrated that by means of figures.

I concede international pressures do have an effect on Australia and on countries such as Japan. The member for East Melville expressed concern about the situation in Japan and I am sure the Government there feels the effects of international interest rates. I am not saying we can isolate Australia; what I am saying is that we can insulate it.

Of course international pressures will have some effect; but the Japanese Government has provided its business community with considerable opportunities to invest in plant and capital using money which, by world standards, is cheap and to invest in housing using money which also, by world standards, is cheap, and I would trade the economic growth rate of Japan for that of Western Australia or Australia any day of the week. I would be delighted if we could have that

level of economic growth. The member for East Melville may not be aware that the general level of wages in Japan is considerably higher than the level of wages in Australia.

Several members interjected.

Mr PARKER: The level of wages in Japan is considerably higher than that here. I would be the first to concede that the methods of industrial relations practised by Japanese management are far superior to those practised by the average Australian manager. That is borne out when one looks at the example of Mitsubishi in South Australia. When Chrysler operated the plant in that State it produced one car every 60 or 70 hours, but, as a result of a change of management, it is producing now one car every two hours. The workers have not changed, but the management has. Therefore, it can be seen we should be looking at management, rather than at the workers, for increased productivity. Those workers in South Australia are paid far less than their counterparts who are employed in the same operation in Japan.

Those are the facts of life. They may be unpalatable to the member for East Melville who does not like wage increases, and they may be unpalatable to other people; but, nevertheless, they are true.

Members opposite referred to the fact that the Opposition has never had to run a monetary system, so it does not know what it is talking about. The Minister for Housing, who said that, has never had to do so either, nor has the member for Bunbury. An Australian Labor Government in the late 1940s set in motion policies which have allowed Australia to achieve the highest level of home ownership in the world.

Mr Shalders: And yet you wanted to nationalise the banks!

Mr PARKER: The Chifley Government established the policy which ensured that would occur and inaugurated the necessary financial measures.

Mr Shalders: The Chifley Government was thrown out of office, because it wanted to nationalise the banks.

Mr PARKER: If the Minister for Housing read his history books he would realise it is generally conceded that a far more significant factor in the defeat of the Chifley Government was petrol and other forms of rationing—

Mr Shalders: That is absolute nonsense!

Mr PARKER: I am prepared to accept the Minister for Housing may be a greater authority on this matter than most of the Australian

historians who have written about it, but not many other people would. The Chifley Government set in train the financial controls which led to the growth in home ownership and the general economic situation which obtained throughout the 1950s and 1960s. If members opposite read either Sir Robert Menzies' memoirs, or the autobiography of "Nugget" Coombes which were published recently, they would find that policy was adopted and expanded upon by Sir Robert Menzies when he came into Government in 1949 and, as a result, it led to a period of prosperity and a great growth in home ownership in Australia.

I do not believe, as suggested by the member for Bunbury, that we should sit back and wait for the waft and wane of the monetary system, because we can do nothing about it. Members opposite are saying that the situation is not very nice, but there is nothing we can do about it. Nobody on this side says we can insulate Western Australian interest rates from Australian interest rates, but it is possible to some considerable degree to insulate Australian interest rates from international pressures and this Parliament, representing as it does the people of Western Australia, should do something about it. One way it can do that is by setting up the standing committee suggested by the member for Dianella.

MR COURT (Nedlands) [10.07 p.m.]: Initially I should like to make it clear to the member for Kalgoorlie that I have never worked less than a 60-hour week. Perhaps I have to work longer hours than he does to pay for my house, but he probably earns more per hour than I do and that is the message I was trying to get across.

Mr I. F. Taylor: The message the member for Gosnells was trying to get across was that these people can't work a 60-hour week. They are employees not employers.

Several members interjected.

Mr I. F. Taylor: We don't all start life with silver spoons in our mouths!

The ACTING SPEAKER (Mr Watt): Order!

Mr COURT: That was a rather smart comment.

Mr Pearce: It was pretty true though!

Mr COURT: I ask the member for Gosnells: What would he know about it?

Mr Old: That is a good question.

Mr COURT: Members opposite have been on the receiving end of a Government pay cheque for far too long. They should get out and work for themselves and see what it is like.

Mr I. F. Taylor: What are you doing?

Mr Bryce: Look at the good, old, generic concepts coming through now. I wonder where you learnt that!

The ACTING SPEAKER (Mr Watt): Order! I suggest the member for Nedlands address his remarks to the Chair.

Mr Bryce: And to the question!

Mr COURT: The Opposition has missed a major point on the housing question. Regardless of the interest rate, a person cannot afford to buy a house if he does not have a job. Those who support the Opposition should be asking themselves some very serious questions at the moment. For example, they should ask themselves why the Labor Party is not urging the unions to co-operate with employers to increase productivity which, in turn, would increase investment and hence employment.

Mr Parker: We are doing that.

Mr COURT: I ask members: Why is the Opposition not doing this? It is not doing that because it has convinced itself that profits are easy. Members opposite support claims for wages and conditions which are not related to productivity.

Several members interjected.

Mr COURT: I was interested to hear Mr Parker's comments—

The ACTING SPEAKER (Mr Watt): Order! I remind the member for Nedlands that Standing Orders require that he refer to a member by his electorate and not by name.

Mr COURT: I apologise. The member for Fremantle supported the concept of company-based unions—

Mr Bryce: He did not.

Mr COURT: —where negotiations are carried out between the employer and employee and wages and conditions are related to productivity.

The State Government already has taken a number of initiatives to help ease the burden of interest rates, particularly for low income earners. The Opposition should assist home buyers by encouraging employees to assist industry to remain competitive and profitable in these difficult times, and we do not deny that these are difficult times.

The long-term employment opportunities with a Liberal Government are a proven fact.

Mr Bryce: Minimal.

Mr COURT: That is the most constructive way a Government can help a person trying to buy a house. People can buy cars, washing machines,

and other items referred to by the member for Kalgoorlie by having a job.

Mr Bryce: Ask 50 000 Western Australians who don't have a job.

Mr COURT: I remind the member for Kalgoorlie that it is only with productivity increases that we can improve our standard of living.

Mr Parker: You have been in Government for nine years and we have 50 000 unemployed in this State.

Mr COURT: The problems connected with housing go much further than purely high interest rates, and the Opposition should face this fact fairly and squarely.

As a matter of interest, I would like to know where the ALP has its excess property development funds invested and at what interest rates. I can assume only that it is at low interest so as to assist the home buyers of this State.

MR GRILL (Yilgarn-Dundas) [10.13 p.m.]: All speakers so far have agreed on one point at least; that is, that interest rates in this country are excessively high. What they have disagreed about, and the point being made by the Opposition, is that interest rates are artificially high.

At present in Australia our interest rates are amongst the highest in the world; in fact, probably they are the highest. Those interest rates are blighting enterprise, fueling inflation, and adding to unemployment. All these facts are quite undeniable.

If we look at interest rates around the world we find many countries doing very well; countries such as Switzerland where interest rates are well below 10 per cent, in the region of five per cent or six per cent.

If we consider a country like Japan, our main trading partner, we find as pointed out by the member for Kalgoorlie that its interest rates are somewhere in the vicinity of six per cent to seven per cent. That is another country doing very well and which has a good growth rate, low inflation, and very little unemployment, as distinct from Australia.

Mr Young: When you talk about interest rates are you talking about standard bank overdraft rates? Which rates are you talking about when you throw around those rates.

Mr Brian Burke: It depends. Small business has finance available at different rates.

Mr GRILL: Short-term lending rates applicable in Hong Kong as at 15 July this year and as advertised in, I think, the *Hong Kong Times*, a copy of which was brought back by a

friend of mine, were in the region of 12.5 per cent with some varying 0.5 per cent up and some 0.5 per cent down.

Mr P. V. Jones: What they paid to depositors.

Mr GRILL: What they were offering to depositors for medium terms of four to five years were interest rates of 10 per cent. On the same day in *The West Australian* we saw the SEC, Westrail, and the Metropolitan Water Authority—all statutory authorities backed by guarantees by the State Government—offering interest rates in the short term and the long term varying between 17 per cent and 17.2 per cent. In other words, in the medium term, interest rates here were seven per cent or 7.2 per cent higher than those in Hong Kong. They are some of the variations in interest rates that apply around the world.

Mr O'Connor: Are you not reflecting the lender as against the borrower in those rates? You said the depositor got 10 per cent, but the SEC is not a depositor.

Mr GRILL: It is offering 17 per cent to the depositor.

Mr O'Connor: I misunderstood you if that is not the case.

Mr GRILL: I can assure the Premier I was comparing like with like.

The statutory authorities to which I was referring are presently raising massive sums of money within Western Australia, Australia, and overseas, and to some extent at least they are locking Western Australians into high interest rates for a long period of time. The SEC loans are operating over 10 years. I am well aware that those interest rates are averaged out over a period of years, but by and large interest rates in Australia are artificially high, and that is the Government's fault.

If we point to some of the factors contributing to that we firstly have to look at the Federal Government. The Federal Government cannot lower interest rates within Australia, because if it did there would be a flight of money from the country, a point made very well by the member for East Melbourne. It cannot afford to allow that flight of money from the country because of the parlous position of our balance of payments. Why is our balance of payments in a parlous position? Because the economy of this country has been mismanaged over a period of years.

Mr Young: To which countries would that money flow? I want to compare the rates you have been referring to.

Mr GRILL: To some extent it would go to other high interest rate countries, and we do not

argue that high overseas interest rates do not have some effect on interest rates in this country. We are not being dogmatic about it, but interest rates are excessively high, especially in the housing field.

This situation has been created by the Federal Government's embracing a moribund economic policy. It was the same sort of policy which led to the great Depression and it is also a policy which by and large has been endorsed by this State Government. It is a policy of absolutely no growth.

Mr Brian Burke: Hear, hear!

Mr GRILL: If we compare Australia with countries around the world that are doing well we find that the countries doing well are those where growth has been promoted; countries such as Singapore, Taiwan, and South Korea, which recently brought down its interest rates by three per cent.

Mr Trethowan: Countries with a low level of social services.

Mr GRILL: Countries spending very large amounts of Government money on Government infrastructure. Make no mistake about that.

Mr Young: How would you compare Singapore's social security system with Australia's \$8 000 million?

Mr Bryce: Not as good, and I would not want it to be.

Mr GRILL: Singapore does not have a social security system, but if someone there is out of work he gets a job in a garden paid for by the Government. It is the same thing; it is simply a hidden cost in a Government department budget.

In this country, one of the first fatalities of excessively high interest rates has been the home owner. This State Government has done nothing—not one thing—that has effectively ameliorated that position. Contrary to what the Treasurer says, high interest rates in this country are not inevitable. This Government has not merely run out of ideas, it did not have any ideas to begin with and it will not have any ideas. It is bereft of ideas. Within its ranks it does not have the intellect and ability to counter the present problems.

I support strongly this motion. I invite the Government to oppose this proposition, because it will be seen by the public as standing for what its members really are—supporters of high interest rates and low levels of home ownership.

MR COWAN (Merredin) [10.20 p.m.]: It is undoubtedly good politics for the Opposition to introduce a motion such as this, and to use it to debate home-loan interest rates. The members

who have spoken regard themselves as experts in matters of high finance and interest rates, but they referred to those matters without addressing themselves to the intent of the motion before the House; they dealt with the subject of interest rates rather than with the motion.

Mr Davies: Cut it out, I dealt with it.

Mr COWAN: I must admit the member for Victoria Park referred to the motion, but he was the only member who did so. There is no question that interest rates affect the constituents of members who represent metropolitan areas and, perhaps, the Pilbara, and rural constituencies along the western coast of the South-West Land Division. There is no question that the electorate I represent and, perhaps, the electorate of the member for Yilgarn-Dundas, are not housing growth areas. Interest rates for housing do not create the same problems there as are created in the growth areas of the metropolitan area and the western coast of the South-West Land Division; however, as the member for Victoria Park said, interest rates are an important issue in the eyes of all people in Western Australia. Interest rates do not have to relate necessarily to housing and housing alone.

Of course, the member who moved the motion was quite right in doing so. Housing interest rates affect the majority of people in this State and it is quite relevant for this House to seek access to information about interest rates.

No-one can deny that the Government has tried to do something about rising interest rates; it has recognised that a problem exists. The Government has brought forward schemes which have had some degree of success, although limited. It depends on which side of the House one sits as to how one views the successfulness of the Government's schemes, but it has recognised that problems exist and has worked at either controlling interest rates or giving some relief to the people who must bear the burden of increased rates.

The motion is interesting. It asks this House to express an opinion that a standing committee on interest rates should be established, but I do not think that would be good enough. I cannot see any reason at all for our not agreeing to the appointment of a standing committee to use the facilities of this House to obtain such information as it requires and to make recommendations to other members on what should be done in regard to interest rates. I am quite sure that some of the people who have spoken before me in this debate and professed to have some knowledge of financial affairs would be quite welcome before

such a standing committee, even if they were not appointed as members of it.

As the motion is presently worded it merely seeks an opinion. I ask: Why do we not establish such a committee? With that result in mind I intend to move that the motion be amended so as to delete the words, "in the opinion of this House". If that amendment is successful I will move to delete the word "should" so that the motion will read, "That a standing committee on interest rates be established with special reference to home finance". The proposed amendments would put the whole matter beyond doubt, and if the amended motion were accepted a standing committee could be established and members appointed to it so that the people who have been so vocal about interest rates could be called before it. Recommendations could then be made as to what should be done to solve the problems associated with interest rates.

Amendment to Motion

Mr COWAN: I move an amendment—

Line 1—Delete the words "in the opinion of this House".

MR WILSON (Dianella) [10.26 p.m.]: The Opposition has no objection to the amendment; it falls within the spirit of the motion.

MR BRYCE (Ascot—Deputy Leader of the Opposition) [10.27 p.m.]: I will indicate briefly my support for the amendment. At the risk of offending the member for Merredin I will put the record straight in respect of a couple of opinions expressed. I believe a couple of young Government dries are situated on the centre half back of the Government's team, members who are gravely confusing profitability with productivity. It occurs to me they do not understand the difference.

Mr Court: How can you say that?

Mr BRYCE: The member for Nedlands suggested to this House—

The ACTING SPEAKER (Mr Watt): I remind the Deputy Leader of the Opposition we are debating the proposition that words be deleted. It seems to me he is debating the original motion. If the amendment were passed it would be appropriate for him to resume the debate in that vein, but I ask him now to direct his comments to the proposition that certain words be deleted.

Mr BRYCE: I am trying to establish that sound reason exists for deleting the words in question, and in fact so compelling has been the logic of the member for Fremantle, the member

for Kalgoorlie, the member for Dianella, the member for Yilgarn-Dundas, and the member for Victoria Park, in the face of the contributions from the Minister for Housing and his two colleagues in the centre half back position, it is quite obvious in the first instance we should have worded the motion to the effect that a standing committee be established forthwith. It ought to have been a resolution, and in substantiating that argument I feel compelled to make the point to the Chamber that those two dries on the Government centre half back speaking in support of their position—

Mr Stephens: Actually they are in the back line, you know.

Mr BRYCE: As far as the Government is concerned they are full backs; one cannot get much further back. Those members should have done just a little bit of homework on the subject of productivity. It seemed from the contribution by the member for Nedlands that he has this rather twisted impression it is the responsibility of the employees—the employees alone—of this world to achieve increases in productivity—

Mr Court: I said employers and employees.

Mr BRYCE:—and that they ought to work 50 hours a week if they want to be able to purchase their own homes. After all, that is the substance of his proposition.

I will refer briefly to exactly what it is that determines productivity.

Profitability is a function of management more than anything else. The methods of production would be far more important than just the responsibility of the employees of a certain firm. Let me give members a very brief list of exactly what determines productivity, as opposed to profitability. I suggest these two members seem to be unduly preoccupied with profitability.

The methods of production are of prime importance. There is more down-time and more loss in productivity in this community caused by industrial accidents and ill health/occupational health problems as a result of methods of production than one could begin to imagine. I do not intend to give a whole heap of examples because I do not want to take up too much time. The level of industrial accidents in this community, I indicate for the Minister's benefit, accounts for more stoppages and down-time than industrial relations stoppages ever knew how to. I want to emphasise that point.

Mr Laurance: We have got the best record.

Mr BRYCE: That does not mean much in this community when, in fact, we are in strife in

specific areas because of a lack of productivity. Let us focus our attention on the real essence of productivity.

I have mentioned the first point in relation to methods of production. The second one is the question of the equipment that is employed. There has been a hesitation and a tardiness in regard to the installation of equipment necessary to upgrade the production process in this community so we can compete with Japan, Singapore, Taiwan, and South Korea. We could look at a whole host of examples. Next there is the factor of industrial relations.

The member for Fremantle touched upon it, and it is critically important. Those countries with which we have been compared by the member for East Melville and the member for Nedlands where productivity levels are so much higher, do not have the "adversarial" system of industrial relations that we have, nor do they have conservative politicians sticking their noses into industrial relations, deliberately aiding and abetting down-time and stoppages in industry.

Mr Tubby: This is about private enterprise.

The ACTING SPEAKER (Mr Watt): Order!

Mr BRYCE: That is a moot arguable point.

Mr Pearce: He is well within his time.

Mr BRYCE: The fourth point is most assuredly the question of the employee-employer attitude to work.

Mr Brian Burke: Hear, hear!

Mr BRYCE: Right across the nation there is no question but that at both levels the attitude to work certainly could be improved. It is not just the responsibility of one side of that equation. It applies equally and materially to both sides.

The fifth and final point is the question of quality control itself. If commodities are produced and quality control is lacking, our effective level of productivity goes out the window. A whole range of things determines productivity. It is not just simply a question of how many hours a week an employee should work. When we hear members from the Government back bench suggest that this problem relates to the average wage and salary earners' difficulty in buying and paying off their own homes and when we hear them get heavy by saying that they ought to work longer hours—let them work 50 hours instead of 38 hours—we know they are fallacious statements.

Mr Davies: Half of them don't work 20 hours.

Mr BRYCE: My final point is basically that we face this situation because of the ideological blinkers that members who sit opposite and their

colleagues in Canberra have been wearing now for a considerable number of years.

Mr Davies: With disastrous results!

Mr BRYCE: They are absolutely committed to the deregulation of the monetary system. We have not argued that interest rates in this community can be isolated completely. We have been arguing for some hours now that if members opposite shared our concern about the difficulty which people are experiencing in buying their own homes, they would lend their support and share our sense of priority in applying the effort and the perception that is required to devise the methods necessary. The Leader of the Opposition produced an example of these methods earlier in the debate to ensure that the money going into the housing sector is insulated to at least some extent to make it possible for these people to afford their homes. There are countless examples of people in different sectors of the economy having benefited from Government action to provide cheap or cheaper money.

The farming sector is a good example for comparison. There has been a whole host of different examples and schemes whereby Governments have intervened if they believed that the priority warranted that intervention and provided money at a cheaper rate or price and insulated that sector.

I guess it boils down to a simple argument about priorities. We on this side of the House believe that the housing sector is sufficiently important to the Australian people to warrant special action on the part of the Government to insulate that sector, and take the necessary action to enable people endeavouring to buy their own homes to secure money at a price considerably lower than the prevailing market price.

The ACTING SPEAKER (Mr Watt): Order! I made two errors. The first was my neglect to obtain a seconder for the amendment during my confusion about how the amendment should be put. The second was to give the member for Ascot some latitude of which he took considerable advantage. If anyone wants to speak on the amendment he must speak strictly to the amendment and after it has been dispensed with, the debate on the motion can continue. I call for a seconder to the amendment.

MR STEPHENS (Stirling) [10.37 p.m.]: I formally second the amendment moved by the member for Merredin and I would like to make a contribution to the debate.

Mr Brian Burke: If you lose any more members you won't even have a seconder.

Mr STEPHENS: We are here in strength tonight.

Mr Davies: Very solemn.

Mr STEPHENS: Quantity is not important, but quality is.

Mr Brian Burke: If you count your members we would have to go along with that.

Mr STEPHENS: I will confine my remarks to the matter before the House and I trust the interjectors will do likewise and confine their interjections to points relative to the motion.

The point made by the member for Merredin is very important. It was not sufficient for this House just to express an opinion. Having expressed the opinion—on the assumption that the motion was carried in its original form—the Government need take no notice whatsoever of the motion. In the form in which it is currently before the House, the amended motion, if carried, would ensure that the standing committee was formed and, hopefully, we will see some action being taken.

The National Party has always said that judgment should be made on the facts. As representatives of the various electorates we should at all times seek the best information and not just follow a party line. We have never accepted that all brilliance emanates from Cabinet, but anybody who reads the debates or follows this Chamber would get the impression that unless a matter originates in Cabinet it is without merit or substance.

It is for that reason we have supported consistently motions that were designed to seek further information, and that is what the amendment before the House does. In the debate that has taken place to now, it seems to me the understanding is that the principal role of the committee will be to control interest rates. My reading of the motion does not indicate that at all. The motion makes special reference to home finance and the deliberations of this committee may come forward with something quite different from a need to control interest rates.

Mr Shalders: What is the standing committee going to do?

Mr STEPHENS: The first thing I would hope it would do is publish the fact that it is meeting and invite views from the general public. In our community, and within the various halls of learning, there would be a number of people who could come forward with suggestions that might start something that would be of benefit to home purchasers and prospective home buyers.

Mr Shalders: What about the people in your own electorate? Have they come up with anything clever?

Mr STEPHENS: It is desirable that people have an opportunity to come before a committee because it can lead to decisions being made in this Parliament, based on a better and broader knowledge and background. It would remove the back-benchers of the Parliament from blindly following the decisions made in Cabinet.

Mr Shalders: You have not passed on anything to me or the Premier. You have let your constituents down.

Mr STEPHENS: We can do that.

The ACTING SPEAKER (Mr Watt): I remind the member for Stirling he has the opportunity to speak to the motion if he wishes and I ask him to confine his remarks to the deletion of certain words.

Mr STEPHENS: I was sidetracked by the interjections. I still believe that it is vitally important that we seek out all the information we can obtain before we make any decisions. I acknowledge that the Government would like to keep members of this House as poorly informed as possible because they would then not be in a position to question the judgment of the Government. However, members of the public make their own judgment. They made a provisional judgment last weekend. I am not saying it is a final judgment, but I think the Government would be silly if it did not take cognisance of the message of the voting public.

The National Party is representative of the feelings of the people and is always conscious of their attitude and reactions. Our actions in this House reflect that responsiveness. I second and support the amendment.

Amendment put and a division taken with the following result—

Ayes 19	
Mr Barnett	Mr McIver
Mr Bridge	Mr Parker
Mr Bryce	Mr Pearce
Mr Brian Burke	Mr Stephens
Mr Carr	Mr A. D. Taylor
Mr Cowan	Mr I. F. Taylor
Mr Davies	Mr Tonkin
Mr Evans	Mr Wilson
Mr Grill	Mr Bateman
Mr Hill	

(Teller)

Mr Clarko
Mr Court
Mrs Craig
Mr Grayden
Mr Grewar
Mr Hassell
Mr Herzfeld
Mr P. V. Jones
Mr Laurance
Mr MacKinnon
Mr McPharlin
Mr O'Connor

Ayes
Mr Hodge
Mr T. H. Jones
Mr Terry Burke
Mr Bertram
Mr Jamieson
Mr Harman

Noes 23

Mr Old
Mr Shalders
Mr Sibson
Mr Sodeman
Mr Spriggs
Mr Trethowan
Mr Tubby
Mr Watt
Mr Williams
Mr Young
Mr Nanovich

(Teller)

Pairs

Noes

Mr Rushton
Mr Blaikie
Mr Crane
Mr Coyne
Mr Mensaros
Dr Dadour

Amendment thus negated.

Debate (on motion) Resumed

Question put and a division taken with the following result—

Ayes 19	
Mr Barnett	Mr McIver
Mr Bridge	Mr Parker
Mr Bryce	Mr Pearce
Mr Brian Burke	Mr Stephens
Mr Carr	Mr A. D. Taylor
Mr Cowan	Mr I. F. Taylor
Mr Davies	Mr Tonkin
Mr Evans	Mr Wilson
Mr Grill	Mr Bateman
Mr Hill	

(Teller)

Noes 23

Mr Clarko
Mr Court
Mrs Craig
Mr Grewar
Mr Grayden
Mr Hassell
Mr Herzfeld
Mr P. V. Jones
Mr Laurance
Mr MacKinnon
Mr McPharlin
Mr O'Connor

Mr Old
Mr Shalders
Mr Sibson
Mr Sodeman
Mr Spriggs
Mr Trethowan
Mr Tubby
Mr Watt
Mr Williams
Mr Young
Mr Nanovich

(Teller)

Pairs

Noes

Ayes
Mr Hodge
Mr T. H. Jones
Mr Terry Burke
Mr Bertram
Mr Jamieson
Mr Harman

Mr Rushton
Mr Blaikie
Mr Crane
Mr Coyne
Mr Mensaros
Dr Dadour

Question thus negated.

Motion defeated.

House adjourned at 10.50 p.m.

QUESTIONS ON NOTICE

EMPLOYMENT AND UNEMPLOYMENT

Rural

891. Mr DAVIES, to the Premier:

- (1) What evidence does he have to support his statement in *State Report* 19 July 1982 that "about 3 000 rural jobs killed by rising cost last year have been more than replaced by increases in mining, transport, metal industry, essential service and recreational jobs"?
- (2) In particular, what evidence does he have that rising cost caused the loss of jobs?
- (3) If "cost" caused the loss of jobs in one area why, in the same economic climate, is there an increase in jobs in other areas?

Mr O'CONNOR replied:

- (1) The evidence of falling rural sector employment comes from Australian Bureau of Statistics figures for February 1982. These showed that, whereas employment in the rural sector had grown by 2.9 per cent between February 1980 and February 1981, it had fallen by 14.7 per cent between February 1981 and February 1982. Separate assessments prepared by the Bureau of Agricultural Economics and the Western Australian Department of Agriculture indicated that rural sector costs were rising twice as fast as rural sector prices—which depend substantially on overseas sales. Farmers' prices rose by 8 per cent in 1980-81, by 1.7 per cent in 1981-82, and were expected to rise by 5.1 per cent in 1982-83. Prices paid by farmers, on the other hand, rose by 15.8 per cent in 1980-81, by 6.8 per cent in 1981-82, and are expected to rise by 10 per cent in 1982-83. The 14.7 per cent drop in rural sector employment was off-set sufficiently by mining, transport, metal industry, essential services, and recreational job growth to record an overall 0.9 per cent job growth for the year.

- (2) The rural sector can control only its own internal operational costs. It cannot control the costs imposed upon it within the Australian economy, nor the level of prices it receives for its products in international markets. In a situation where its costs are rising twice as fast as its prices, the rural sector clearly had no option but to make further internal economies leading to the loss of jobs.
- (3) Some industries were temporarily better able to absorb costs than others. Mining was in another expansion phase, and mining grew by 30.9 per cent. Transport and metal industries reaped the benefit of mining construction and other orders, and their employment grew by 15.2 per cent and 18.7 per cent respectively. Manpower-intensive essential service employment grew because of rising population. Employment grew, because of rising population, by eight per cent. Employment in the recreation industries apparently arose from the ability of the employed work force—whose average wage levels are rising faster than inflation—to spend discretionary money in this way. Recreation employment rose by seven per cent.

LAND: CROWN

Auction

892. Mr I. F. TAYLOR, to the Minister for Lands:

- (1) Is it fact that any residential blocks of Crown land made available at auction, but remaining unsold 12 months after the date of the auction, are withdrawn from the market?
- (2) If "Yes", what is the basis of this policy?

Mr LAURANCE replied:

- (1) and (2) Yes. The member is referred to section 41A of the Land Act 1933-1980.

WATER RESOURCES

Country Areas Water Supply: Formula

893. Mr I. F. TAYLOR, to the Minister for Water Resources:

- (1) Does the Public Works Department make use of a formula in order to calculate the water allowance for parks,

public gardens, and recreation areas in the various towns serviced by the country areas water supply?

- (2) If "Yes", what are the details of the formula and how is it applied?

Mr MENSAROS replied:

- (1) Yes. However, the present policy has been in existence for some 12 years and is currently under review.

- (2) Where supplies permit—

- (a) schools and hospitals may water a garden area including lawns of up to 0.4 hectares per 1 000 students and 100 patients; all schools and hospitals, irrespective of size, may water .1 hectares;
- (b) bowling clubs are permitted to water one rink per 12 to 16 members;
- (c) water is made available to other sporting bodies under specific conditions.

As the policy is quite detailed I will write to the member setting this out in its entirety.

MINING: STATE BATTERIES

Pulp Treatment Facilities

894. Mr I. F. TAYLOR, to the Minister for Mines:

- (1) What was the installation cost of the carbon in pulp treatment facilities at the Coolgardie and Kalgoorlie State Batteries?
- (2) Is any of the equipment at each of these batteries leased?
- (3) If "Yes" to (2)—
 - (a) what equipment is leased;
 - (b) from whom is it leased;
 - (c) what lease charges are payable?
- (4) Apart from lease details provided in (3) above, what other equipment was on lease and in use at State Batteries over the two years ended 30 June 1982?

Mr P. V. JONES replied:

- (1) Kalgoorlie—\$190 300.
Coolgardie—\$35 600.
- (2) Yes.
- (3) (a) Kalgoorlie—Loading module only
Coolgardie—complete plant;

- (b) Kalgoorlie module—P. & M. H. P. Dekker

Coolgardie plant—Bain Leasing Pty. Ltd.;

- (c) Kalgoorlie—\$2 000/month
Coolgardie—\$28 000/half year.

- (4) Air compressor on hire at Meekatharra until a new unit can be provided.

MINING: GOLD

Battery Sands

895. Mr I. F. TAYLOR, to the Minister for Mines:

For each of the years 1980-81 and 1981-82—

- (a) what amount of gold was recovered from the retreatment of battery sands not belonging to prospectors;
- (b) what was the gross proceeds from the sale of this gold and the revenue account to which the proceeds were credited;
- (c) what were the terms and conditions under which battery sands have been sold to outside parties;
- (d) what were the proceeds of any sales referred to in (c) above and to what revenue account were such proceeds credited?

Mr P. V. JONES replied:

- (a) 1980-81—17.968 kg
1981-82—37.683 kg;

- (b) 1980-81—\$280 870 Based on
1981-82—\$419 676 average gold
 price

Revenue Account credited—State Batteries Cyaniding;

- (c) terms vary from \$1/tonne treated in the initial stages—1979—to a scale of charges used at present, which varies with the gold price from 0.3-1.8 per cent of the price of gold per ounce per tonne treated;

- (d) proceeds to 30 June 1982—
1980-81—\$102 751
1981-82—\$211 175

Revenue Account credited—State Batteries Cyaniding.

PUBLIC SERVANTS

Retirement: Age

896. Mr BATEMAN, to the Premier:

- (1) Is it his Government's intention to lower the retiring age for public servants in this session of Parliament?

- (2) If "Yes", when will the retirement age take effect from?
- (3) If "Yes" to (1), will this automatically flow on to the Western Australian Police Force, the Western Australian Fire Brigade, and all other such departments including the local authority employees?
- (4) If not, why not?

Mr O'CONNOR replied:

- (1) to (4) The member's attention is drawn to the report in *The West Australian* on 16 March 1982 where the Government announced plans to introduce voluntary retirement from age 55 for all its employees.
Work is proceeding to implement the policy as soon as possible.

EDUCATION: PRIMARY SCHOOL

Canning Vale

897. Mr BATEMAN, to the Minister for Education:

Further to my question 285 of 31 March 1982 relevant to the future of the Canning Vale Primary School, will he advise what recommendations were submitted by the consultants commissioned to evaluate the life expectancy of and the present need for leaving the Canning Vale Primary School in its present location?

Mr CLARKO replied:

The report identifies an immediate need to proceed with development adjacent to the site of the Canning Vale Primary School.

Advice from the Industrial Lands Development Authority is that the school and the project works can co-exist for a period of another 12 months after the end of the current school year. As a result the decision has been taken that the Canning Vale Primary School will continue to operate until December 1983 only.

ROAD: FREEWAY

Roe

898. Mr BATEMAN, to the Minister for Transport:

- (1) Is it intended to upgrade the Roe Freeway to a dual carriageway?

- (2) If "Yes", will he give reasons why this would be necessary?
- (3) Will he further advise when a traffic bridge will be constructed over the Kewdale marshalling yards to connect with Hardey Road?
- (4) What is the Budget allocation for the upgrading of Hardey Road in Forrestfield for the next financial year?

Mr RUSHTON replied:

- (1) Yes.
- (2) To adequately cater for the anticipated traffic demands.
- (3) No timetable has been established for this project.
- (4) \$875 000 has been programmed in the 1982-83 programme of works to complete the current project.

FUEL AND ENERGY

Transmission Line: Canning Vale

899. Mr BATEMAN, to the Minister for Fuel and Energy:

- (1) In view of the application by the Industrial Lands Development Authority to his department to have the State Energy Commission transmission line relocated from the Canning Vale industrial complex, what would be the ultimate cost to transfer this power line?
- (2) What useful purpose would be achieved in transferring the power lines?
- (3) Would the cost of transferring the power lines to an alternative route be compensated by land sales?
- (4) If "Yes" to (3), would the Industrial Lands Development Authority pay for the cost of removal?
- (5) If the power lines were ultimately rerouted, would private land owners so affected be compensated in full for value loss to their properties?
- (6) If not, why not?

Mr P. V. JONES replied:

- (1) I am informed by the State Energy Commission that a number of alternative routes for relocation of the transmission line from the Canning Vale

industrial complex have been proposed and are currently being considered by the Town Planning Department and the Industrial Lands Development Authority in consultation with the Cities of Canning and Gosnells.

I am advised that the cost of the relocation would be dependent on the choice of route, and might be in the order of \$0.5 million exclusive of any costs associated with land purchase or compensation to landowners.

- (2) The relocation of the line would be of no benefit to the commission, and hence the commission would be seeking total reimbursement of costs.
- (3) and (4) Yes.
- (5) Yes, in accordance with a determination by the Valuer General.
- (6) Not applicable.

WATER RESOURCES: METROPOLITAN WATER AUTHORITY

Plans: Inspection

900. Mr BATEMAN, to the Minister for Water Resources:

- (1) Can he explain the reasons in full why builders or laymen are required to present plans and specifications to erect patios, especially after such plans and specifications have been passed by the local authority in whose area the patios are to be built?
- (2) Will he also give full details why it is necessary to pay a \$25 charge to the water board just to have the plans stamped, when absolutely no research or inspection of the plan is carried out by his department whatsoever?
- (3) Why was the initial fee of \$10 raised to \$25?
- (4) In view of the fact that until recently there was no charge made for such an inspection, is this another means of revenue raising at the taxpayer's expense?

Mr MENSAROS replied:

- (1) Plans and specifications of proposed patios are required to be presented in order to minimise possible damage to the authority's sewers and main drains

and to the owner's private house connection drains. Local authorities would not be able to supply this facility as they have no records of these services.

- (2) Plans of patios are, in fact, inspected to determine the patio's location with respect to the services mentioned in (1).
- (3) The fee was increased from \$15 to \$25 from 1 July 1982 to more closely meet the cost of the service.
- (4) The \$10 fee was a minimum charge made in July 1980, raised to \$15 in July 1981 and to \$25 in July 1982. Charges are reimbursements for the cost of the MWA service carried out for the benefit of the users of the MWA services.

POULTRY: EGG MARKETING BOARD

Equipment: Purchase

901. Mr BATEMAN, to the Premier:

- (1) Is it the policy of the Government to ask old Chinese and Pakistani men resident in this State to buy Western Australian made goods and then allow Government institutions and organisations to buy where they like?
- (2) Is the foreword of local preference by the Minister for Industrial Development and Commerce which provides "a concise statement of the State Government's policy initiatives with respect to the interpretation and implementation of local preference in contracts and tenders", still in force, and if so is the Western Australian Egg Marketing Board exempt?
- (3) If "Yes" to (2), why have letters dated 13 April 1982 and 24 May 1982 from Soames Frost and Co. Pty. Ltd. to the Department of Industrial Development and Commerce with proposed safety and productivity tests, not been answered except to be referred to the Minister for Agriculture?
- (4) Is he aware that seven tailgate hoists valued at over \$20 000 ordered by the Western Australian Egg Marketing Board, contrary to Government policy as

laid down in the local preference booklet issued to all Government departments, and advised to the Minister for Agriculture on 13 April, have now been fitted?

- (5) Has the Government spent vast sums in promoting the theme for Western Australian products "Go for it", buy Western Australian products, and instructed all Government departments, State bodies, primary produce boards, hospitals and authorities to buy WA products even allowing a 10 per cent preference; and further instructed that all efforts must be made to help WA manufacturers to meet the specifications?
- (6) If "Yes" to (5), why is it that the Egg Marketing Board has been allowed to purchase over \$20 000 of equipment which is considered to be inefficient and time consuming, and which had to be specially modified to do the job at all?
- (7) Is he informed of the fact that the Egg Marketing Board has purchased seven tailgate hoists valued at over \$20 000 from the Eastern States, when they are manufactured in a much larger range in Western Australia?
- (8) If "Yes" to (7), is this not contrary to his Minister's foreword in the handbook on local preference and policy, viz—

This brochure is presented with the objective of providing a concise statement of the State Government's policy initiatives with respect to the interpretation and implementation of local preference in contracts and tenders.

The policy applies to all State Government departments, instrumentalities, boards and institutions concerned with Government purchasing?

- (9) Is he further aware that in the opinion of the most experienced tailgate hoist manufacturing company in Western Australia, which introduced this type of equipment in 1966, the equipment ordered and fitted is potentially unsafe, non-productive, with a rapid deterioration period, and liable to damage goods?
- (10) In view of questions (1) to (9), will he have a full investigation carried out into all aspects raised?
- (11) If not, why not?

Mr O'CONNOR replied:

- (1) No.
- (2) The policy remains and it applies to all State Government departments, instrumentalities, boards, and institutions concerned with Government purchasing.
- (3) Referral to the Minister for Agriculture was essential as the issues involved—viz., safety and productivity tests—were matters pertaining to a contract let by a board under his ministerial jurisdiction.
- (4) I am aware that the seven tailgate hoists have now been fitted to the truck bodies. Such action is not considered to be contrary to Government policy as laid down in the local preference booklet.
- (5) The "Go for it" campaign is quite separate from the Government's local preference policy. One programme is aimed at creating an awareness of the range of products manufactured in the State, targeted specifically towards the consumer public. The other is oriented towards the Government arena, particularly those individuals with responsibility for purchasing goods and services.
- (6) The chosen equipment is not considered to be inefficient and time consuming by the WA Egg Marketing Board and was favoured by a majority of the independent van-driving contractors.
- (7) Answered by (4).
- (8) The local preference policy has as its central theme that goods and services shall be procured from local sources where all other normal commercial guarantees such as price, performance, quality, delivery specification match, etc., are equal.
- (9) The Chief Inspector of Machinery from the Department of Labour and Industry has carried out an examination on the selected equipment and reported favourably concerning its operational safety.
- (10) The contract for tailgate hoists has been investigated and the responsible authority is satisfied that the equipment purchased was the most suitable for the job.

Furthermore, on 2 March 1982, the Government entered into a contract to which it is legally bound.

(11) Answered by (10).

ZOOLOGICAL GARDENS

Bequest

902. Mr BATEMAN, to the Minister for Lands:

- (1) Is it a fact that approximately 10 years ago, a large sum of money was left by a benefactor to the South Perth Zoo for the purpose of upgrading the polar bears cage and yard?
- (2) (a) If "Yes", will he say how much money was left by the benefactor; and
(b) was the polar bears cage upgraded with the money left for such purpose?
- (3) If not, why not?

Mr LAURANCE replied:

- (1) A bequest was made to the Zoological Gardens Board "for use in improving the conditions and housing of animals at South Perth Zoo". The bequest was not specifically made for upgrading the polar bears' cage and yard.
- (2) (a) The amount left to the zoo amounted to \$148 177.40;
(b) no.
- (3) The polar bear pool had been relined a short time before the bequest.

TRAFFIC: ACCIDENTS

Nicholson Road-Wilfred Road Intersection

903. Mr BATEMAN, to the Minister for Transport:

- (1) In view of the continual accidents—some fatal—occurring at the intersection of Nicholson Road and Wilfred Road, Canning Vale, will he install traffic lights at this intersection immediately?
- (2) If not, why not?

Mr RUSHTON replied:

- (1) and (2) I am advised that although unfortunately a fatal accident occurred recently at this location, "Stop" signs are already erected and the intersection has low traffic volumes.

The situation at the location has been reviewed. However, as it has a relative low priority compared with other intersections, it is not proposed to install traffic signals at the present time.

HOSPITALS: CHARGES

Compensable Patients and Outpatients

904. Mr McIVER, to the Minister for Health:

Why is a compensable patient charged more in a Government hospital and as an outpatient, than the ordinary patient?

Mr YOUNG replied:

Charges for compensable patients treated in public hospitals are based on the average cost of providing the service.

It would be unreasonable for the Government to subsidise services to patients in respect of whom damages or compensation are covered by statutory provisions where insurance premiums are based on the cost of providing the service.

Daily bed charges and outpatient charges for ordinary patients are fully refundable from private insurance. Charges raised against non-compensable chargeable patients are less than actual cost; the hospital being funded with the difference from Government subsidy.

HEALTH: MEDICAL PRACTITIONERS

Doctor-Population Ratio

905. Mr DAVIES, to the Minister for Health:

- (1) What is the doctor-population ratio in Western Australia at present?
- (2) What was the enrolment figure at the University of Western Australia Medical School—
(a) this year;
(b) expected for 1983?

Mr YOUNG replied:

- (1) On 1 January 1982—

1 doctor per 562 persons or
1 full-time equivalent doctor per 606 persons.

- (2)

1st year enrolment	Graduates
(a) 129	110 (estimated)
(b) 130	115 (estimated)

FUEL AND ENERGY: POWER STATION*Carnarvon: Staff Amenities*

906. Mr JAMIESON, to the Minister for Fuel and Energy:

- (1) Is he aware of the existing conditions provided for employees to eat their meals in the Carnarvon power station?
- (2) Is he aware that these conditions have been reported to the Public Health Department due to their unhygienic state?
- (3) When can it be expected that these, and other staff amenities, will be improved to bring them into line with the requirement of the various awards under which the employees working at the power house are covered?

Mr P. V. JONES replied:

- (1) Yes.
- (2) Yes. The Public Health Department has been advised of plans to rectify this situation.
- (3) Following receipt of funds from Carnarvon Shire Council under the terms of the country towns' assistance scheme for capital works, including improvement of amenities, the State Energy Commission expects to complete improved facilities for power station staff during September next.

I am advised that the representative of the Federated Engine Driver's and Firemen's Union was advised of this in July.

ELECTORAL: DISTRICTS*Redistribution: Notification*

907. Mr JAMIESON, to the Minister representing the Chief Secretary:

- (1) Have the electors who have had their electoral districts changed by the redistribution of last year, been individually notified, as has been the case after previous redistributions?
- (2) If they have been notified, when were these notifications sent to them?
- (3) If they have not been notified, when will the Electoral Department notify them of the changes?

Mr HASSELL replied:

- (1) The practice of sending individual notifications to electors who had been transferred to a new district created by an electoral redistribution was discontinued with the 1976 redistribution.

Instead, suitable newspaper advertising was arranged. This will be repeated at the appropriate time.

It is estimated that the cost for postage alone in notifying individuals affected by the 1981 redistribution would exceed \$70 000. The demand for labour would be quite considerable and beyond the capacity of the Electoral Department at what is currently a very busy time.

- (2) and (3) Answered by (1).

HOSPITAL*Albany Regional*

908. Mr WILSON, to the Minister for Health:

- (1) What are—

- (a) the number of beds available;
- (b) the number of nursing staff;

at the Albany Regional Hospital?

- (2) Can he confirm that in a case where a visitor to Albany suffers a sudden attack of illness, the immediate assessment at the hospital is made by a nursing sister prior to referral to a doctor?
- (3) Are local doctors rostered to be on call for hospital duty?
- (4) If "Yes" to (3), are doctors on the roster paid for this service or is the roster arranged on an honorary basis?

Mr YOUNG replied:

- (1) (a) 184;
- (b) 138.15.
- (2) Yes. If a patient arrives at Albany Hospital without having made any prior contact with a doctor, the initial clinical assessment is made by the nurse on duty and first aid treatment given in urgent cases. The patient may nominate a doctor or if no preferred doctor is available, the duty doctor is informed and the nurse receives advice on management until the doctor arrives.
- (3) Yes. This community service is provided on a voluntary basis by the local doctors.

- (4) The doctors are not paid for being "on call". If the patient is insured—a private patient—the doctor renders his own account. If the patient is a "public" patient, the hospital pays the doctor for the consultation or procedure undertaken.

WATER RESOURCES: ACCOUNTS

Late Delivery

909. Mr WILSON, to the Minister for Water Resources:

- (1) Is he aware that many consumers whose 1982-83 account for rates and charges was dated 1 July 1982 did not receive their account until as late as 7 July 1982?
- (2) What is the reason for such a delay which means that consumers have much less than one month's notice prior to 31 July to take advantage of the Water Authority's new options system for payment?
- (3) Is he aware that some consumers querying this delay between the date of the notice and the date of receipt are being told by officers of the authority that there is no obligation for the authority to give any notice for payments due?
- (4) Is this type of response to genuinely concerned consumers acceptable?
- (5) What action will be taken to ensure more prompt delivery of accounts in future?

Mr MENSAROS replied:

- (1) and (2) Yes. All original 1982-83 accounts for rates and charges were dated 1 July 1982 because, in addition to the current year billing, they show the financial position of the account as at close of business on 30 June.

Approximately 330 000 separate accounts had to be printed and individually enveloped with inserted appropriate brochure. The first batches

were lodged with Australia Post on Sunday, 4 July and over 95 per cent had been lodged by 6 July. The last batch was lodged on 8 July. On this basis the authority could reasonably expect the vast majority of accounts to be delivered in the week ending 9 July with the last deliveries being not later than 12 July. The new options of payment and the due date of 31 July for the first instalment were given wide publicity in May and June. In addition, the new system aims to give customers three weeks' notice upon receipt of their account. Under the previous system the first moiety was due for payment within 14 days of issue and this was normally well before 31 July. Most customers are therefore receiving more notice than before.

- (3) No. During my routine visit this morning, I could not detect any offending behaviour by the well-trained, efficient and dedicated staff who receive public inquiries and payments. In any event, I told them what I think about their work and what the member implies in his question.
- (4) No.
- (5) The objective to deliver accounts to customers with three weeks' notice of first instalment is considered reasonable and will be maintained.

RAILWAYS

Management Services Branch

910. Mr McIVER, to the Minister for Transport:

- (1) How many Westrail employees comprise the management services of Westrail?
- (2) How many personnel have joined the management services of Westrail since 1979?
- (3) What is the gross income of each management services employee per annum?

Mr RUSHTON replied:

- (1) 60.
- (2) 27, between 1 January 1980 and 16 July 1982, all of whom were for replacement purposes.

(3) Annual gross salaries of management services bureau staff are—

1 @ \$43 706
 2 @ \$37 191
 1 @ \$32 108
 1 @ \$32 033
 1 @ \$31 600
 1 @ \$29 331
 2 @ \$28 557
 2 @ \$28 050
 1 @ \$27 422
 1 @ \$26 245
 4 @ \$25 924
 2 @ \$25 241
 1 @ \$24 554
 1 @ \$23 913
 1 @ \$22 623
 1 @ \$21 972
 2 @ \$21 332
 5 @ \$20 043
 2 @ \$19 437
 1 @ \$18 833
 2 @ \$18 225
 1 @ \$16 501
 2 @ \$15 987
 1 @ \$15 473
 1 @ \$14 843
 2 @ \$14 592
 2 @ \$13 880
 1 @ \$12 297
 2 @ \$11 850
 1 @ \$10 787
 3 @ \$10 222
 2 @ \$9 041
 1 @ \$8 298
 3 @ \$7 892
 1 @ \$6 765.

ROADS

Funds

911. Mr BATEMAN, to the Minister for Transport:

- (1) Is he aware of the tremendous concern being expressed by local authorities at the continuing deterioration of funds received from the Commonwealth Government for the construction of major roads?
- (2) If "Yes", is he also aware that the rate of inflation applied to the present funding system has in no way kept up with the materials and labour costs used in road construction?
- (3) Is he also fully aware that current funding proposals have an annual increase of six per cent whereas costs are running at approximately 16 per cent?

(4) If he is aware of (1) to (3), does he realise the shortfall in funding is seriously delaying the construction of important roads in the south suburban area, such as Nicholson Road, Ranford Road, and many other major roads?

(5) If "Yes" to (4), will he put extreme pressure on the Commonwealth Government to overcome this continuing deterioration in Commonwealth road funding?

(6) If not, why not?

Mr RUSHTON replied:

(1) to (6) Having regard to the important part the road system plays in developing the State, it has been a constant worry of the Government that insufficient funds are being made available by the Commonwealth to this State for road works on all classes of road, including local roads.

The State has partly offset the lack of Commonwealth funds by regularly raising additional State revenue for roads. Strenuous efforts have been made by the State Government, over some years, to the Commonwealth to provide more money for roads.

Road funding was a special item on the agenda at the recent Premiers' Conference attended by Transport Ministers. This item resulted from my suggestion and agreed to by other Ministers at a meeting of the Australian transport advisory council held earlier in the year. The Premiers and Ministers argued strongly for more funds with the result that the Prime Minister said the matter would be reviewed within the context of the next Federal Budget. The States are confident that a special fund will be set up by the Commonwealth to provide additional road funding.

Inflation in the road construction industry has been higher over recent years than the CPI and the increase in Commonwealth funds. It is hoped that this will be offset by the Commonwealth's providing more funds.

The specific works referred to in the south suburban area need to be considered with other priority works for available funds.

The State Government will continue its strong stand on the matter of increased Commonwealth road funding.

SMALL BUSINESSES

Bankruptcy

912. Mr BATEMAN, to the Minister representing the Attorney General:

- (1) In view of the ever increasing number of businesses and companies being placed in the hands of receivers, can business proprietors affected by such circumstances or bad administration, be prevented from forming another company or business and going into bankruptcy again, even though they owe their creditors considerable amounts of money from their original collapsed business?
- (2) If "Yes" how are such practices controlled?
- (3) If no controls exist, will the Attorney General bring about an amendment to the Companies Act to cover such a situation?
- (4) If not, why not?

Mr RUSHTON replied:

- (1) Section 227 of the Western Australian Companies Code provides that a person who is an insolvent under administration shall not be a director or promoter of, or be in any way concerned in, or take part in the management of a corporation without the leave of the court. The section further provides that where a person is convicted of certain offences relating to breaches of companies and securities legislation or where the offence involves fraud or dishonesty, he shall not take part in the management of a corporation within five years after his conviction or release from prison.

Under the Companies Code, the court may on an application by the National Commission, make an order prohibiting a person from taking part in the management of a company in circumstances where the court is satisfied that a person was concerned, or took part in, the management of two or more companies and that the manner in which the affairs of those companies was managed, was wholly or partly responsible for the company being wound up.

Many businesses fail due to circumstances beyond the control of management. The Companies Code is directed at preventing only those persons who have failed to act honestly and exercise a reasonable degree of competence from participating in the management of other corporations.

- (2) The National Companies and Securities Commission, through its delegate in Western Australia, the Commissioner for Corporate Affairs, is responsible for the administration of the Companies Code.
- (3) The Companies Code, which replaces the Companies Act 1961, takes account of some of the difficulties previously experienced by Corporate Affairs Commissioners in all States with respect to their administration. With respect to aspects concerning bankruptcies of businesses not being corporations, the Commonwealth has jurisdiction, the Bankruptcy Act being a Commonwealth Act.
- (4) Not applicable.

INDUSTRIAL DEVELOPMENT: DEPARTMENT

Merging of Departments

913. Mr DAVIES, to the Premier:

- (1) Referring to the *Daily News* report, page 10, 28 July 1982, headed "Department to Merge", will he list the 17 positions to be saved?
- (2) In what way would services to major centres be improved?

Mr O'CONNOR replied:

- (1) Absorption and reallocation of the duties of the positions are presently being examined.
- (2) Services to major centres will be improved by—
 - (i) the appointment of officers to handle on a full-time basis labour and industry and consumer affairs inquiries in Bunbury, Albany, Geraldton, and Karratha; and
 - (ii) bringing the role of the regional officers of the former Department of Industrial Development and Commerce under the control of the regional administrators, thus avoiding duplication of effort in this field.

TOWN PLANNING

Residential Planning Codes

914. Mr DAVIES, to the Minister for Urban Development and Town Planning:

- (1) What force of law do the residential planning codes detailed in policy statement P.7 carry?
- (2) Is it a fact that amendments to town planning schemes will be refused unless they comply with the new codes?
- (3) Has any concern been conveyed to the Minister or the department regarding application of the new codes?
- (4) If so, from where and of what nature?

Mrs CRAIG replied:

- (1) The residential planning codes have been incorporated into policy statement No. P.7 of the Town Planning Board in the form of a set of model town planning scheme provisions. Policy statements are adopted and published by the board in order that its policy and practices are understood and available to the public. The incorporation of the new codes into such a statement does not in itself give the codes statutory significance.

However, policy statement No. P.7 does indicate how it is intended that the codes be implemented. The codes are to become part of local authority town planning schemes by reference to the policy statement and upon finalisation of schemes containing the necessary provisions, the codes will become part of the scheme and carry the full force and effect of the law as provided by the Town Planning and Development Act.

By setting out the codes as part of a board policy statement, modification or amendment to them has been relatively simple by resolution of the board. The formulation and implementation of the codes has been a long, arduous process and several changes of direction have occurred in response to demands for flexibility to make allowances for local conditions. As most of the problems raised by local authorities and others now appear to be near resolution, I am now examining the possibility of the adoption of the residential planning codes as a policy of the Town Planning Board under the provisions of section 5AA of the Town Planning and Development Act.

- (2) No, there is not requirement that amendments to town planning schemes presently in force must comply with the codes. I will, however, be seeking to ensure that all new schemes submitted to me for approval will, unless exceptional circumstances apply, incorporate the residential planning codes. I believe this should be the case in the interests of a consistent approach to town planning in this State.

- (3) The codes have been in preparation since 1977, when the residential codes advisory committee was appointed by the Minister to undertake the work. Since that time many comments have been made by local government, planning consultants, and other interested parties, and consequent alterations and modifications have been made.

- (4) I am not prepared to require my department to carry out the vast amount of detailed work to answer the member's question.

HOSPITALS: DEBTS

Collection

915. Mr HODGE, to the Minister for Health:

- (1) Is it a fact that College Mercantile Agency Pty. Ltd., a debt collecting agency employed by the Government to recover money owing by patients of country hospitals, has processed in excess of 35 000 demands for an amount totalling about \$1 million?
- (2) Is it a fact that College Mercantile Agency Pty. Ltd. has been involved in attempting to recover individual amounts owing for hospital care of up to \$3 000?
- (3) Is it a fact that another debt collection agency, Mercantile Collection Association, employed by the Government to recover money owing by patients of metropolitan area hospitals, has processed about 7 000 accounts totalling approximately \$60 000?
- (4) Is it a fact that Mercantile Collection Agency has been involved in attempting to recover individual amounts owing for hospital care of up to \$5 000?

- (5) Can he verify the accuracy of claims made by the Manager of Mercantile Collection Agency—*Weekend News*, 17 July—that at least 90 per cent of accounts involved people who were not covered by hospital insurance?
- (6) Does his department concur with the claim made by a spokesman for College Mercantile Agency Pty. Ltd. that there is a proven psychological advantage in having a third party involved to prompt tardy debtors into paying?

Mr YOUNG replied:

- (1) An arrangement exists for College Mercantile Agency Pty. Ltd. to provide a debt collection service for non-teaching metropolitan and country hospitals and State Health Laboratory Services. This arrangement involves the issue of demand notices for tardy accounts which are approximately six to eight weeks outstanding and, when approved by the hospital, legal action for recovery of the unpaid debt. Demands processed to date by the hospitals and State Health Laboratories are—

	Demands	Total value
Non-teaching hospitals	9 327	\$538 495
State Health Laboratory Services	39 627	\$768 205

- (2) Yes.
- (3) No. Mercantile Collection Association provides a service to metropolitan teaching hospitals and to date has issued 11 773 demand notices totalling \$913 266.
- (4) Yes.
- (5) The manager claims not to have made such a statement.
- (6) A decision was taken to utilise the services of debt collection agents because it is believed that this work is best undertaken by professional agencies experienced in this type of activity. In all instances, particular action is still only undertaken after specific authorisation is given by the hospital.

NOISE: TRAFFIC

Committee Report

916. Mr HODGE, to the Minister for Health:

What steps have been taken to date to implement any of the recommendations made to the Government by the interdepartmental committee on traffic noise?

Mr YOUNG replied:

The recommendations of the committee were considered by the Noise and Vibration Control Council which, in turn, made recommendations which have been forwarded to the appropriate Ministers for consideration.

HEALTH

Breast Milk Substitutes

917. Mr HODGE, to the Minister for Health:

- (1) Is it a fact that the National Health and Medical Research Council at its ninety-second session in October 1981 supported in principle the international code of marketing of breast milk substitutes adopted by the world health assembly?
- (2) Is it a fact that the National Health and Medical Research Council recommended that State health authorities should support the implementation of the international code of marketing of breast milk substitutes?
- (3) What action has been taken to date by the State Government to comply with or implement the five major recommendations made by the National Health and Medical Research Council on this subject?
- (4) Can he give an assurance that all aspects of the international code of marketing of breast milk substitutes are being complied with in Western Australia?

Mr YOUNG replied:

- (1) and (2) Yes.
- (3) Breast feeding is promoted by the State health authorities and especially in child health clinics.

Manufacturers of breast milk substitutes have been requested and are being most co-operative in not promoting their products at child health clinics, but in channelling any information to the health authorities.

Manufacturers also have been most co-operative in not promoting their products to Aboriginal mothers in remote areas where health authorities particularly support breast feeding.

All hospitals have been requested to comply with the recommendations.

- (4) The international code with the rider recommendations of NHMRC is being substantially complied with in Western Australia.

NOISE: TRAFFIC

Kwinana Freeway

918. Mr HODGE, to the Minister for Health:

Will he provide me with details of the results of traffic noise monitoring by his department on a "before and after" basis at the seven sites checked on the southern extensions of the Kwinana Freeway?

Mr YOUNG replied:

Yes. The results are tabled herewith. As soon as the weather improves, so that it does not interfere with the noise monitoring process, a second survey will be done.

The results were tabled (see paper No. 317).

QUESTIONS WITHOUT NOTICE

GOVERNMENT GUARANTEE

Bunbury Foods Pty. Ltd.

323. Mr SIBSON, to the Minister for Industrial, Commercial, and Regional Development:

In view of the Premier's statement in regard to Bunbury Foods Pty. Ltd., would the Minister explain—

- (1) What has prompted the Government to break off its negotiations with the principals of the company and withdraw its offer of an additional \$2 million in Government guarantees?

- (2) Why is the State Government appointing its own receiver/manager when one has already been appointed by The National Bank of Australasia Ltd?

- (3) How does the Minister view the prospects of selling the refinery and protecting the jobs of the people who were employed there?

- (4) Does he see a viable future for an edible oil refinery in Bunbury?

Mr MacKINNON replied:

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

- (1) Negotiations were broken off because the conditions applicable to the \$2 million-worth of extra guaranteed assistance were not met by the principals of the company. One of the conditions was that a bank or lending authority should provide the additional \$2 million, but such a source was not forthcoming. A total of six conditions applied, none of which was met. Negotiations were carried on with the principals of the company over an extensive period and efforts were made to reach agreement, but such an agreement did not occur.

- (2) The Government must appoint its own receiver for two reasons: Firstly, litigation is in process between the National Bank receiver and some of the principals of Bunbury Foods as they stand currently. We do not want to get involved in that litigation and the Crown Law Department advised that we should appoint our own receiver. Secondly, it is in our best interests to have a receiver acting on behalf of the Government and not just in the interests of the National Bank and, therefore, a separate receiver will be appointed.

(3) The Government considers the prospects of selling the refinery to be promising. When the National Bank receiver was first appointed a good deal of interest was expressed in the refinery. It is difficult to say with any accuracy that the receiver will be successful in selling the refinery, but I am confident the refinery will be sold to an interested buyer in due course. We are interested in ensuring that happens as quickly as possible, in order that the jobs of the people employed at the refinery are protected and that is why we will appoint our own receiver.

(4) Yes, I see a viable future for the refinery.

HEALTH AND MENTAL INSTITUTIONS

Sale of Land

324. Mr HODGE, to the Minister for Health:

(1) Is it correctly reported in today's *Daily News* that the Government intends to sell the land on which stands Sunset, Heathcote, and Swanbourne Hospitals and also the land presently occupied by the Mental Health Services in Havelock Street, West Perth?

(2) If so, when is the land to be placed on the market?

Mr YOUNG replied:

(1) and (2) The author of the article on the front page of tonight's *Daily News* based the story on the interim Campbell report which was tabled in the House in September 1981 and which is a public document. In addition to the information the reporter was able to obtain from that interim report, all of which was made public in great detail at the time and most of which was

speculative, because it simply arose out of an interim document, the author used a number of comments made by the Director of Mental Health Services at an interview on a completely separate matter. The comments therefore are disjointed, but are written in such a way as to appear to be connected with the remarks made about the official report which has been in my hands for some time and which is being studied by the Government.

The article also included some "in club" comments which I made to the reporter in relation to the general direction of Mental Health Services. Those comments were made to provide background information prior to the release of the official report—

Mr Brian Burke: Are you or are you not going to sell the land?

Mr YOUNG: The article was also based on any further information the reporter could glean. The Campbell report is being considered and assessed by officers of my department, by the Hospital & Allied Services, by Mental Health Services, and also by certain hospitals in order to arrive at some sort of conclusion in regard to its feasibility. It has not been submitted to Cabinet and, therefore, I have no intention of commenting on any details contained in it.

HEALTH AND MENTAL INSTITUTIONS

Sale of Land

325. Mr BRIAN BURKE, to the Minister for Health:

When does the Minister believe he will be in a position to announce his or Cabinet's decision in respect of the recommendations to which he referred?

Mr YOUNG replied:

I think it will be possible to make a public announcement within two to three weeks. I intend to make two separate public statements on the matter. One will be in respect of the major thrust of the report, if accepted by Cabinet.

The other will be in respect of the method of raising the capital for the future facilities of Mental Health Services so that members of the Press will be dissuaded at least for once in their lives from following the shadow rather than the substance. This report, if adopted by the Government, will herald the way for some of the most innovative ideas for providing mental health services for a very long time and will be setting the pace for such services throughout the country.

I would not like members of the Press to be sidetracked into speculation as to whether we should raise the money from chocolate wheels or through the sale of property.

TOWN PLANNING AND DEVELOPMENT ACT

Amendment

326. Mr DAVIES, to the Minister for Urban Development and Town Planning:

As the Governor in his Address to Parliament indicated changes would be made to the Town Planning and Development Act, and as certain local authorities seem to be privy to proposed amendments to section 18 of the Act, can she tell us—

- (a) when these amendments will be introduced;
- (b) will they include amendments to section 18 of the Act;
- (c) who has been consulted with regard to section 18; and
- (d) when is Parliament likely to be afforded the same courtesy with respect to section 18 as were, apparently, some sections of the community?

Mrs CRAIG replied:

- (a) to (d) The member for Victoria Park is quite right in his reference to the Governor's Speech, and at a later stage of this session amendments will be introduced to the Town Planning and Development Act.

The amendment to section 18 to which he referred is based on a Press release I made—I could not say precisely how long ago but it was about five or six weeks back—in which I indicated my intention to make some amendments to the rezoning procedures as they exist now. That was after consultation with the local government liaison committee in August 1980 and after further consultation with it in about February of this year. Since that time I have had a discussion with some executive members of the local government associations and they have put to me an alternative proposal which will in part have the same effect as the amendments I had indicated I would like to proceed with. At the moment discussions about that matter are going on with the local government associations and some officers of my department. It has not yet been decided in which way those amendments will be changed, and whether they will be to section 18 or to section 7A. But this is a matter that will come before the Parliament this session when a final decision has been made as to what form the amendments will take.

LEADER OF THE FEDERAL OPPOSITION

Western Australian Economy: Statements

327. Mr HERZFELD, to the Premier:

I refer him to an article in tonight's edition of the *Daily News* in which the Leader of the Federal Opposition (Mr Hayden) is reported to have made some claims about the Western Australian economy, using such exaggerated terms as the "collapse" of this industry and that industry. I suspect Mr Hayden has been so busy fighting off his opponents for the leadership of his party that he has not been aware of what has been happening in Western Australia.

Mr Bryce: You would not go a single round with him.

Mr HERZFELD: I ask the Premier—

- (a) do such claims have any credibility at all;

- (b) what effect is there likely to be on the State's economy when we have outsiders coming here and knocking the State; and
- (c) will he tell the House what action his get-up-and-go Government has taken—

Mr Bryce: God, you are trying hard.

Mr HERZFELD: —to ensure that this State and this Government does not take lying down the current reversals in the world economy?

Mr O'CONNOR replied:

- (a) to (c) I have seen the article to which the member referred, and it indicates that Mr Hayden obviously is out of touch with Western Australia and does not know what is going on. It is strange that he should organise a fund-raising breakfast in a State that he thinks is financially collapsing. It is a wonder he did not bring in some funds if he thought that was the case. Mr Hayden could do well to prop up other States like New South Wales, which are in a disastrous financial position.

Mr Davies: I bet you wished you were half as good as they are.

Mr O'CONNOR: We came out with a balanced Budget, unlike New South Wales.

Mr Pearce: By underspending on education.

Mr Bryce: You stored it in a sock called "Suspense Account".

Mr O'CONNOR: Mr Wran had a \$69 million deficit after writing up a lease agreement for \$200 million for railway stock, etc.

Mr Young: He sold them and leased them back.

The SPEAKER: Order!

Mr O'CONNOR: We certainly have not mortgaged this State as the Wran Government has in the State of New South Wales; neither have we increased SEC charges by 53 per cent, as they have done in the east.

Mr Bryce: They are still lower than prices in the west.

Mr Parker: The SEC charges more than New South Wales.

Mr O'CONNOR: The member for Fremantle would know that New South

Wales does not have the large country areas that we do. I am sure the member supports the provision of electricity services to these people, despite the fact that it is a costly exercise.

Part of the reason for our unemployment position—and bear in mind that Western Australia has the highest employment rate *per capita* in Australia—is that we have taken in a large number of people from the east, and in many cases we are glad to help out with some of the problems they have in the east.

We have set out to obtain additional industries. When Mr Hayden talks about a mineral collapse in Western Australia he is talking a lot of poppycock, because no-one can tell us of any major mineral industry which has collapsed in this State. We have gone overseas to bring in additional industries from Italy, Korea and other countries. We will continue to do so in an effort to ensure we have income and so that employment is provided for our people.

TRANSPORT: BUSES

MTT: Sackings

328. Mr PARKER, to the Minister for Transport:

Although my question is addressed to the Minister for Transport, who is not present, I understand the Minister for Works has his answer. My question is as follows—

I refer the Minister to the forced resignation from the MTT of two senior officers in late April of this year which has been the subject of previous answers by him, and his statement that the Chairman of the Public Service Board and the Auditor General were to report to him on the surrounding matters and ask—

- (1) Did he receive a report from the Auditor General?
- (2) If so, will he table it?
- (3) If not, why not?
- (4) Did he receive a report from the Chairman of the Public Service Board?
- (5) If so, will he table it?
- (6) If not, why not?

Mr Mensaros (for Mr RUSHTON) replied:

- (1) to (6) As this matter is to be considered shortly by the Western Australian Industrial Commission under section 29 of the Industrial Arbitration Act it is inappropriate to discuss it at the present time.

FUEL AND ENERGY: NATURAL GAS

Italian Interests

329. Mr GRILL, to the Premier:

Was the Premier correctly reported when he was said to have stated that he did not discuss with the Italian interests the supply and price for natural gas for the possible Pilbara sponge-iron plant?

Mr O'CONNOR replied:

I did not discuss the detail of it. They did explain to me the price for which they could get it from here compared to that in Italy, but no negotiations were carried on between myself and any company or organisation in Western Australia about the price of the gas.

GAMBLING: CASINOS

Government Policy

330. Mr BRYCE, to the Premier:

- (1) Has the Government yet made a decision to legislate to—
- (a) greatly increase fines for illegal gambling casinos;
 - (b) charge casino operators a fee to continue their operations; or
 - (c) close illegal casinos?
- (2) If "No" to (1), what other options have been considered and what recommendations have been adopted?
- (3) Will any legislation on the operation of casinos be forthcoming in the present session?

Mr O'CONNOR replied:

- (1) No.
- (2) and (3) Discussions regarding any further possibilities have been held with the Minister for Police, but at this stage no conclusions have been reached.

EDUCATION: TECHNICAL

Teachers: Sackings

331. Mr PEARCE, to the Minister for Education:

With regard to the termination of employment of two part-time lecturers of the Technical Education Division for allegedly using their classes on computer programming and related matters to disseminate advertising information, as reported in last weekend's edition of the *Sunday Independent*—

- (1) Will he confirm whether these lecturers had their employment terminated in the way described?
- (2) Will he explain to this House how, in response to my complaint in exactly the same terms as appeared in the newspaper, he could have written to me on 14 July this year suggesting that no impropriety had taken place and stating that after a full investigation by the department no action was necessary?

Mr CLARKO replied:

- (1) and (2) I read the article referred to, and on Monday raised the matter with the director general who indicated he already had begun some inquiries into the matter. We are still awaiting a response from that inquiry. If the member would like to raise this matter with me in the near future either by way of a letter or in the form of a question in this House I may be in a position to answer. If he so desires I may be able to provide information in specific terms.

HOSPITAL: PRINCESS MARGARET

Parking Facilities

332. Mr HERZFELD, to the Minister for Health:

- (1) Is he aware of a recent case in which the Subiaco City Council pursued to court a parking infringement involving a Mrs Ellen French who had overparked while attending to her nine-year-old spina bifida daughter on a visit to Princess Margaret Hospital for a check-up?
- (2) What parking facilities are available at the hospital for persons required to bring children to outpatient clinics?
- (3) Are these adequate for normal requirements?

- (4) Will he use his influence with the Subiaco City Council to persuade it to adopt a more compassionate approach to cases such as Mrs French's when evidence of legitimate delays can be produced?
- (5) Will he advise me of the outcome?

Mr YOUNG replied:

- (1) Yes.
- (2) Seventy-six parking bays are provided on site for the use of patients and visitors.

Mr Bryce: But not enough.

Mr YOUNG: To continue—

- (3) No—and that is in reply to whether I consider the parking facilities are adequate. However, additional patient and visitor parking will be incorporated in the development plan in association with stage II.
- (4) Yes. I agree the council should adopt a compassionate attitude where appropriate circumstances can be demonstrated.
- (5) Yes.

TOWN PLANNING

Perth City

333. Mr DAVIES, to the Minister for Urban Development and Town Planning:

I remind her that when I asked a similar question towards the end of the autumn session she said she could answer only if she had a crystal ball. Has she been able to get her hands on a crystal ball so that she can tell me when it is likely the City of Perth town planning scheme will be brought to finality?

Mrs CRAIG replied:

I hasten to assure the member that I have not yet got my hands on a crystal ball, but I am in a position to tell him a little more clearly how the scheme is progressing. A few problems will have to be sorted out by agreement with the council and the Town Planning Board as a result of some changes the member would understand the council made to the scheme, changes which had not been advertised. Agreement probably will take some time to be reached. Difficulties between the board and the council have not been encountered; it is just that agreement will take some time.

At the moment we are hopeful the scheme will be returned to the council at the latest by October this year. How long it will take the council to carry out modifications if they are required remains to be seen.

HEALTH: CHEMICAL SPRAY

Malcolm Sargent: Death

334. Mr PEARCE, to the Minister for Health:

With regard to the death of the six-year-old boy Malcolm Sargent, the son of two of my constituents who believe Malcolm's untimely death may have been caused by chemical spraying in the vicinity of their home—

- (1) What steps have his department taken to determine the cause of death, either by way of analysis of nearby samples of the chemical or otherwise, and when will the results be available?
- (2) Has his department taken any action to restrict or stop the spraying of comparable chemicals while this matter is being resolved?

Mr YOUNG replied:

- (1) and (2) On Saturday last Mrs Sargent rang me and I spoke with her about the matter. She explained her reasons for believing cause existed for concern, and I raised the matter with the Commissioner of Public Health who told me he already had spoken with Mrs Sargent at some time previous to her raising the matter with me. He said all testing that could be done had been done, and indicated that, between the time the local authority sprayed the area with the spray in question and samples were taken, almost torrential rain had fallen over quite a number of days which could have caused some dilution of the residue of the spray. The commissioner told me the results of departmental tests were conveyed to the Sargents, results indicating that no evidence whatsoever existed that the spray in question could have had or indeed did have any affect on the illness which caused the death of their son. The commissioner told me also that, out of respect for the wishes of the Sargents, the local authority had ceased spraying.

HOSPITAL: SWAN DISTRICT

Mr Allen Blanchard: Tour

335. Mr GORDON HILL, to the Minister for Health:

- (1) Did he refuse Mr Allen Blanchard, the endorsed Labor candidate for the Federal seat of Moore, permission to accompany the Federal shadow Minister for Health (Dr Neal Blewett) on a tour today of the Swan District Hospital?
- (2) If the answer to (1) is "Yes", why?

Mr YOUNG replied:

- (1) and (2) I did not think the member for Swan would have the gall to ask such a question. I received a letter from him some weeks ago in which he informed me that Dr Blewett intended to visit the Swan District Hospital, and out of courtesy was letting me know when. I contacted the member's office to point out that was not quite the way things

went and that perhaps he should have Dr Blewett contact me to let me know the purposes for which he wanted to visit the hospital. I was later contacted by Senator Pat Giles's office staff, and when I contacted her I informed her that Dr Blewett should send a telex message to me giving the reasons for the visit. Not only did I agree readily that Dr Blewett should be allowed to go to the hospital with the member for Swan and Senator Giles, but also I said I would provide the services of the Director of Clinical Services (Dr Southgate) to attend to him and to show him around the hospital. This morning I was contacted by somebody acting on behalf of Dr Blewett and was asked whether an endorsed political party candidate could attend also, and as I saw no relevance whatsoever to that candidate's attendance unless the people on the tour intended to make it a political bun fight, I refused the request.
